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# *Subrecipient Program Handbook*

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## **Indianapolis Public Transportation Corporation**

Section 5307 Formula Funding - Operating

Federal Grants Management



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## I. INTRODUCTION

The Indianapolis Public Transportation Corporation (IPTC and IndyGo) is pleased to release the Subrecipient Program Handbook (Handbook), which outlines the terms and conditions that apply to Section 5307 grants with a start date of January 1, 2022, or later.

Subrecipients must administer their grant awards in accordance with this handbook, their subrecipient agreement, and Federal Transit Administration (FTA) Master Agreement 29 (2022), FTA Circular 9030.1E and Circular 5100.1. A subrecipient's failure to comply may result in the withholding or disallowance of grant payments, the reduction or termination of the award, or denial of future awards. If any information contained in this handbook is inconsistent with FTA Master Agreement 29 (2022), Circular 9030.1E, and FTA C 5100.1, the FTA Master Agreement 29 (2022), Circular 9030.1E, and FTA C 5100.1 shall supersede the provisions of this handbook.

IndyGo may modify or impose additional conditions not outlined in this handbook. Modifications or exceptions to the handbook may be made by IndyGo staff with written approval from IndyGo Manager Grants Financial.

This handbook is available online at: <https://www.indygo.net/about-indygo/formula-funds/>.

Questions about this handbook or the Section 5307 program can be directed to IndyGo help-subrecipient@IndyGo.net. Be sure to indicate which section you have a question about by citing the section number or title of section of the handbook; this will allow for ease of review and a faster response.

## II. HOW TO USE THIS HANDBOOK

### A. Purpose of Subrecipient Program Handbook

This handbook will serve as a day-to-day management tool for subrecipients administering Federal Transit Administration (grants) through IndyGo. The handbook is designed to assist subrecipients in their role utilizing Section 5307 funding, including how they should interact with vendors and the designated recipient. As designed, the handbook should help safeguard Section 5307 federal grants and ensure that they are used for the purposes awarded. The Handbook presents brief scenarios, explains how to proactively diagnose compliance issues, and gives suggestions for how to resolve compliance issues.

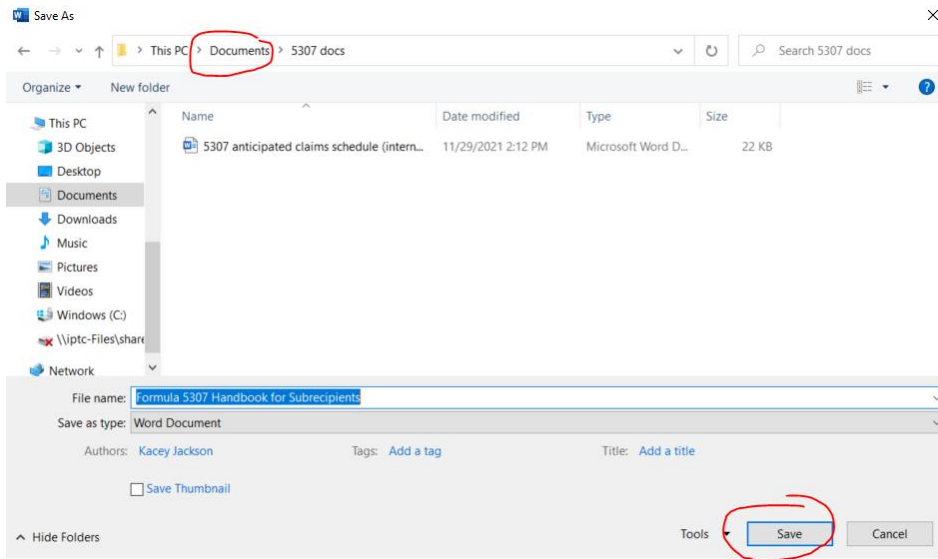
This is a resource to be used with IndyGo's Oversight/Management Plan for Formula 5307 and 5339 Programs and other templates and documents such as the Subrecipient Management Exhibits and procurement templates. This document is designed to evolve with FTA, Indianapolis Metropolitan Planning Organization (IMPO), IndyGo, and other applicable federal, state, and local guidelines.

### B. Access and Use of Handbook

This Handbook will be provided to subrecipients electronically and via a hard copy. This Handbook will reference and shall be used together with the IndyGo Oversight/Management Plan for Section 5307/5339 Urbanized Area Formula Program. This handbook can be used as a day-to-day guide for subrecipients and assist in troubleshooting issues that may arise.

