

Instructions

2020-2021 Public Transit Operating Grant Application

The 2020-2021 Public Transit Operating Grant provides financial assistance for public transit services throughout the state of Minnesota. This grant program supports planning and operations of public transit service for a two year period from January 1, 2020 through December 31, 2021. The statewide budget target for the CY 2020-CY 2021 Greater Minnesota Transit operating grant contracts is \$226,000,000 (\$39,000,000 Local Share, \$187,000,000 State/Federal Share). This grant funding opportunity includes both State of Minnesota and Federal Transit Administration (FTA) grant funding financial assistance administered by the Minnesota Department of Transportation (MnDOT) Office of Transit and Active Transportation.

This application represents an opportunity to apply for Formula Grants for Rural Areas (Section 5311) funding, Urbanized Area Program (Section 5307) funding, and State of Minnesota funding as part of the Public Transit Participation Program.

Eligibility

Eligible applicants include local governments, non-profits (MN Statute 174.24), and Tribal governments. New applicants must have a pre-award audit completed prior to application award.

To be eligible, transit systems must have a management plan and clearly describe their operating grant request in terms of “continuation funding” and “unmet needs.” The content of the management plan is based on Minnesota Rules Chapter 8835.0260 and 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards.

Application Timeline

June 1, 2019 – MnDOT releases application

July 15, 2019 – Application due from applicants to MnDOT

August 15, 2019 – MnDOT provides notification of grant award to transit systems.

Public Data

Pursuant to Minn. Stat. §13.599 Names and addresses of grant applicants will be public data once responses are opened. All remaining data in proposed responses (except trade secret data as defined and classified in §13.37) will be public data after the evaluation process is completed (for the purposes of this grant, when all grant agreements have been fully executed). All data created or maintained by the Minnesota Department of Transportation as part of the evaluation process (except trade secret data as defined and classified in §13.37) will be public data after the evaluation process is completed (for the purposes of this grant, when a grant agreements have been fully executed).

Generally Accepted Accounting Practices (GAAP) and Audit

Generally accepted accounting principles (GAAP) refer to a common set of accepted accounting principles, standards, and procedures that a recipient, and any third party contractor, and their accountants must follow when they compile their financial statements. The records must permit audit verification of transit cost allocations claimed during the contract period. It is important to keep good records for all labor and material expenditures. Only reasonable costs directly related to and necessary for conducting the business of the public transit system are allowed. A cost is considered reasonable if, in its nature or amount, it does not exceed that which would be incurred by a prudent person as ordinary and necessary for the operations.

Regardless of when an expense invoice is received or paid by the transit system, the expense must be billed to MnDOT in the grant agreement period in which the expense was incurred.

The financial records of the recipient must be audited. Audits occur by the MnDOT audit department and when applicable, as part of an independent audit (recipients that expend \$750,000 or more of federal funds during the recipient's fiscal year must have a single or program specific audit for that year). Audits conducted by MnDOT audit department must be based on the contract cost principles and procedures in the 2 Code of Federal Regulations (CFR), Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

Accessing the Online Application

Applications must be completed and submitted online through the BlackCat grant management system.

Upon request, information is available in alternate formats by emailing ADArequest.dot@state.mn.us.

BlackCat Login

BlackCat is a grants management system used by MnDOT. Transit systems use the application process in BlackCat to request operating financial assistance. In addition, the grant management system collects monthly budget reports and monthly ridership statistics to report on system performance. Monthly expenses and revenues input by the recipient generates requests for reimbursement through the system. The system also manages state and federal funds available to deliver to transit systems via grant agreements.

First, to login to the BlackCat system, **enter your username and password** at the following web site.

<https://mndot.BlackCatgrants.com/>

Click Login.

If you do not have a username and password, or you need help logging into the system, please contact:

Chuck Morris

Data systems and technical” coordinator

charles.a.morris@state.mn.us

651-366-4178

Applications Tab

Next, once you have successfully logged into the BlackCat system, go to the “Applications” tab to begin the application process. **Click Applications** near the top of the screen.

<https://mndot.BlackCatgrants.com/Applications/>

Application Forms

The following forms must be completed and attached as part of your application. You will be unable to submit an application within the BlackCat system until each of these forms are completed and attached.

- Cover Letter
- Resolution
- Revenue/Expense Contracts List
- Management Plan Questionnaire
- Management Plan Budget

Organizations Tab

Organization information must be complete and up to date with supporting documentation attached as part of your application in the “Organization” tab. You will be unable to submit an application within the BlackCat system until each of the required certification steps are completed with supporting documentation attached.

