

South Carolina Department of Transportation, Office of Public Transit
State Management Plan

The primary objective of the South Carolina Department of Transportation (SCDOT) Office of Public Transit (OPT) is to develop and coordinate a general public transportation program and policy for the State in order to encourage the efficient development, implementation, operation, evaluation, and monitoring of public transportation systems, both public and private. The Office of Public Transit, through a working relationship with the Federal Transit Administration (FTA), as well as Councils of Government (COGs), Metropolitan Planning Organizations (MPOs), local governments, and transit providers develops and maintains an effective and efficient network of transportation services available to the public.

The United States Department of Transportation, through the FTA, provides a number of programs designed to assist in the provision of local public transportation services. FTA requires each state to have an approved State Management Plan (SMP) on file with their regional office. The purpose of South Carolina’s State Management Plan is to document the State’s mission, goals, policies, procedures and administrative guidelines for FTA Funding programs administered by SCDOT.

The State Management Plan (SMP) provides guidance to ensure that subrecipients of grants use the funds in a manner consistent with their intended purpose and in compliance with regulatory and statutory requirements. This Plan addresses SCDOT Office of Public Transit’s oversight requirements. The State Management Plan will refer to other Federal and State Programs throughout this document, and provides links to certain webpages for further information. This document will be updated on a regular basis to include updates to federal information and/or state processes when federal grants are amended. Information about the Office of Public Transit may be found by logging onto our website at:

<https://www.scdot.org/travel/travel-transitproviders.aspx>

ACCESSIBLE FORMATS

This document is available in accessible formats upon request. Paper copies of this document as well as information regarding accessible formats may be obtained by contacting the South Carolina Department of Transportation’s Office of Public Transit at:

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State Management Plan – Summary of Updates

State Management Plan – Revision 8 (March 28, 2023)

This version of the State Management Plan is a total rewrite of the State Management Plan and the previous versions listed below:

State Management Plan – Revision 7 (May 20, 2021)

State Management Plan – Revision 6 (September 28, 2018)

State Management Plan – Revision 5 (October 27, 2017)

State Management Plan – Revision 4 (February 15, 2017)

State Management Plan – Revision 3 (April 11, 2016)

State Management Plan – Revision 2 (December 8, 2015)

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Chapter 1 – Introduction and Background

1. Office of Public Transit Mission Statement and Goals

The mission of the Office of Public Transit is to support the development of transit as a viable transportation choice for all citizens of and visitors to South Carolina through:

- Providing access and mobility to all segments of the population, especially the transit dependent;
- Assisting our customers in effectively and efficiently providing transportation options;
- Promoting public transportation education to the public, elected officials, and partners;
- Enhancing service quality within the state;
- Creation of a Statewide Transportation Network;
- Promoting safe and affordable transit service; and
- Expanding funding opportunities for public transportation and effectively manage, leverage, and
- Oversee the use of those funds.

The South Carolina Department of Transportation (SCDOT) Office of Public Transit in partnership with the Office of Planning provides direct support to state, regional and local agencies in ongoing transportation planning. The transportation planning process is a cooperative effort between SCDOT, Metropolitan Planning Organizations (MPO), Council of Governments (COG), elected officials, and transit providers.

2. Long-Range and Performance-Based Planning

Transportation planning supports the State's economic vitality by increasing available options and enhancing the integration and connectivity of the transportation system, across and between modes, for people and freight. Transportation planning is more than merely listing highway and transit capital investments. It requires developing strategies for operating, managing, maintaining, and financing the area's transportation system to advance the area's long-term goals. An efficient transportation system can improve the economy, shape development patterns, and influence quality of life and the natural environment.

Performance-based planning's goal is to bring significant changes to the statewide and metropolitan planning processes. Establishing a performance management framework represents an attempt to improve project management decision-making through performance-based planning and project programming. The SCDOT Office of Public Transit supports performance management strategies designed to foster transparent and accountable decision-making processes at the state, MPO and public transit agency levels.