To download this document, open it in your Microsoft Word Application or from an internet browser. Once the document is open, select file, from the top left corner of your screen. Then select "save as" and determine where you would like to save the document and click save. To print this document, please select file, scroll down to and select the print option, select your printer and other desired features, and finally select the larger print option at the top right corner. For a faster option, select the Control Button (CTRL) and the letter "P" at the same time to bring you to the print options screen. Choose your options as above and press print.





### C. Subrecipient Program Management Implementation

It is a best practice that subrecipients adopt county policies and procedures for evaluating claims for 5307 that are consistent with FTA regulation and their Subrecipient Agreement with IndyGo. This policy and procedure should also consist of a program management and monitoring plan, as the subrecipient is responsible for complying with applicable federal, state, and local guidelines. An adopted or updated County policy and procedure for the management of Section 5307 or FTA grants in general allows for ease of record keeping, program and vendor management, monitoring, compliance, and serves as a training tool for new employees. Any policies and procedures adopted or updated by a subrecipient should evolve with FTA guidelines and the County's organization.

Subrecipients should correspond with their legal department to ensure that any new policies and procedures meet the required guidelines and that they are adopted in a manner consistent with the subrecipient's policies. For example, if these new policies and procedures require approval from the Board of Commissioners, then it is the subrecipient's responsibility to know and plan accordingly.

## I. DEFINITIONS

The definitions in this section excluding the term Request for Proposal (RFP) are from the FTA Master Agreement (29) published on February 8, 2022, and is subject to annual updates.

### a. **Designated Recipient**

The term “designated recipient” means: (i) an entity designated in accordance with the planning process under Sections 5303 and 5304, by the governor of a state, responsible local officials, and publicly owned operators of public transportation, to receive and apportion amounts to urbanized areas of 200,000 or more in population as authorized under 49 U.S.C. § 5336; or (ii) a state or regional authority, if the authority is responsible under the laws of a state for a capital project and for financing and directly providing public transportation. Also known as the Recipient.

### b. **Monitoring**

Monitoring is a standard process to ensure that all technical specifications and contract requirements are met by subrecipients for FTA programs.

### c. **Request for Proposal**

A request for proposal (RFP) is a business document that announces a project, describes it, and solicits bids from qualified contractors to complete it.

### d. **Subrecipient or Subgrantee**

Subrecipient or Subgrantee means any entity or person that receives federal assistance provided by a Recipient instead of FTA directly, but does not include a Third-Party Contractor, Third Party Subcontractor, or Lessee.

### e. **Subrecipient Agreement**

A subrecipient agreement is an agreement through which the Recipient awards federal assistance to its Subrecipient(s) to support or stimulate any of the Recipient’s or Subrecipient’s Projects or related activities supported under the Award, the accompanying Underlying Agreement, or Amendments thereto, but does not include a third-party contract, third party subcontract, or lease. A subrecipient agreement is a written agreement between the designated recipient and county government.

### f. **Vendor or Third-Party Participant**

A vendor, or third-party participant means each participant in the Recipient’s Project, except for FTA and the Recipient, whose work under the Project is supported with FTA funding, eligible non-federal share dedicated to the Project, or is dedicated as an in-kind contribution eligible for non-federal share. A Third-Party Participant may be a Subrecipient, Third-Party Contractor, Third-Party Subcontractor, Lessee, or Similar Participant in the Recipient’s Project (for example, a partner in a joint development venture).

### g. **Vendor Agreement**

A vendor agreement, or third-party agreement includes agreements or arrangements supported in whole or in part with federal assistance awarded to a Recipient by FTA, including a sub agreement with a subrecipient, a third-party contract, a third-party subcontract, a lease, or similar arrangement or agreement as FTA may recognize. A vendor agreement is a written agreement between the subrecipient and the vendor.

### III. HOW TO COMPLY THROUGH REGULAR REVIEWS

#### A. Detailed Local and FTA Compliant Procurement Practices

##### a. Federal and Local Practices

For FTA-funded programs, it is best practice to utilize the FTA's policies and procedures for procurement practices. Subrecipients may implement their own policies and procedures if their policies do not conflict with federal requirements. Federal requirements for procurement may change. For more information, please refer to FTA C 9030.1E, FTA C 5100.1, and FTA C 5010.1E as amended.