Management Plan Attachments

The following documents must be attached and current in the BlackCat Grants Management System to have your application considered complete;

- Driver Selection and Training Policy
- Vehicle Maintenance Plan
- Facility Maintenance Plan
- Safety & Security Plan (if applicable)
- Procurement Policy
- Indirect Cost Rate/Cost Allocation Plan/Direct Cost Certification

- Insurance Certificate
- Public Transit Single Audit (if Applicable)
- Third-Party Contracts
- Organizational Chart
- MDHR Workforce Certificate (if applicable)
- MDHR Equal Pay Certificate (if applicable)
- Most Recent Financial Statement
- Labor Agreement (if applicable)

Where do I submit the documents in BlackCat?

The documents above must be uploaded and saved in BlackCat under the “**Organization**” tab, then under the “**Certifications**” button on the left side of the screen.

Resolution Instructions

The Resolution Document must be uploaded to the Resolution Section in the Application. This can be found on the application under the heading Resolution Documents.

The application is for a period of two years, 2020-2021. Therefore, there are some revisions that have been made to the Resolution template. We **strongly encourage** applicants to use this template for their Resolution. Revisions to the Resolution template include a reference to the two year operating agreement period of 2020-2021. In addition, the template includes language to allow for flexibility in the local share amount by adding the “up to” language prior to the amount of the local share. Resolutions should be submitted by the application due date of July 15, 2019. If you are unable to meet the due date for an approved resolution, please inform your project manager prior to July 15, 2019.

If you need assistance with BlackCat, please contact:

Chuck Morris
Data systems and technical coordinator
charles.a.morris@state.mn.us

651-366-4178

DUNS Number

The DUNS (Data Universal Numbering System) number is a nine-digit number issued by Dun & Bradstreet (D&B). This number is assigned to each business location in the D&B database having a unique, separate, and distinct operation for the purpose of identifying them. The DUNS number supplements other identifiers, such as the EIN, and is required whether the application is made electronically or on paper. Your DUNS number is tied to your 9-digit zip code. Be sure to enter a 9 digit zip code in the fields listed. Subrecipients of federal grant funds must have and maintain an active Data Universal Numbering System (DUNS) Number registered at Dun & Bradstreet

(D&B). See the Dun & Bradstreet website for access to your DUNS information online at <https://iupdate.dnb.com>.

SWIFT ID

The SWIFT Vendor ID relates to the State of Minnesota accounting system. Without this information, no payments can be issued. The SWIFT Location ID signifies which account payments are to be made. If you need to update your Vendor ID or Location ID, please email Charles Morris.

Title VI Plan

The following documents for the Title VI plan, must be uploaded to the organization tab under the Title VI plan tab on the left.

- Notice To Public
- Complaint Procedure
- List of Investigations
- Public Involvement Plan
- Language Assistance Plan
- Non-Elected Decision Maker Charts
- Training Documents

Minnesota Department of Human Rights Workforce Certificate (if applicable)

The Minnesota Department of Human Rights (MDHR) certificate only applies to non-profits or for profit entities.

The MDHR certificate is NOT required for cities, counties, tribes and local units of government (which includes Joint Power Boards). For detailed instructions on how to update this certificate go to BlackCat – **Resources** Tab – **Global Resources** button on the left side of the screen – **MN Dept of Human Rights** folder – and **see 2 – Human Rights – Affirm Action Certificate of Compliance and Instructions** – there you will find 1.) Sample of a valid Compliance Certificate and 2.) Affirmative Action Instructions on how to get a valid Workforce Certificate from the Minnesota Department of Human Rights.

If you are a non- profit – or for-profit entity that has **not had more than 40 full-time employees in Minnesota on a single working day during the previous 12 months you do not need this certificate. If this is the case for your organization, you will need to fill out a State of Minnesota – Workforce Certification Information Form.

This form can be found by the following. Go to **BlackCat – Resources** Tab – **Global Resources** button the left side of the screen – **MN Dept of Human Rights** folder - and see **1 Human Rights – Workforce Certificate Form**.

Minnesota Department of Human Rights Equal Pay Certificate (if applicable)

The Minnesota Department of Human Rights Equal Pay certificate only applies to non-profits or for profit entities and the State cannot execute a contract for goods and services in excess of \$500,000 without this certificate. This certificate is not required for cities, counties, tribes and local unit of government (which includes Joint Powers Boards). For detailed instructions on how to update this certificate go to BlackCat – **Resources** Tab – **Global Resources** button on the left – **MN Dept of Human Rights** folder – **3 Human Rights – Equal Pay Certificate** and there you will find: **1.) Sample Certificate and 2.) Equal Pay Certificate Instructions on how to get a valid certificate.**

If you are a non-profit – or for profit entity that has not had more than 40 full-time employees in Minnesota on a single working day during the previous 12 months you do not need this certificate. If this is the case for your organization, you will need to fill out a **State of Minnesota – Workforce Certification Information Form.