The SCDOT, in partnership with the South Carolina Department of Commerce, South Carolina State Ports Authority, Federal Highway Administration, FTA, and other key stakeholders have updated the South Carolina Multimodal Transportation Plan (MTP), "Charting a Course to 2040" ([2040 Statewide Multimodal Transportation Plan](#)). The MTP is updated every five years to reflect the latest information on travel and growth trends, goals and objectives, infrastructure conditions, future deficiencies, and estimated funding. **The most recent update can be accessed via the above link.**

The South Carolina is the State's six-year transportation improvement program for all projects or program areas receiving federal funding, including bridges; safety; roadway resurfacing; interstate maintenance and upgrades; primary and secondary road system upgrades; federal lands access projects; transportation alternatives;

congestion mitigation and air quality; and transit-related projects. The STIP covers all federally-funded improvements for which funding has been approved and expected to be undertaken during the upcoming six-year period.

The South Carolina Department of Transportation (SCDOT), through cooperation and coordination with the Metropolitan Planning Organizations (MPOs) and the rural Councils of Government (COGs), maintains the STIP. To comply with Federal rules, the MPOs' Transportation Improvement Program (TIPs) and the SCDOT STIP must be consistent with one another. The approved STIP is frequently revised to reflect changes as a project matures; therefore, before the STIP is revised to reflect a project change in an MPO area, the MPO's TIP must first be revised. These changes may be initiated by SCDOT, or the MPO, and depending upon significance and complexity, may require Federal approval. Through interagency consultation, the SCDOT Planning Office and Office of Public Transit coordinate with representatives from Federal Highway Administration (FHWA), FTA, Environmental Protection Agency (EPA), MPOs, and COGs to discuss any matters regarding modifications of the STIP. The goal of the STIP administration and coordination process is to clarify and define decision thresholds for the STIP document so modifications can be executed in a consistent and timely fashion.

The rural planning process is formally established by agreement between SCDOT and the COGs. Each COG, in association with SCDOT, is responsible for implementing a transportation planning process that fully complies with the federal planning requirements. Through this process each COG, through its regional transit planning committee partners (e.g., local public providers, elected officials, special interest groups), establishes regional goals and objectives, identifies the current condition of the transportation system, provides research and data analysis, and identifies and prioritizes transportation needs for input to the regional long-range transportation plan, the Statewide Multimodal Transportation Plan, and the STIP.

3. Consultation and Cooperation with Local Officials

The current rural planning process in South Carolina allows for direct participation and involvement of non-metropolitan local officials through the COGs in developing transportation plans and priorities for their respective regions. This consultation process applies to the Statewide Multimodal Transportation Plan by including the COGs and other transportation providers as partners in the planning process. This process is separate and discrete from the public involvement process.

Each COG is charged with maintaining a regional transportation advisory committee with representatives from local government, elected officials, public and private transportation providers, and special interest groups. The transportation advisory committee plays an important role in identifying, analyzing, and prioritizing transportation needs and goals for their respective regions. By participating in the transportation advisory committee and COG Boards, local governments/elected officials, public and private transportation providers are directly consulted and given an opportunity to identify transportation needs. The committees are encouraged to meet at least biannually, or as needed, to review project status, evaluate proposed modifications to the TIP/STIP, update long-range plan and funding priorities, comment on rural functional classification changes, receive input on the rural work programs, and coordinate special studies.

Chapter 2 – Overview of Transit Programs

The following FTA Funding Programs are administered by SCDOT Office of Public Transit. Each program has a link to the FTA website regarding that particular program. Additional notes are provided after the link which clarifies SCDOT OPT guidance for its administration of that program:

A. Section 5303 and 5304 – Metropolitan & Statewide and Non-Metropolitan Transportation Planning.

All FTA Section 5303 funds, and a portion of the Section 5304 funds, are transferred annually to the SCDOT Planning Office. The Office of Public Transit prepares an annual notification letter to FTA Region IV Office requesting to combine these funds with FHWA's 23 U.S.C. 104(f) Metropolitan Planning Program funds (M77D) to create a consolidated planning grant. FHWA is responsible for ensuring program compliance once these funds are transferred.