##### b. Subrecipient Agreements

Subrecipient agreements include the following information: entitled Specific Program Provisions; (ii) Part II entitled Project Budget(s), Operating, Capital, Planning; and (iii) Part III entitled Terms and Conditions. The designated recipient and subrecipient responsibilities include compliance, monitoring, oversight, and reporting of use of federal funding and program progress. Subrecipient agreements must be signed prior to the subrecipient executing any service contracts to a third-party contractor (vendor). Subrecipient agreements provided by IndyGo will have the appropriate language incorporated or referenced within the document or as an attachment.

##### c. Vendor Agreements

Subrecipients must execute a vendor agreement with their service provider prior to beginning service to be eligible for reimbursement with FTA funds. Vendor agreements must include the federal language as provided in the subrecipient agreement and the following information: entitled Specific Program Provisions; (ii) Part II entitled Project Budget(s), Operating, Capital, Planning; and (iii) Part III entitled Terms and Conditions. Subrecipients may include additional specifications to their vendor agreement but federal obligations and requirements of the subrecipient agreement supersede. The subrecipient must incorporate or reference federal responsibilities of the funding within or as an attachment to the vendor agreement.

All vendor agreements must be reviewed by IndyGo staff prior to the execution. This is in addition to and not in place of the subrecipient's internal legal counsel review.

##### d. Requests for Proposals

Requests for proposals must be publicly advertised by means including agency website, newspapers, and any relevant trade publications. Indiana law requires that advertisement be published two times, at least one week apart, with the second publication at least seven days prior to the deadline for submission of proposals. It is the subrecipients responsibility to maintain copies of advertisements and receipt for the agency's procurement file. The procurement file must also include the finalized version of the request for proposal, any subsequent addendum issued that modifies the scope of work or the solicitation, and all proposals received including no bids.

When reviewing proposals, the subrecipient must thoroughly review each submission for responsiveness, which means that the bidder conforms in all material aspects to the

requirements of the solicitation at the scheduled time of the submission. Subrecipients must also determine the responsibility of each bidder as an agency, meaning that the subrecipient must determine that the bidder possesses the ability, willingness, and integrity to perform successfully under the terms and conditions of the contracts. These templates and additional guidance will be further explained in part C of this Section and Section V(B) of this document.

## B. Transitioning from 5311 to 5307 – Roles and Responsibilities

### a. Indianapolis Metropolitan Planning Organization

The Indianapolis Metropolitan Planning Organization finalized an Urban Transit Funding Transition Study in February of 2021 that detailed the recommended transition process from Formula 5311 funding to Formula 5307 and 5339 funding. This study can be found at <https://www.indympo.org/whats-completed/regional-plans/transit-plans>. In February 2021 IndyGo was selected as the designated recipient of these funds. This recommendation also included the process for establishing subrecipient and vendors.

#### i. **Local Match**

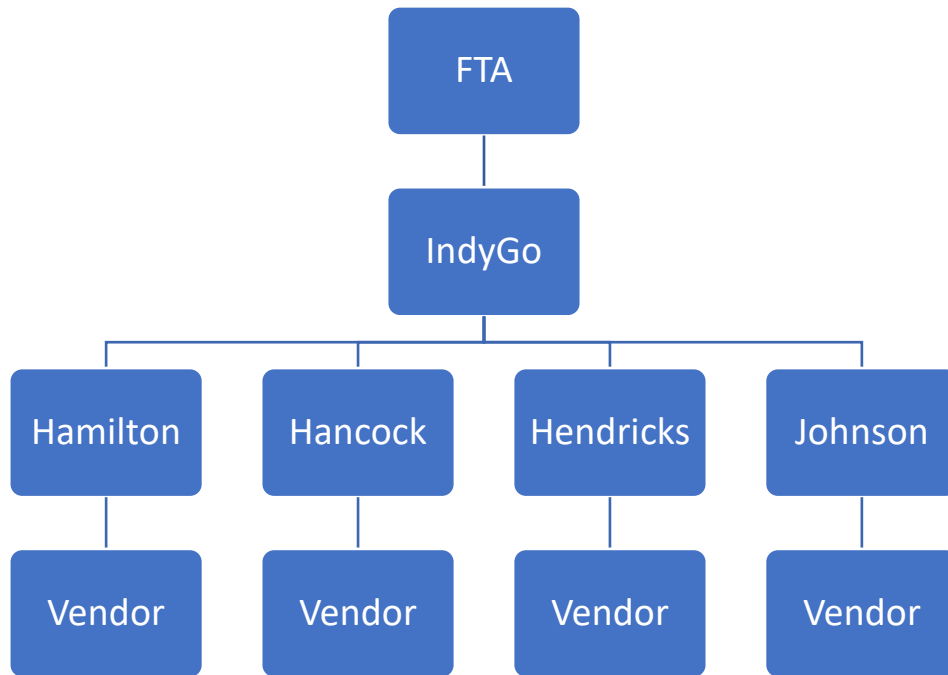
According to the study, “the FTA has previously opined that acquiring a prospective bidder to provide the local match is not an example of an open market procurement consistent with FTA policy. According to the IMPO this specification limits competition (pg43, Urban Transit Funding Transition Plan). Service contract revenue (Program Income) must flow directly to the subrecipient, rather than be earned by the vendor’s and applied as local match during the vendors application for funding. Program income and its uses will be further discussed in (c) of this section.