This form can be found by the following. Go to **BlackCat – Resources** Tab – **Global Resources** button the left side of the screen– **MN Dept of Human Rights** folder - and see **1 Human Rights – Workforce Certificate Form.**

Most Recent Financial Statement

For Non-Profits Only.

It is the policy of the State of Minnesota to make grants to nongovernmental organizations that are financially stable enough to carry out the purpose of the grant. Before awarding a grant over \$25,000.00 to a non-governmental organization must assess a recent financial statement from that organization. One of the following documents must be uploaded to Certifications:

- 1.) An IRS Form 990
- 2.) A certified financial audit

Labor Agreement (if applicable)

If there are any Labor Contracts that apply to your public transit service, please provide a copy of the most recent agreement in the Certifications Tab in BlackCat, and update your profile information in the Organization Tab. Be sure to include the union contact information and expiration date of the agreement.

Revenue/Expense Contracts List Instructions

For questions, please contact your transit project manager.

Entering your Budget into BlackCat

Line item budget amounts and comments for describing the total operation costs to carry out the public transit participation program are governed by Minnesota Rules Chapter 8835.0280. The budget development and narrative instructions reflect the requirements and provide further instructions on what is to be included in each line item. A complete application contains a management plan, a certified resolution from the applicant's governing body, and other forms and certifications required by federal or state law or regulation. The MN Rules and Code of Federal Regulations further provide information on reasonable costs and unallowable expenses that will be described within the line item budget outline.

Instructions for Budget Development and Narrative

Creating an Operating Project in BlackCat

An Operating Project needs to be created in the BlackCat Grants Management System to provide a detailed budget plan that is then uploaded into your Grant Application. Once you are in BlackCat, go to the "Project" tab found at the top of the page and follow these steps to create an operating project:

1. Click on the Projects tab
2. Click on Add New button
3. Choose the year(s) for which you are applying from the dropdown menu
4. Click on the Lookup button to Choose "Operating". The line item is 30.09.01
5. Click Save, Once the code is chosen the screen will open and your operating budget request will be available for input.
6. Complete your operating budget request by filling in the appropriate line number request amounts and completing the comment boxes with detailed budget narrative.

New for 2020: This budget is for a two-year period from January 1, 2020 and December 31, 2021. For each line item, include total amounts for years 2020 plus 2021 in the "request amount" field. Include in each line item narrative description, in addition to a description of the expense, list the budget amount for 2020, and the budget amount for 2021.

Example: "Description of expense. *CY 2020=\$1, CY 2021=\$2*" request amount total=*\$3 (for two-year budget period)*

Operating Budget Request Line Item Descriptions (Comments)

The following descriptions are intended to provide a clear understanding of the data appropriate for each line item expense and revenue category:

Personnel Services

All wages must be supported by daily time distribution records. Direct costs, such as wages and benefits that can be identified specifically with a particular final cost objective or activity or directly assigned to such activities relatively easily with a high degree of accuracy are allowable costs. Employees who work solely for public transit

activities and their related fringe benefits would be classified as Direct Costs. For government or non-profit recipients the salaries of administrative and clerical staff should normally be treated as indirect costs and supported with a cost allocation plan, indirect rate method or de minimis status that is reviewed and approved by either a federal cognizant agency or MnDOT Audit. Rates will be deemed provisional until further notice.

Example: *Line 1050: Operations Support Wages – Year 2 system will hire a .50FTE (1000 hrs) Safety Coordinator at \$25,000. This is a new position to support the training of drivers and dispatchers and to schedule vehicle maintenance. CY 2020=0, CY 2021=\$25,000*

Line 1060 – Fringe Benefits – Year 2 – 27% costs for fringe on new Safety Coordinator. CY 2020=\$0, CY 2021=\$7,020

1010 Admin, Management & Supervisory Salaries

The amount paid to all employees of the transit system who are classified as managers, supervisors, coordinators, or administrators. The salaries of administrative staff should normally be treated as indirect costs. Direct charging of these costs may be appropriate only if all of the following conditions are met: Administrative services are integral to a project of activity; Individuals involved can be specifically identified with the project or activity; such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency; and the costs are not also recovered as indirect costs.

Description (comments): Description will outline each position and whether direct or indirect in the following manner: Direct Positions: Position Title/XX FTE/Annual Hours/Salary, Indirect Positions: Position Title/Indirect rate X%/Annual Hours/Amount total \$xx.xx (for each position). Costs will be identified for each year.

1020 Operator's Wages

Amount paid to all employees of the transit system who are classified as vehicle operators.

Description (comments): Description will outline each position in the following manner: Position Title/XX FTE/Annual Hours/Salary. In addition, indicate the number of Part time and Full time employees (e.g. 5 FT and 8 PT employees). Provide number of revenue hours: XXX. Time associated with training, non-loaded hours, and pre/post trip inspections need to be identified separately. Costs will be identified for each year.