B. Section 5307 - Urbanized Area Formula Grants

SCDOT is the designated recipient for small urban apportionments. SCDOT does not apply for these funds, but serves as a pass-through for the agency. SCDOT submits a split allocation letter to FTA each year, identifying recipients that may apply directly to FTA for these funds. The split allocation letters usually reflect the FTA apportionments, but SCDOT reserves the right to reallocate the funds if necessary.

Large urban areas, (over 200,000 in population) receive annual apportionment notifications directly from FTA.

SCDOT provides State Mass Transit Funds (SMTF) on an annual basis to large and small urban providers to assist them in matching FTA funds. SMTF is derived from the state gasoline user fee, of which $\frac{1}{4}$ of one cent goes to public transit. Based on the formula approved by the SCDOT Commissioners in 2017, both small and large urban providers are allocated approximately 42% of the \$6,000,000 in annual SMTF.

C. Section 5311 – Formula Grants for Rural Areas Program

The Section 5311 Program provides administrative, operating, and capital assistance to public transportation projects in non-urbanized (rural) areas.

The program goals are:

- a) Enhance access of people in non-urbanized areas to health care, shopping, education, employment, public services, and recreation.
- b) Assist in the maintenance, development, improvement, and use of public transportation systems in rural and small urban areas.
- c) Maintain needed intercity public transportation services through assistance to intercity transit operators who serve residents of non-urbanized areas.
- d) Encourage and facilitate the most efficient use of all federal funds used to provide passenger transportation in rural areas through the coordination of programs and services; and
- e) Provide for the participation of private transportation providers in rural transportation to the maximum extent feasible.

1. [Tribal Transit Program - Section 5311\(c\)\(1\)\(B\)](#)

SCDOT Office of Public Transit includes Indian tribes in the announcement of 5311 funds appropriated to the State. Currently the only federally recognized tribe in the State is the Catawba Indian Nation whose current lands are located on the Catawba River near Rock Hill, South Carolina.

2. [ADTAP Section 5311\(c\) \(2\) – Appalachian Development Transit Assistance Program](#)

Section 5311(c) (2) authorizes and provides funding for a new Appalachian Development Public Transportation Assistance Program (ADTAP). This program is funded with a takedown under the Section 5311 program to provide additional funding to states in the Appalachian region of the United States.

The formula is established based on Section 9.5(b) of the Appalachian Regional Commission Code (subtitle 40). Funds may be used for public transportation activities consistent with the formula grants for rural areas program. Counties within South Carolina that are eligible for ADTAP program funds include: Anderson, Cherokee, Greenville, Oconee, Pickens, and Spartanburg Counties. SCDOT currently utilize these funds to supplement Section 5311 allocations for the City of Seneca (Oconee County), and Anderson County. These entities are currently the only two subrecipients that are eligible to receive ADTAP funds.

States that are eligible for ADTAP may use amounts that cannot be used for operating expenses for a highway project if the Governor approves the use in writing after appropriate notice and an opportunity for comment and appeal are provided to affected public transportation providers; and the governor has determined that the local transit needs are being addressed.

3. [Intercity Bus - Section 5311\(f\) \(FTA Circular 9040.1G, as amended\)](#)

Section 5311(f) requires each state to spend 15% of its annual Section 5311 apportionment "to develop and support intercity bus transportation," unless, after consultation with affected intercity bus providers, the Governor certifies that "the intercity bus needs of the state are adequately being met." The required percentage applies only to the amount of FTA's annual apportionment of Section 5311 funds to the state, not to any funds the state subsequently transfers to its rural area formula program from other programs.

The statutory provision for the Governor certification implies that an assessment of statewide of intercity bus service currently available is done, including any existing or perceived needs. Additionally, consultation with intercity bus providers is required prior to the Governor certification that intercity bus needs are being adequately met. However, it the goal of the SCDOT to host an annual consultation with intercity bus providers in the State regardless of the certification status.