### b. Designated Recipients, Subrecipients, and Vendors

Based on the definition of the Master Agreement and the FTA C 9030.1E, the designated recipient and subrecipient must be government organizations such as states, counties, cities, and municipal corporations. In this relationship, the designated recipient, IndyGo, is a municipal corporation eligible to receive funding and the County is a governmental organization. Both the designated recipient and the subrecipient have shared federal responsibilities when utilizing this fund.



Subrecipients may also be the service provider or contract such services to a vendor. Subrecipients, should they elect to enter a fair and open bidding process and select a service provider, must execute a vendor agreement prior to the start of service. The flow of funding can be seen below.



### c. Program Income

Program income is income that is directly generated by a supported activity or earned as a result of the FTA grant during the period of performance. This money must be applied back into the program one of the following two ways:

- To reduce net operating expenses, the vendor must apply the amount to the monthly invoice to reduce the amount due to the operator. Program income may not be used as local match. Instead, the net operation expense is reduced by the amount of the program.
- To be used for local match for future projects, the program income must be transferred to the county. The county may use the program income as local match in the following program year. Program income may not be used as local match for the same funding year, it must be allocated and utilized in the following year.

The subrecipient and the service provider must determine how program income will be tracked and used **prior** to the start of service under the Vendor Agreement. Documentation of this determination must be provided to IndyGo in the first monthly report and request for reimbursement from the subrecipient. Subrecipients will be required to report program income to IndyGo monthly in accordance with their determination. A

subrecipient may change their determination. IndyGo must be notified in the next monthly report of any changes made to the program income determination.

## C. Detailed Contractual Agreements

### a. Use of Template Agreements

Utilizing template vendor agreements help ensure that the most important information is included. Subrecipients should be aware that template agreements from the designated recipient and the FTA are based on basic required criteria and federal policy. Subrecipients should be aware of what policies govern their program as it is included in their subrecipient agreement and double check for compliance and monitor for updates and amendments. Subrecipients should also customize their contracts with vendors to be in compliance with their local policies.

The templates that may be provided by IndyGo include information that is federally required and includes IndyGo requirements for a subrecipient's program. A subrecipient may also include statements of work, timelines, amendment procedures, and local ordinances so long as they do not conflict with the federal regulations, which supersede all other regulations for federal programs. The templates provided by IndyGo are examples. Subrecipients are responsible for ensuring that any vendor agreement it uses is compliant and may not be the final or most suitable version for subrecipients to execute. Please consult with counsel, send to IndyGo for final review, and follow all other internal subrecipient policies and procedures for FTA programs.

## D. Efficient Claim, Invoice Review, and Approval Processes

### a. Vendor Compliance and Reporting

A subrecipient must have financial policies and procedures; an organizational structure that defines, assigns, and delegates authority; and financial management systems in place to match, manage, and charge only allowable cost to the award. The subrecipient must conduct required single audits and provide financial oversight of vendors and service providers.

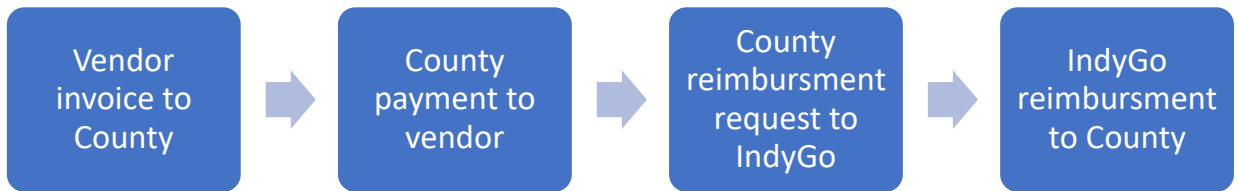
A vendor must demonstrate that it can carry out the project described [either application or RFP, etc.] in accordance with the requirements of the subrecipient grant agreement, and with all applicable laws and regulations, using sound management practices. Thus, a certification that the vendor will comply with all requirements applicable to its grant application and to the grant agreement, when awarded, is required. Guidelines for management practices can be found in FTA Circular 5010.1E, "Award Management Requirements."