1030 Vehicle Maintenance and Repair Wages

Labor charges for the performance of routine maintenance and repair on vehicles and equipment required to operate the transit system. Only include wages of maintenance personnel employed by the transit system.

Description (comments): Description will outline each position in the following manner: Position Title/XX FTE/Annual Hours/Salary. Part time and Full time employees need to be identified (e.g. 1 FT and 2 PT employees). Costs will be identified for each year.

1040 General Office Support Wages

Governing agency staff labor services that is not traceable to a specific transit activity but which benefits the transit operation, e.g., clerical, bookkeeping, IT support, human resources, custodial. The salaries of clerical staff

should normally be treated as indirect costs. Direct charging of these costs may be appropriate only if all of the following conditions are met: clerical services are integral to a project of activity; Individuals involved can be specifically identified with the project or activity; such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency; and the costs are not also recovered as indirect costs.

Description (comments): Description will outline each position in the following manner: Position Title/Indirect rate X%/Annual Hours/Amount total \$xx.xx (for each position). Costs will be identified for each year.

1050 Operations Support Wages

The amount paid to all other employees of the transit system who support the daily operations of the transit system; such as operations assistants, dispatchers, call takers, compliance, safety and security personnel.

Description (comments): Description will outline each position in the following manner: Position Title/XX FTE/Annual Hours/Salary. Part time and Full time employees need to be identified (e.g. 5 FT and 8 PT employees). Time associated with training for dispatchers/call takers, need to be identified separately. Costs will be identified for each year.

1060 Fringe Benefits

The cost of providing fringe benefits for active and retired employees of the transit system, including pension benefits, vacation and sick leave benefits, social security taxes, worker's compensation insurance, unemployment insurance, life insurance, and first party medical coverage.

Description (comments): Description will outline each position in the following manner: provide a listing of categories with the fringe benefits provided to staff (e.g. FICA at 7%, UC at 3.4%, WC, STD, retirement & health insurance, etc.) If the organization consolidates all fringe benefits and supplies a percentage of gross wages for each job category, supply that percentage in lieu of listing each type of benefit (e.g. XX% fringe benefits rate for all direct staff and XX% for all indirect staff). Costs will be identified for each year.

Administrative Charges

Prior to entering into a contract/agreement with a third party vendor, for any administrative charges identified under Line Items 1110 through 1190, a documented and approved procurement must be completed for each good or service and provided with the management plan.

1110 Management Fees

The amount paid for the professional services provided by a management service company engaged contractually to provide operating management (e.g.: payroll services, HR services) to the transit system.

Description (comments): Description will outline cost in the following manner: Identify professional operating management vendor and outline of services, number of personnel assigned to contract (FTE for each identified position), number of hours contracted for services per position, hourly rate for each position, contract maximums and duration of contract. Costs will be identified for each year.

1120 Drug and Alcohol Testing and Administration Fee Expenses

Include all non-wage expenses associated with Drug and Alcohol Testing and Administration.

Description (comments): Description will outline cost in the following manner: Identify each cost associated with testing and administration fees (e.g. alcohol tests: X tests at \$XX/test, pre-employment and random tests: X tests at \$XX/test, drug (random) tests: X tests at \$XX/test, etc. Consortium Fee at \$XX/year). Costs will be identified for each year.

1130 Advertising, Public Relations and Promotional Charges

This line includes the necessary cost of advertising and promoting the transit system.

The only allowable advertising costs are those which are solely for public transit services in the recruitment of personnel required, the procurement of goods and services, the disposal of scrap or surplus materials acquired, and program outreach and other specific purposes necessary to meet the requirements. Public relations allowable costs include those associated with communicating with the public and press pertaining to specific activities or accomplishments, costs of conducting general liaisons with news media and government public relations officers to the extent to keep the public informed, such as notices of funding, financial matters, etc. **Unallowable costs include;** costs of meetings, conventions, convocations, or other events, including costs of displays, demonstrations, and exhibits; costs of meeting rooms, hospitality suites, and other special facilities used in conjunction with shows and other special events, and salaries and wages of employees engaged in these activities; costs of promotional items and memorabilia, including models, gifts, and souvenirs (includes such items as pens/pencils, cups, etc. with logo, Kudos given out at events, etc.); costs of advertising and public relations designed solely to promote the system. Costs of selling and marketing any products or services are unallowable. The costs of contributions and donations, including cash, property, and services, from the public transit to other entities, is unallowable.

Description (comments): Description will outline cost in the following manner: Identify each cost associated with this line item (e.g. Public Transit Direct Staff employment ads, Sale of disposed vehicle ads, procurement solicitation ads)

1140 Legal, Auditing, and Other Professional Fees

Costs of professional and consultant services rendered by persons who are members of a particular profession or possess a special skill, and who are not officers or employees. The following factors are relevant in applying the costs; the nature and scope of the service are directly related to the services needed, the necessity of contracting for the service, qualifications needed, and reasonable costs. A reasonably proportionate share of the costs of audits required by, and performed in accordance with, the Single Audit Act Amendments of 1996, are allowable. Any costs associated with a Single Audit when the entity is exempt from the requirements of a Single Audit are unallowable.

