

Preparation Guidelines for the *TransNet* 'Schedule of Status of Funds by Project' (Schedule A) Fiscal Year 2014

Purpose: A roll-forward schedule that provides current year activity and ending balances by *TransNet* project (MPO ID) and Program.

Schedule A should include the following columns:

- Project Status July 1, 2013 (beginning balance)
- Funds Received – current year (cash basis)
- Interest Income (per BOD Policy No. 031, Rule #6) – current year
- Project Expenditures – current year
- (Agency) Adjustments – current year
- Project Status June 30, 2014 (ending balance) by project (MPO ID)
- Notes

Guidelines:

1. Always use the final Schedule from the prior year as your starting point to ensure accurate beginning balances.
2. Classify projects by *TransNet* Ordinance (*TransNet* vs. *TransNet* Extension) and by Program type:

TransNet section

- Highway
- Streets and Roads
- Bikes and Pedestrian
- Transit

TransNet Extension section

- Major Corridor
- Major Corridor Environment Mitigation Program (EMP)
- Local Project EMP
- Smart Growth
- Local Street Improvements
 - Congestion Relief
 - Maintenance
- Bikes and Pedestrian (BPNS)
- Transit Services
 - (*Break out by Operating and Capital*)
 - Specialized Services for Seniors & Disabled
 - Senior Grant Program
 - Pass Sales/Operations/Capital
- New Major Corridor Transit Operations

Non-*TransNet* section (expenditures funded with 'Other Revenue')

- Follow the same order as the *TransNet* and *TransNet* Extension sections above

Preparation Guidelines for the *TransNet* 'Schedule of Status of Funds by Project' (Schedule A) Fiscal Year 2014

3. Within the *TransNet* Program classification, the project order should be alpha-numeric by SANDAG RTIP MPO ID. For those projects (MPO IDs) that have multiple agency CIP numbers, include a 'subtotal' line.
 - If there is nothing to report in an active project (all zeroes), do not include on report (hide row).
4. Interest earned in the *TransNet* Fund may be allocated to projects or may be included in a separate 'Interest Revenue' line and accrued until authorization to apply to a project.
 - Once the 'Interest Revenue' line method has been implemented, there is no going back to the method of allocating interest among active projects.

5. Transfer of Funds:

Any transfer of *TransNet* funds from one project to another (MPO ID) in the 'adjustment' column should include a footnote and requires a signed staff report or resolution indicating approval by the governing body prior to issuance of the final report (June 1, 2014). The staff report or resolution and RTIP Amendment, if necessary, should be scheduled prior to issuance of the draft report (January 31, 2015).

- Submit Resolutions to Michelle Smith at mmer@sandag.org. For assistance with a transfer that may require an RTIP Amendment, please contact:
 - ✓ Michelle Smith at mmer@sandag.org or (619) 699-5608; or
 - ✓ Sookyung Kim at ski@sandag.org or (619) 699-6909.
- EXCEPTION: If transferring activity between the same MPO ID, no further action is necessary.
- SUGGESTION: If there is still funding in an old *TransNet* MPO ID and there is new funding in the *TransNet* Extension (same) MPO ID, use the older money first to close it out.
 - An MPO ID that has both old *TransNet* and *TransNet* Extension activity should never end a year with a negative balance in the *TransNet* section unless there is available old *TransNet* funding from another project that will be transferred into the over-committed project. Otherwise, there is only *TransNet* Extension funding so the over-committed CIP activity should be moved into the *TransNet* Extension section, thereby zeroing out the *TransNet* portion of the CIP.

6. Completed Projects:

A list of all completed projects reported by program type (see No. 2 above) is to be provided to the auditors at the same time Schedule A is submitted. In addition to preparing a separate list of completed projects, those projects that are complete should be noted as such in Schedule A.

- A completed project is defined as an MPO ID project that has no further activity, including final clean-up.

Preparation Guidelines for the *TransNet* 'Schedule of Status of Funds by Project' (Schedule A) Fiscal Year 2014

- While a singular CIP within an MPO ID project is not considered a 'completed project' until all CIPs within the same MPO ID are complete, we do ask that you include each completed CIP in the list provided to the auditors.

Once a project is identified as complete and there are *TransNet* funds remaining with that project (including interest earned, if applicable), the agency is required to transfer the balance to another *TransNet*-eligible project (a project included in the approved Program of Projects/RTIP).

- The audit should explicitly note to which project the funds will be transferred.
- Complete projects should no longer show in the following year's audit and therefore have an ending balance of zero.

7. Inactive Projects:

If there has been no activity other than interest earnings, if applicable, over a period of two audits for a *TransNet* project, the project is considered inactive and must be closed and all funds distributed to other programmed projects within the same Program type or a footnote indicating when the project will be completed.

- See No. 5 above for transfers of *TransNet* funds. This action may require an RTIP Amendment.
- Any *TransNet* project that is listed as 'delayed' in a prior RTIP, yet is now active, must be added back into the RTIP if additional funding is expected. Please contact Michelle Smith or Sookyung Kim.
- SANDAG may ask for the return of *TransNet* Bike and Pedestrian (BPNS) funds for projects that have been inactive for two fiscal year audits.
- If SANDAG sends a request for return, the agency must return the funds including interest earnings to the Commission within 60 days of the return request.

8. Required Footnotes:

- Any activity in the 'adjustments' column should include a footnote explaining the reason for the adjustment and should be consistent with SANDAG Board Policy No. 031, Rule #17, Section III.
- EXCEPTION: Transfers between CIPs within the same MPO ID that nets to zero do not require a footnote (see No. 5 above).
- Any active project with an ending balance of zero that is expected to receive future *TransNet* funding should not be shown on the schedule but may be added back in future years.
- All *TransNet* projects with a negative ending balance should include a footnote providing detail of the subsequent year's corrective action.
- It is the responsibility of the local agency to follow through with the corrective action.