#### *Claims Process – Vendor to Subrecipient*

Vendors must provide an accurate invoice along with supporting documentation to the subrecipient in compliance with FTA regulations and subrecipient policies. Supporting documentation will include operations reports, budget ledgers, and other accounting and

programmatic documents. Subrecipients shall request more information when needed. Subrecipients may provide documentation for completion with a return request and new information about the agency's compliance or the program's compliance. Subrecipients must review vendor claims for accuracy, compliance, budget, and timeliness. Vendors will invoice subrecipients directly with supporting documentation. A copy must be sent to IndyGo via email. IndyGo will not provide preemptive approvals to vendors nor review for accuracy prior to the subrecipient's final review, approval, and payment. IndyGo may request additional information from the subrecipient.

Check schedules vary depending on the County, but IndyGo estimates a 20-calendar day minimum turn around upon receipt of complete information. Failure to provide information may delay processing.



#### **b. Subrecipient Compliance and Reporting**

It is the responsibility of subrecipients to ensure that vendors submit reports in a timely manner in accordance with their vendor agreement. Subrecipients must carefully and thoroughly review submitted information for eligible activities, compliance with the contract, and budget accuracy. Invoice claim review for compliance and payment should be viewed as program monitoring and should be documented as such.

- i. Subrecipients are also responsible for the following: procurement within federal regulation, submitting progress reports to IndyGo, ensuring vendors are rendering services as agreed, ensuring that vendors submit complete progress reports, vendor monitoring, ensuring that vendors are reporting to the National Transit Database (NTD), and active communication with IndyGo.
- ii. **Every month within the compliance period subrecipients are expected to provide a progress report to IndyGo.** Monthly reports can be found and should be maintained in the Program Management Exhibits, referenced in Section V(B) of this document. Subrecipients must submit reports monthly and are encouraged to invoice monthly as well. Monthly submission of an invoice is not required but is eligible upon submission of monthly reports.
- iii. **Every month within the compliance period subrecipients are required to provide progress reports to IndyGo regarding DBE participation.** Subrecipients must submit documentation concerning the subrecipient's

performance in meeting the DBE commitment during the period of the Subrecipient Agreement. The Subrecipient must enter into written agreements with the DBEs listed in its DBE Commitment Form. The subrecipient must also utilize the specific DBEs listed to perform the work and supply the materials for which it is listed. Copies of all executed DBE agreements must be provided to the designated recipient immediately upon execution of contract.

Once a claim and supporting documentation is reviewed, it is the subrecipient's responsibility to assess the following possibilities for compliance:

#### Supporting Documentation Mostly Represents Claimed Costs

In this case, it is the subrecipient's responsibility to assure that they have all the necessary documentation to prove that the costs are eligible. If your records or math do not match the vendors, the subrecipient is responsible for asking questions and requesting additional information. The discrepancy could be as simple as a typo, forgetting to include a document or explanation, or their math was incorrect. It could also be that there was a misunderstanding of eligible costs with FTA funds, which must be corrected during your claim review and research period. Remedies include requesting additional documentation and information or paying only compliant line items.

#### The Supporting Documentation Supports the Claim Costs, but are the Activities Eligible?

If the activities claimed are ineligible based on FTA guidelines or the vendor agreement, said costs cannot be paid with FTA funds, however other funding sources may be used should the subrecipient find the costs reasonable. Subrecipient payments to the vendor for ineligible activities would not be reimbursed by IndyGo. In this case it is imperative that the subrecipient and service provider are on the same page about eligible costs and compliance for federal programs. Funding that has been erroneously reimbursed may be disallowed and adjusted in the next compliant reimbursement by IndyGo. An example of an erroneous reimbursement could be that the subrecipient had a typo when issuing payment to the vendor for \$100 instead of \$10. The subrecipient then asked for reimbursement of the \$100 but was not entitled to the extra \$90. IndyGo misses this typo and submits for reimbursement and issues payment to the subrecipient. IndyGo notices the discrepancy and then informs the subrecipient of the issue and explains that shorting the next claim for the access amount would fix the issue. On the subrecipients next request for reimbursement of \$120, the subrecipient would only be entitled to and receive \$30. the error cannot be adjusted in this manor, IndyGo may consider other options to remedy it.