Description (comments): Description will outline cost in the following manner: Identify professional or consultant services vendor and outline of services, number of personnel assigned to contract (FTE for each identified position), number of hours contracted for services per position, hourly rate for each position, contract maximum and duration of contract. Costs associated with indirect charges through the recipients staff are to be

identified as follows: Indirect Positions: Position Title/Indirect rate X%/Annual Hours/Amount total \$xx.xx (for each position). Costs will be identified for each year.

1150 Staff Development Costs

The cost of training and education provided for employee development is allowable. Travel costs for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business are allowable. Costs may be charged on an actual cost basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided it is applied to the entire trip and not to selected days of the trip, as results in charges consistent with those normally allowed. Lodging and subsistence costs incurred by employees must provide documentation with the request to justify that participation of the individual is necessary; and the costs are reasonable and consistent with established travel policy. Airfare costs are allowed at the basic least expensive unrestricted accommodations class offered by commercial airlines. Conferences defined as a meeting, retreat, seminar, symposium, workshop or event whose primary purpose is the dissemination of technical information beyond the entity and is necessary and reasonable for successful performance as an attendee or as a host are allowable. Costs incurred in accordance with the agency documented policies for the improvement of working conditions, employer-employee relations, employee health, and employee performance are allowable. Such costs will be equitably apportioned to all activates of the agency. Costs of entertainment, including office parties, milestone gift cards or gifts, amusement, diversion, and social activities and any associated costs are unallowable.

Description (comments): Description will outline cost in the following manner: Identify the staff development cost by staff identified, event, and total cost to attend: 1 Ops Manager – Train the Trainer XX Course at \$XX, 2 Management – MPTA Transit Conference at \$XX, Quarterly Drivers Meetings - # Drivers/4x/year at \$XX, # Drivers First Aid and CPR training at \$XX, # Drivers First Aid and CPR refresher training at \$XX, etc. Costs will be identified for each year.

1160 Office Supplies

Costs incurred for materials, supplies, and fabricated parts which are solely attributable to and necessary to carry out the operations are allowable. Purchased materials and supplies must be charged at their actual prices, net of applicable credits. Withdrawals from general stockrooms or inventories must be charged at their actual net cost under any recognized method of pricing inventory withdrawals, consistently applied.

Description (comments): Description will outline cost in the following manner: office supplies that can be grouped together and are described as general office supplies (e.g. writing instruments, paper, staples, etc.) can provide for one annual price. Other supplies, such as; Copier lease, toner, printing cost of Brochure and Route Map, replacement of tablets, monitors or computers and related materials (below the Micro Purchase threshold) are to be identified separately with the associated costs for the goods. Identify supplies by direct purchase and those proposed under shared use/cost share: Supply/Indirect rate X% /Amount total \$xx.xx. Costs will be identified for each year.

1170 Leases and Rentals - Administrative Facilities

Lease and rental cost of administrative facilities used for performing the general administrative functions of the transit system, including leases and rentals of such items as land, buildings, office equipment, and furnishings.

Rental costs are allowable to the extent that the rates are reasonable in light of such factors as: rental costs of comparable property, if any; market conditions in the areas; alternatives available; and type, life expectancy, condition, and value of the property leased. Agreements will be reviewed, by the State and recipient, periodically to determine if circumstances have changed and other options are available. Agreements will have term limits to comply with determinations. Rental costs under leases which are required to be treated as capital leases under GAAP are allowable only up to the amount that would be allowed had the entity purchased the property on the date the lease agreement was executed. The provisions in GAAP must be used to determine whether a lease is a capital lease. Unallowable costs include amounts paid for profit, management fees, and taxes that would not have been incurred had the entity purchased the property.

Description (comments): Description will outline cost in the following manner: Property Name/location – purpose for use - square footage - % of shared usage (in relation to total building) – Agreement term – monthly cost and annual cost. Costs will be identified for each year.

1180 Utilities

Includes the cost of utilities such as gas/LP fuel, electricity, water, trash collection, communication services (landline, cellular, and internet) performed by an outside organization for the purposes of public transit.

Description (comments): Description will outline cost in the following manner: Vendor Name – utility cost location – service provided – monthly cost and annual cost. Costs will be identified for each year.

1190 Other Direct Administrative Charges

Include other administrative charges necessary for the continuing operation of the transit system such as mileage reimbursement for transit support vehicles or for staff personal vehicles when in travel status for transit services, Transit Advisory Council (TAC) meeting expenses, Driver physical examinations, and membership fees for transit associations and subscriptions to transit publications. Costs incurred by advisory councils or committees are unallowable (e.g. per diems, mileage reimbursement, etc.).

