Preparation Guidelines for the \textit{TransNet} ‘Schedule of Status of Funds by Project’
(Schedule A)
Fiscal Year 2019

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

Information: These Guidelines are meant to assist in the preparation of Schedule A but may not include all situations. Should a situation arise that is not addressed, please contact the appropriate SANDAG staff.

**Terminology**

BOD = Board of Directors
MPO ID = Metropolitan Planning Organization Identification Number
Project = MPO ID (not necessarily a single CIP)
RTIP = Regional Transportation Improvement Program

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**Schedule A should include the following columns:**

- Project Status July 1, 2018 (beginning balance)
- Funds Received – current year (cash basis for all but the Grant Programs)
- Interest Income (per BOD Policy No. 031, Rule #6) – current year
- Project Expenditures – current year
- (Agency) Adjustments – current year
- Project Status June 30, 2019 (ending balance) by project (MPO ID)
- Notes

**Guidelines:**

1. **Beginning Balance**

   Always use the final Schedule from the prior year as your starting point to ensure accurate beginning balances. If a prior year error was detected, please discuss with the auditors and provide all required documentation/reconciliations.

2. **Program Classification**

   Classify projects by \textit{TransNet} Ordinance (\textit{TransNet} vs. \textit{TransNet} Extension) and by Program type:

   - **\textit{TransNet section}**
     - Highway
     - Streets and Roads
     - Bikes and Pedestrian
     - Transit
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**TransNet Extension section**
- Major Corridor
- Major Corridor Environment Mitigation Program (EMP)
- Local Street Improvements
  - Congestion Relief
  - Maintenance
- Bikes and Pedestrian (BPNS)
- Local Project EMP
- Smart Growth
- 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.

3. **Project Order:**

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 the schedule (hide row).

4. **Interest:**

Interest earned on annual allocation funds 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.
- Note that interest earnings for LSI projects are subject to the Extension Ordinance LSI split (70% Congestion Relief and no more than 30% for Maintenance) and must be included for each LSI category.
- NOTE: Interest must be earned for each project with a positive beginning balance that is a part of the annual allocation of funds.

Interest earned on Grant projects and other non-annual allocation funds such as Major Corridor must be applied to each project that has a positive beginning balance (may not pool funds).

- In general, Grant projects are funded on a reimbursement basis so there may be $0 interest earned over the life of the Grant project.
5. **Project Expenditures:**

The expenditures column should only include current-year activity.

➢ EXCEPTION: If a reversal of expenditures (positive expenditure) is included, a footnote explanation is required.

6. **Adjustments:**

   a. **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 (2\textsuperscript{nd} Wednesday of June 2020). The staff report or resolution and RTIP Amendment, if necessary, should be scheduled prior to issuance of the draft report (2\textsuperscript{nd} Wednesday of March 2019).

   - Submit Resolutions to Sue Alpert. For assistance with a transfer that may require an RTIP Amendment, please contact:
     ✓ Sue Alpert at Sue.Alpert@sandag.org or (619) 595-5318

   ➢ 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 (always use old funds first).

   - If there is only a staff report and/or resolution (RTIP is not necessary), the approved document must include detail of fund movement (‘from’ project/’to’ project).

   - Proper authorization not attained prior to issuance of the final reports (June 10, 2020) will result in a Finding in the final report when submitted to ITOC.

b. **Prior Year Expenditures:**

   Include any expenditures not relating to the current fiscal year. Add a footnote explanation.

c. **Reimbursements from other sources:**
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Reimbursements of prior year expenditures from other funding sources ie: Insurance Co./State funding should be included in the adjustments column with a footnote explanation. This, in essence, is swapping funding sources and returning *TransNet* funds.

d. Allocation of Interest:

If interest is included on an interest revenue line (pooled interest) and is now allocated to projects with proper authorization, include the amount in the adjustments column for each specific project and reduce the “interest revenue” line item by the (same) amount being allocated.

7. Complete Projects:

A list of complete 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 complete projects, those projects that are complete should be noted as such in Schedule A.

- A complete project is defined as an MPO ID project that has no further activity, including final clean-up.
- While a singular CIP within an MPO ID project is not considered a ‘complete project’ until all CIPs within the same MPO ID are complete, we do ask that you include each complete 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 transfer of funds must be scheduled no later than issuance of the draft report (March 11, 2020) with a signed staff report or resolution indicating approval by the governing body prior to issuance of the final report (June 10, 2020).

- If one or more of multiple CIPs within the same MPO ID is complete and has funds remaining, those funds should remain with the MPO ID, where it was originally programmed, until such time that the total project (MPO ID) is complete. This may prompt a budget amendment within the jurisdiction.
- A footnote should explicitly note to which project the funds will be transferred.
- Complete projects should no longer be reported in the following year’s Schedule A and therefore have an ending balance of zero.

8. Inactive Projects:

If there has been no activity other than interest earnings, if applicable, over a period of two audits for any *TransNet* project, the project is considered inactive and either must be closed with all funds distributed to other programmed projects within the same Program type (via staff report/resolution and/or RTIP) or include a footnote indicating when the project will be completed.
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- 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 Sue Alpert.

- SANDAG may ask for the return of *TransNet* Bike and Pedestrian (BPNS/AGTP) funds for projects that have been inactive for two fiscal year audits.

- If SANDAG sends a request for return of funds, the agency must return the funds including interest earnings to the San Diego County Regional Transportation Commission within 60 days of the return request.

9. **Non-*TransNet* Section:**

This section is meant to track activity of the *TransNet* Fund that does not use *TransNet* funding. If a project is considered a *TransNet* project and may have some other source of funding, it might make sense to ‘park’ the whole project in the *TransNet* Fund. This activity is needed to tie the G/L to the Schedule but is not intended to be used for *TransNet* purposes.

If a *TransNet*-funded project (active or complete) swaps funding sources for prior-year expenditures, present the activity as an adjustment between the *TransNet* project and the Non-*TransNet* project. See item 6.c above for more information.

10. **Required Footnotes:**

- Any activity in the ‘adjustments’ column must include a footnote explaining the reason for the adjustment and should be consistent with SANDAG Board Policy No. 031, Rule #17, Section III.

  ➢ EXCEPTIONS: Transfers between CIPs within the same MPO ID that nets to zero do not require a footnote (see No. 5 above); however, transfers from *TransNet* I to *TransNet* Extension within the same MPO ID must include a footnote.

  ➢ If ending project balance is negative; however, there are multiple CIPs related to the same MPO ID and MPO ID as a whole is positive, a footnote is not required.

- 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 must include a footnote providing detail of the subsequent year’s corrective action.

  o Adopted Resolutions authorizing the transfer of ‘cash’ between projects should be detailed to include the project number and amount being transferred out and the project number and amount receiving the transfer.

- It is the responsibility of the local agency to follow through with the corrective action.
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- All footnotes that include governing body approval must include the date of the meeting and resolution number (if applicable).
- All footnotes that include an RTIP amendment must include the amendment number and date of approval.