Subrecipients should review their vendor agreements and notify the vendor in writing of the issue to give the vendor an opportunity to submit revised/updated/corrected information. Providing and requesting written responses for issues of noncompliance is a best practice that provides a history of the issue, its correction, and rationale for decisions made after. If the issue not remedied by the vendor, the subrecipient may determine if further action is required. All subsequent actions should be in accordance with the subrecipients policies, procedures, and vendor agreement.

## Documentation and Invoices Match and are Compliant

The subrecipient should begin processing the invoice internally and begin completing the Monthly Reports due to IndyGo. Subrecipients should remember their document retention obligations to the FTA in accordance with 49 CFR §18.36(i). These obligations are further incorporated by IndyGo in the Subrecipient Agreement stating that “The Grantee shall include in all its contracts under this Agreement, a provision that IPTC, the U.S. D.O.T., the U.S. Comptroller General or any of their duly authorized representatives will have full access to and the right to examine any pertinent documents or records of any such Grantee involving transactions related to this Agreement for a period of three (3) years from the final audit under the Subrecipient Agreement. Copies shall be furnished to IPTC at no cost.”

Subrecipients must receive and review vendor claims and documentation for federal and contract compliance. Subrecipients must request additional information from their vendors and service providers as needed. After subrecipients review and approve vendor claims, subrecipients may seek reimbursement after they issue payment to their vendor. Proof of such payment must be provided within the subrecipient’s request to IndyGo. Proof of payment is proof that payment was issued to the vendor. This can be proved by sending a check number or payment number with a ledger of accounts that specifically include that transaction. Confirmation numbers or transaction numbers and status may also suffice for electronic payments. Upon submission of a claim for reimbursement, an authorized representative must attest that payment has been made and issued to the vendor.

### **c. Designated Recipient Compliance and Reporting**

The Designated Recipient, IndyGo, is responsible for complying with the federal regulations and ensuring subrecipients are compliant with applicable federal regulations and the Subrecipient Agreement.

#### *Claims Process – Subrecipient to IndyGo*

IndyGo will issue claims of reimbursement directly to subrecipients. Once the subrecipient has provided final approval of invoice and issued payment to vendor, the subrecipient must submit the monthly report, DBE monthly report, proof of payment, and supporting documentation to IndyGo for reimbursement. If the subrecipient’s monthly reports and the vendor’s claim comply and include all required documentation, IndyGo will begin processing the reimbursement. IndyGo may request additional information if needed and will not process claims for reimbursement until the requested information is provided.

Upon receipt of all required documents and approval, IndyGo anticipates that reimbursement will be issued to subrecipients within ten (10) calendar days.

## IV. Annual Monitoring of Program Compliance

### A. Annual Compliance Monitoring

Every program year there must be an annual compliance monitoring period. This is more detailed than the monthly monitoring performed during a claim and invoice review. Annual monitoring is a review of the day-to-day program administration, the compliance of the vendors/service provider, is used to identify compliance issues, and to provide opportunities for the vendor to remedy any issues identified. Monitoring will also serve as an opportunity for vendors/service providers to ask questions and receive clarification. The vendor monitoring that the subrecipient conducts will be reviewed by the designated recipient during its review of the subrecipient. DBE participation will also be evaluated and will be included in the annual report.

### B. The On-site Monitoring Visit

#### a. Desk Review

All annual monitoring should begin with a desk audit or review of the current program and previous years, if applicable. Reviewing the current year's information will help subrecipients familiarize themselves with the intricate details of the service or federal requirements. Reviewing previous applicable program years will give subrecipients more insight to previous compliance shortcomings or success. An audit of the budget and allowed expenses should be performed and results should be noted in the questions asked or comments provided in the Entrance Conference. Addressing compliance issues prior to the in-person visit will allow subrecipients to tailor the information requested from the individual vendor.

After the desk review, a summary of the desk review should be sent to the vendor prior to the onsite visit, along with other documents that the monitor may want to view, such as procurement policy updates, staff changes, or a list of approved claims along with their reported clients for their respective periods. The specific requests will help assist in problem areas.