Description (comments): Description will outline cost in the following manner: Identify the cost source/XXX miles budgeted/@ .XX rate (IRS, etc) / identify the staff -- Identify the cost source/XX of meetings and expense budgeted/ Annual Cost --- Identify the cost source/ XX of items – usage/rate for item or usage/ Annual Cost. Costs will be identified for each year.

Vehicle Charges

The vehicle charges expense categories apply to vehicles owned or leased by the public transit system for revenue and service equipment.

Prior to entering into an agreement with a vendor, for any administrative charges identified under Line Items 1210 through 1250, a documented and approved procurement must be completed for each good or service and

provided with the management plan. Systems must look at the purchasing of goods or services as a bulk or annual purchase, where the goods or services will be delivered or completed at different times or as needed.

1210 Fuel

Include cost of gasoline, diesel fuel or alternative fuel used by revenue and service vehicles. Effective January 1, 1991, transit systems receiving financial assistance from Mn/DOT are exempt from paying state fuel tax as stated in Minnesota Statute 296.02, Subd. 1a.

Fuel tax refunds will be shown as a contra-expense in Line Item 1594 Fuel Tax Refunds.

Description (comments): Description will outline cost in the following manner: RD, DR, Fixed, Subscription, etc. services @ XX,XXX gals of Gas/Diesel/Alternative/ XXXX miles @ X.XX cost. (provide a description for each service and fuel type separately). Costs will be identified for each year.

1220 Preventive Maintenance (PM) Labor, Parts and Material Expenses (Vehicles)

Include the cost of parts, materials, lubricants and supplies used in preventive maintenance of transit service vehicles.

Description (comments): Description will outline cost in the following manner: Identify if PM work is completed in house and/or with a vendor. Identify the PM goods and services and their budgeted costs each. (e.g. 4 oil changes/vehicle by vendor at \$XX.XX/change). Identify the number of vehicles under this cost and their purpose: revenue vehicle, service vehicle, etc. PM costs are separated by Labor/ Parts and Materials. Costs will be identified for each year.

1230 Corrective Maintenance (CM) Labor, Parts and Materials Expense (Vehicles)

The cost for vehicle repair service, such as; engine replacement or significant repairs, transmission replacement of significant repairs, corrective work that is not considered normal maintenance to the vehicle.

Description (comments): Description will outline cost in the following manner: Identify the CM goods and services and their budgeted costs each. Identify the number of vehicles under this cost and their purpose: revenue vehicle, service vehicle, etc. CM costs are separated by Labor/ Parts and Materials. Costs will be identified for each year.

1240 Tires

Includes all costs of tires and tubes used on revenue and service equipment, including the cost of recapping and the rental/lease costs for tires and tubes.

Description (comments): Description will outline cost in the following manner: Identify the number of vehicles under this cost and their purpose: revenue vehicle, service vehicle, etc. Identify the number of tires, etc. proposed in Year 1 and in Year 2 and the total costs.

1250 Other Vehicle Charges

Includes the cost of first aid equipment, fire extinguishers, and other emergency equipment required for vehicles, vehicle supplies, such as cleaning supplies, and the cost of non-capitalized vehicle improvements, which do not remake a vehicle or appreciably extend its useful life, such as tablet, camera and radio parts and repairs or installation. The costs associated with applying logos, signage, and/or wraps to a capital vehicle in the contract year that will not be provided under the capital contract with the vehicle vendor would be reported in this line item.

Description (comments): Description will outline cost in the following manner: Identify the goods and/or services/ quantity/ net cost. Costs will be identified for each year.

Operations Charges

Prior to entering into an agreement with a vendor, for any operations charges identified under Line Items 1310 through 1360, a documented and approved procurement must be completed for each good or service and provided with the management plan.

1310 Purchase of Service

The cost of having a third party to carry out the operations of the program with the cost established through a competitive procurement procedure.

Description (comments): Description will outline cost in the following manner: Identify the Third Party Provider/ services rendered (DR services, RD services, Route services, etc.)/ # of hours (for each and total) / cost/hour (specify if different for each service)/ Contract Max for each service area. Identify the contract years for services. Costs will be identified for each year.

1330 Mileage Reimbursement for Public Transit Service

The cost of volunteer driver reimbursement that is identified in the service design and approved as public transit services, as well as mileage reimbursement for public transit personnel using private vehicles for emergency replacement of passenger transport in the event of mechanical breakdown of transit vehicles.

Description (comments): Description will outline cost in the following manner: Identify if a Third Party is contracted to deliver services OR if provided by the transit agency. Identify the # of volunteers or staff providing the services. Identify the reimbursement per mile cost and any other qualifying costs. Identify the proposed mileage. Costs will be identified for each year.

1340 Repair and Maintenance of Other Property

Costs incurred for necessary maintenance, repair, or upkeep of buildings, land, and equipment which neither add to the permanent value of the property nor appreciably prolong its intended life, but keep it in an efficient operating condition. Examples include property owned or leased by the transit agency for public transit purposes, such as; transit operations or garage facilities, bus shelters, or public transit HUB. Real Property

excludes moveable machinery and equipment. These costs are only allowable to the extent not paid through rental or other agreements.

Description (comments): Description will outline cost in the following manner: Identify the property/location/repair or maintenance cost object/\$XX.XX. Costs will be identified for each year.

1350 Leases and Rentals of Facilities or Equipment

Includes leases and rental of garages, depots, passenger vehicles, service vehicles, passenger stations, communication equipment, computers, etc. used in the operation of the transit system and not ordinary repairs and maintenance. Leases and Rentals are determined reasonable in costs when recognized as ordinary and necessary to the operations of the transit system, the market prices are comparable in the geographic area, and the lease or rental will not give rise to the material equity in the property.

Description (comments): Description will outline cost in the following manner: Identify the property and location/lease or rental term/monthly rate. Identify number of stalls and if office space also for all garages or similar property.

1360 Other Operations Charges

The cost of such things as the purchase or rental and cleaning of uniforms, tools and equipment used in the operations of public transit, lawn care and snow removal, and janitorial services, passenger amenities and station agents. Depreciation costs allocated for fixed assets during the asset use; provided that they are used, needed in the public transit activities and properly allocated are allowable. Other associated costs which directly benefit the transit program and may be allocated as an indirect cost based on an approved allocation method.

Description (comments): Description will outline cost in the following manner: Identify the goods and/or services/ quantity/ net cost. Costs will be identified for each year.

Insurance Charges

1410 Public Liability and Property Damage on Vehicles

Includes premiums paid to insure the transit system against loss through damage to its own property and to indemnify the transit system and all financial and operational participants against loss from liability for its acts which cause damage to the person or property of others.

Description (comments): Description will outline cost in the following manner: Identify the number of vehicles covered and period of coverage. Costs will be identified for each year.

1420 Public Liability and Property Damage - Other than on Vehicles

Include charges other than vehicles, including excess liability insurance, baggage and package express insurance and fire and theft insurance.

Description (comments): Description will outline cost in the following manner: Identify the property (ies) covered and period of coverage. Costs will be identified for each year.

All Insurance refunds, both from premiums paid and claim payments, must be credited against insurance costs in the year the refund is received. Refer to Line 1596 for all such refunds and payments.

Taxes and Fees

1510 Vehicle Registration and Permit Fees

Vehicle registration and permit fees on all transit system and service vehicles.

Description (comments): Description will outline cost in the following manner: Identify the number of vehicles for registration costs and for permit fees, separately. Costs will be identified for each year.

1520 Federal Fuel and Lubricant Taxes and Excise Taxes on Tires

Gasoline taxes and other taxes that are in effect user fees for benefits provided to the Federal Government and in accordance with GAAP, are allowable.

Description (comments): Description will outline cost in the following manner: Identify the number of vehicles for registration costs and for permit fees, separately. Costs will be identified for each year.

1540 Other Taxes and Fees

Include the transit share of any applicable real estate and property taxes and sales taxes.

Description (comments): Description will outline cost in the following manner: Identify the Tax or Fee proposed. Costs will be identified for each year.

1594 Fuel Tax Refunds

Fuel tax refunds are to be accounted for in this line item.

Description (comments): Description will outline cost in the following manner: Identify the estimated amount for each year on Fuel Tax refunds –Federal and/or State, based on historical numbers. The amount entered will show as a NEGATIVE number. If system receives fuel discounts based on fueling at a governmental station, do not enter an amount in this line item, but do provide in the description that fuel discounts are applied when purchased at XX County/City pumps. Costs will be identified for each year.

1596 Insurance Reimbursement

Insurance rebates and settlements received as the result of damage or loss to transit assets will be reported in this line item.

Description (comments): Description will outline cost in the following manner: Identify the estimated amount for each year on Insurance premium rebates based on historical numbers. The amount entered will show as a

NEGATIVE number. Costs will be identified for each year. Reimbursements from claims received will offset the costs associated with repairs from line item 1230 when reporting in the monthly budget report.

1598 Other

Description (comments): Description will outline cost in the following manner: Identify the estimated amount for each year on an identified refund source, other than what is provided above. Costs will be identified for each year.