Subrecipients must use the Program Monitoring Questionnaire, found in the subrecipient management exhibits, during the annual monitoring. If subrecipients have questions or concerns about this process, please contact IndyGo Grants Coordinator for assistance. For additional consideration during monitoring, the subrecipient may use the Vendor Oversight Checklist. In addition to reviewing federal requirements, the Vendor Oversight Checklist includes questions that are intended to help the subrecipient determine programmatic issues or successes, some of which may not be federally required but could eventually affect federal requirements if behavior/process is not altered. More information about the Vendor Oversight Checklist can be found in Section V(B)(c).

### *Scenario*

A subrecipient agency is notified in the previous monthly report that the vendor received an ADA complaint alleging that a passenger was not permitted to board with their service animal. The subrecipient monitor may want to request more information about the complaint and request a more detailed review of the vendor's current ADA policies and procedures. This should not be considered a punitive action but an opportunity to understand the vendor's ADA complaint process. The situation allows a reminder to the vendor of the subrecipient's responsibility to ensure the complaint is properly documented and satisfactorily resolved in accordance with the ADA.

#### **b. Entrance Conference**

An in-person meeting should take place at the start of the monitoring visit with relevant staff present. Agency staff should be apprised of what will be reviewed during the visit, possible topics of discussion, and should be aware of their contracted and federal responsibilities. Subrecipients should begin with an introduction of staff in attendance of the meeting and an overview of the rationale behind the monitoring, which is to ensure agency and program compliance on an annual level as this information will be used to diagnose and treat existing problems and prevent them in the future.

### *Scenario Continued*

The vendors ADA coordinator, Executive Director, and a supervisor attend the Entrance Conference prepared with all requested documents and information. The Monitor begins by introducing themselves and their partner and asks the vendor staff to do the same. The Monitor informs the vendor/service provider that they are aware of an ADA complaint and request additional information. The supervisor explains that investigation of the complaint resulted in a finding that the operator did not adhere to the vendor's policy regarding service animals. The operator was counseled and required to attend refresher training. The same was documented in the operator's files. The ADA coordinator explains that they logged the complaint on their ADA complaint log, filed the complaint, and will keep it on file for one year and a summary of all complaints for five years, per their policy. The Monitor now knows that the vendor has and follows their ADA policy and procedure, who the ADA coordinator is, and that staff are well versed in the process.

#### **c. Onsite File, Program, and Policy Review**

As the subrecipient has already provided a list of documentation needed and questions, the vendor should be prepared to respond to the best of their abilities during the interview. The monitor will use the Monitoring Questionnaire to ask about the capital or operating programs. The monitor should take notes and remember to keep their questions specific to agency capacity to continue service, federal, and contractual obligations. The monitor may scan through the requested files for a cursory review. If all requested items are not presented during this time or in advance, the monitor should issue preliminary findings or concerns. These preliminary options give the subrecipient the opportunity to correct the issue before it becomes a finding or documented concern.

### *Scenario Continued*



During the file review and discussion, the monitor reviews several files including insurance documents, drug testing policies and records of applicable staff, and accounting practices. The monitor requests training records of an employee with a one-year tenure with the agency whose wages are partially funded by the program. The supervisor explains that said employee has attended orientation which included sexual harassment training, Title VI, and ADA training. The monitor requests proof of said training, such as a sign off from the employee or a note in his file. The Executive Director noted that Human Resources would have them, but she is on vacation and would return next week. The subrecipient should follow up in writing with a request for the documentation.

#### **d. Exit Conference**

The exit conference is a way to wrap up the onsite visit and prepare the vendor for next steps. During this discussion the subrecipient should inform the vendor of any preliminary findings. The findings are not official, but a way to determine needed follow up documents or information. The monitor should note each preliminary finding or concern clearly and explain how they can be resolved during the compliance and follow up portion. The Monitor should be sure to explain that they will provide a written request for follow up information and policy updates in a reasonable amount of time. Subrecipients should establish a timeline for the review and provide it during the notification portion of the monitoring process. Should the subrecipient need more time than they allotted, they should inform the vendor of the delay. This is a best practice that allows both the vendor and the subrecipient to be cognizant of the other's time and aids in the communications process between agencies.

#### *Scenario Continued*

During the exit conference the Monitor reminds the vendor that the training records are needed to complete the review and states they will follow up with written communication to the vendor.