Considerations in developing your Budget

In preparations of completing your budget and descriptions, there are several items that will need to be considered:

- Expenditures provided within the operating grant for equipment and supplies are allowable. Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per unit acquisition cost, which equals or exceeds \$5,000. Information technology systems means computing devices, ancillary equipment, software, firmware, and similar procedures services (including support services), and related resources. A computing device is a supply if less than \$5,000. Costs associated with these operating costs would be identified under Line Item 1190, 1250, and/or 1360, as appropriate.
- Capital Assets are tangible or intangible assets used in operations having a useful life of more than one year which are capitalized in accordance with GAAP and include; land, buildings (facilities), equipment, and intellectual property (including software) whether acquired by purchase, construction, manufacture, lease-purchase, exchange, or through capital leases; and additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations or alterations to capital assets that materially increase their value or useful life (not ordinary repairs and maintenance). Capital assets will not typically be part of the operating grant and would be provided through a separate capital grant agreement. In some cases, when the total cost of a capital project has a value of less than \$5,000, the cost can be identified under Line Item 1360.
- Costs incurred for interest on borrowed capital or the use of the transit agencies own funds, however represented, are unallowable.
- Fines and penalties resulting from violation of or failure to comply with federal, state or local laws and regulations are unallowable.
- Contingencies or similar provisions for unseen occurrences are unallowable. This is not provided to be confused with the allowance of a Transit System Reserve Account, which is described in MN Rules 8835.0350 Subp. 5. Reserve account. If a public transit system generates operating revenue in excess of the recipient's local share amount, the recipient shall deposit the excess into a reserve account to be used for approved operating expenses that are not covered by the contract or for part of the local share of capital expenses of the transit system. The recipient shall report this revenue and expenses charged against it to the department on reporting forms provided by the department.

- Bad debts or losses arising from uncollectible accounts, other claims and related costs are unallowable.
- Unrelated costs that are not directly related to the provision of public transit are not allowed.

Revenues From Operations

2010 Farebox Revenues

Revenues generated in a manner of payment from transporting passengers on the public transit system including; Cash, Coupons, Tokens, Punch Cards, Bill Out, Credit Card, Smart Card (or other electronic method), Check, or Other (describe). The revenue received from the advance purchase of non-cash fare media is reported in the period in which the transaction is made.

Description (comments): Description will outline cost in the following manner: Identify each payment method, number of payments proposed under that method, and total amount projected for that method. Revenues provided would reflect the number of trips proposed and the cost per trip. Revenues will be identified for each year.

2020 System Operating Revenue

Revenue generated through the operation of the transit system including:

Subscription revenue received by an organization for a demand response guarantee or for a ride given in regular transit service but paid for by an organization, such as a social services organization (DT&H, DAC, Human Services, Waiver, etc.), for the benefit of the rider. System must ensure that subscription revenue do not unfairly compete with Charter regulations of 49CFR Part 604, which implement 49 U.S.C. 5323(d).

School Tripper Service provided that is open to the public, and which is designed or modified to accommodate the needs of school students and personnel, using various fare collections or subsidy systems. Buses used in tripper service must be clearly marked as open to the public and may not carry designations such as “school bus” or “school special.” These buses may stop only at regular service stops. All routes traveled by tripper buses must be within a regular route service as indicated in their published route schedules. 49 CFR Part 605, Subpart A: General §605.3 Definitions. A voluntary or mandatory fee that a college, university, or similar institution imposes on all its students for free or discounted transit service is not farebox revenues, but is system operating revenues.

Non-farebox revenue from the operation of public transit services, such as the sale of advertising (Bus advertising and/or benches or other advertising locations) and concession revenues, amounts received under an agreement with a state or local social service agency or private social service organization, interest income, contributions from public and/or private agencies (United Way, Foundations, Hospital/Clinic, etc.), package delivery (Meals on Wheels), vehicle or facility leasing or other revenues. Funds provided by the governing agency to support the transit program are not non-farebox revenue and are not recorded in the budget.

Description (comments): Description will outline cost in the following manner: Identify the revenue source, amount of revenue for each given year. Revenues provided would reflect the number of trips proposed and the cost per trip. Revenues will be identified for each year.

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Evaluation Criteria

The Office of Transit and Active Transportation will evaluate all grant applications, including the budget, to determine the funding priorities for Greater Minnesota Public Transit operating programs.

Criteria for Evaluation:

Budget:

Consistent with historical expense and revenue trends

Inflationary assumptions are deemed reasonable

Provide for rationale on any costs that have increased substantially: for example,

- Staffing needs
- Increases in 3rd party operating costs
- Benefit coverage

System ability to generate and sustain their local share i.e. farebox or system revenues and governing body resolution to guarantee for local share.

All applications will be considered within the confines of the statewide budget target

Service Design:

- Maintain service hours within 5% of base service levels
- Service design provides for a clear understanding of hours, miles and ridership
- Services proposed meets the definition of public transit
- Fleet meets the needs of service level design

Visit MnDOT's Office of Transit and Active Transportation website for more information and updates.

www.mndot.gov/transit