## C. Compliance and Follow Up

### **a. Compliance Review Process and Notification**

After the exit conference, the subrecipient should review its notes and preliminary concerns and findings. The Subrecipient must then review the requested information provided and anything in addition that was provided during the visit. If the subrecipient has additional questions, the subrecipient should follow up with the vendor. It is the responsibility of the subrecipient to ensure that the information provided is in compliance with federal regulations and its contract with the vendor. It is not sufficient to request and retain the documentation without review.

Upon completing its review, a subrecipient should notify the vendor in writing of its compliance and whether there are any corrective actions.

### **b. Findings Explained**

Findings are substantial issues of noncompliance with federal guidelines or their contractual obligations. A finding could mean that a subrecipient failed to locate



important documentation, inconsistencies in budget and accounting, civil rights noncompliance, and fraudulent behavior.

**c. Concerns and Recommended Actions Explained**

Concerns are not substantial issues of noncompliance but are issues that may lead to a compliance issue in the future. Compliance concerns could present themselves as deficiencies but do not yet jeopardize the program and its requirements. Recommended actions should also be provided but are not mandatory.

*Scenario Continued*

During the follow up and compliance period the vendor provides three (3) documents, one for sexual harassment training, Title VI training, and ADA training. The document has two areas for signature and date, one for the trainer and one for the trainee. The Director of Human Resources has signed and dated her portion as trainer but the portion for the trainee is left blank. While likely a mistake or oversight, the employee has not acknowledged training per the vendor's policies. Recommendations may include requiring retraining and updated documentation. Without the confirmation of the employee acknowledgment there is insufficient evidence to document the training occurred.

**V. Reporting and Program Closeout**

**A. What to Report**

Throughout the program year and compliance period (which may extend outside of the program year), subrecipients will be asked to report or provide information on ridership, clientele, accounting practices, DBE participation, record keeping, procurement, and other information regarding the program and the agency. In general, all programs will have to report invoice amount, chart of accounts, program payroll, clientele reports (complaints), and ridership information. Depending on the subrecipient's program, more information may be required. In general, each subrecipient will provide monthly and annual reports for this program.

For specific information about the reporting requirements, please review the Subrecipient Agreement, Vendor Agreement, or contact IndyGo.

**B. Available Resources**

**a. Procurement Contracting Tools**

IndyGo has provided several tools for procurement such as the scoring sheet, determination of fair and reasonable price forms, cost analysis and single bid guidance, evaluation committee rules and criteria, and others that aim to provide a basic overview of needs when choosing a service and a service provider.

**b. Program Management Exhibits**

The Program Management Exhibits are for the annual management of Section 5307 operating grants. These exhibits will show the annual program at a glance. This document

should be treated as a hub to answer most, if not all programmatic questions. The exhibit encourages subrecipients to score and evaluate proposals, manage budgets, clientele monthly report information, and DBE and civil rights information. The Monitoring Questionnaire can be found in the Program Management Exhibits. All data will provide a general self-generated report at the end of the program year.

**c. Vendor Oversight Checklist**

The Vendor oversight checklist will assist in the monitoring of the vendors program and should be used together with the Program Monitoring Questionnaire. The Questionnaire will address federal requirement compliance, where the Checklist will help determine strengths or weaknesses of the program that may not be federally required. The checklist should be used as an additional consideration for elements of the program.

**d. Civil Rights Forms**

The provided Civil Rights Templates allow subrecipients to adopt new or amend their current policies to be or remain in compliance with federal regulation. Provided forms can be used as an example or subrecipients may develop their own so long as they are compliant. These forms include DBE, Title VI, Equal Employment Opportunity (EEO), and ADA requirements for record creation and maintenance, compliance, and reporting.

**C. Final Program Report**

The Final Program Report will act as the final and annual program report. This document will detail vendor progress and subrecipient oversight. This report will allow subrecipients to explore room for growth in the next funding year. Subrecipients will review the vendor's accuracy and timeliness in reporting, vendor's capacity and compliance with their contract, the annual monitoring, and its follow up, final budget, and program income. This final report should be submitted with the subrecipient's last request for reimbursement from IndyGo.

Additional information, such as a program narrative, or additional documentation may be requested depending on the subrecipients individual program. If said additional information is required, IndyGo will provide subrecipients with the request prior to the end of the year. The subrecipient should correspond with the vendor while completing the final report to help answer any questions or provide clarity if needed. A general, self-generated report of the program can be found after completion of the Program Management Exhibits.