As required under the Section 5311(f) SCDOT periodically evaluates its intercity bus program (ICB) to ensure that the ICB need in the state is adequately being met. In December 2018, SCDOT contracted with RLS & Associates, Inc. to complete an exhaustive Intercity Bus Service Network Analysis in South Carolina. Section 5311(f) requires each state to expend at least 15 percent of its Section 5311 apportionment to carry out a program to develop and support intercity bus transportation unless the governor certifies that the intercity bus service needs of the state are being met adequately. However,

RLS concluded in their study that the intercity bus service needs of the state are substantially being met, but not adequately. Therefore, in light of this conclusion, SCDOT will not be utilizing the required 15 percent, but will be requesting a partial certification from the governor.

4. [Section 5311 \(b\) \(3\) Rural Transit Assistance Program](#)

SCDOT OPT administers a Rural Transit Assistance Program (RTAP) to support rural transit services via training, technical assistance, research, and related support services. The goals of this program are to:

- Promote the safe and effective delivery of public transportation in non-urbanized areas through professional development and make the most efficient use of public and private resources.
- Foster the development of state and local capacity to provide the training and technical assistance needs of the rural transportation community.
- Improve the quality of information and technical assistance available by developing training and technical assistance resource materials.
- Facilitate peer-to-peer self-help through by developing local networks of transit professionals.

SCDOT's RTAP Program utilizes a broad-based approach to provide technical assistance, training, and support services and conduct needed research. Delivery mechanisms for the RTAP program include, but are not limited to:

- a) Assistance from in-house State staff within the OPT.
- b) Contracts with private consultants, universities, non-profit organizations, State transit associations, and other organizations.
- c) Contracts for technical assistance and training delivery with the Transportation Association of South Carolina (TASC), Transportation Safety Institute (TSI), National Transit Institute (NTI), Community Transportation Association of America (CTAA), and a cadre of professional trainers.
- d) Support of Peer-to-Peer networks of individuals to provide assistance to each other.
- e) Sponsorship of regional bus operator and maintenance team roadeos and training, and
- f) Scholarships for tuition and travel expenses, as appropriate, for transit agency personnel to attend training courses or workshops.

The objectives and initiatives of the RTAP program is in consultation with a group of cross-sectional subrecipients who serve as an RTAP Advisory Team. The Regional Roadeo Team serves as the RTAP Advisory Team which is comprised of rural, human service, and retired transit professionals.

5. [State Administration, Planning, Research and Technical Assistance](#)

A maximum of 10 percent of Section 5311 funds apportioned to the State of South Carolina can be used for State program administration, planning, and technical assistance. These are 100 percent federal funds and are used to support SCDOT personnel directly involved with Section 5311 program management and administration. The balance of the apportionment is available to eligible recipients for activities as defined by Federal guidance for the rural transit program.

Capital expenses include the acquisition, construction, and improvement of public transit equipment and facilities needed for an efficient and coordinated public transportation system. The Federal share of eligible non-Americans with Disabilities Act (ADA) capital expenses is 80 percent of the capital cost and 85 percent federal share for a vehicle or facility-related purchase to be in compliance with ADA or Clean Air Act requirements. Eligible capital expenses include, but are not limited to:

- Buses, vans, or other paratransit vehicles;
- Radios and communications equipment;
- Passenger shelters, bus stop signs, and similar passenger amenities;
- Wheelchair lifts, ramps, restraints, and related vehicle modifications;
- Operational support such as computer hardware/software;
- Maintenance and/or service vehicles;
- Vehicle rehabilitation where candidate vehicles meet the extended useful life and rehabilitation cost limits established by the SCDOT;
- Preventive maintenance, which is defined as all maintenance costs related to vehicles and non-vehicles (if not otherwise classified and expended under Operations). Specifically, it is defined as all the activities, supplies, materials, labor, services, and associated costs required to preserve or extend the functionality and serviceability of the asset in a cost effective manner.
- Construction or rehabilitation of transit facilities, including design, engineering, and land acquisition;
- Construction of or improvements to park and ride lots where such facilities are served by public transportation, including ridesharing modes that are a form of public transportation;
- Other durable goods such as spare components or parts (engines, transmissions, etc.) with a unit cost of \$300 or more and a useful life of more than one year;
- Purchase of used equipment, with the prior approval of the SCDOT. The subrecipient must substantiate that the proposed purchase price represents fair market value and that the equipment is in sound working condition so the project can anticipate a reasonable period of remaining useful life and meet ADA requirements;
- Facilities to provide access for bicycles to public transportation facilities or equipment for transporting bicycles on public transportation vehicles;
- Lease of equipment or facilities when leasing is more cost effective than purchase. When lease of equipment or facilities is treated as a capital expense the State will establish criteria for determining cost effectiveness, including non-economic factors such as management efficiency, availability of equipment, and staffing capabilities according to guidelines stipulated in 49 CFR Part 639.
- The capital cost of contracting. Under the capital cost of contracting, only privately owned assets are eligible. The recipient may not capitalize under the contract any capital assets (e.g., vehicle, equipment, or facility) that have ANY remaining federal interest in them, or items purchased with State or local government assistance.

The following table shows the percent of various types of contracts which are eligible for FTA and/or State Mass Transit Funds (SMTF) capital assistance as a capital cost of contracting.

SCDOT will not participate in higher contract percentages. The percentages apply no matter whether the service is local, express, shuttle, vanpool, or paratransit:

Federal/State/Local Participation Ratio

CAPITAL						
	Section 5310	Section 5310 ADA/CAA	Section 5311	Section 5311 ADA/CAA	Section 5339	Section 5339 ADA/CAA
Federal	80%	85%	80%	85%	80%	80%
Local Match	20%	15%	20%	15%-	20%-	15%
	-	-				

The federal share for vehicle-related equipment and/or facilities required by the Clean Air Act (CAA) or the ADA is 85 percent. If a vehicle or facility is retrofitted to meet CAA or ADA requirements, federal participation is up to 85 percent of the retrofit items only.

OPERATING			
	Section 5310	Section 5311	Section 5339
Federal	50%	50%	NA
Local Match	50%	50%	NA
	-		

ADMINISTRATION			
	Section 5310	Section 5311	Section 5339
Federal	NA	80%	NA
Local Match	NA	10%	NA

PLANNING			
	Section 5310	Section 5311	Section 5339
Federal	NA	80%	NA

Local Match	NA	20%	NA

D. Section 5310 – Enhanced Mobility of Seniors and Individuals with Disabilities Program

The Section 5310 program, provides funds to private nonprofit entities and public bodies/governmental authorities approved by the state to coordinate transportation services for older adults and people with disabilities. If any public bodies/governmental authorities certify to the Governor that no private nonprofit entity or association is readily available in an area to provide the service, they may be eligible for this funding.

The program goals are:

- Ensure that older adults and people with disabilities have the same rights as all people to utilize transportation facilities and services.
- Make special efforts when planning and designing transportation facilities and services to ensure older adults and people with disabilities have transportation services that they can utilize effectively.
- Continue to provide services for the special needs of older adults and people with disabilities when general public transportation services are unavailable, insufficient or inappropriate.

Federal financial assistance under the Section 5310 program is limited to participation in the cost of capital equipment (rolling stock), cost for purchase of transportation service contract(s), and, in the past, mobility management costs. Funding for state-level administrative costs to administer the program is also included.

Projects funded by Section 5310 must be derived from a locally developed, coordinated public transit-human services transportation plan. The provisions ensure that communities coordinate transportation resources provided through multiple Federal programs.

In urbanized areas with populations fewer than 200,000, and in rural areas, the state is the designated recipient for the administration of funding under the Section 5310 program. For these areas, the Governor has designated SCDOT to be responsible for administering the program, and has officially notified FTA’s Region 4 office in writing of this designation. In urbanized areas over 200,000 in population, the Governor, in conjunction with responsible local officials, designates the recipient. Urbanized areas over 200,000 in population include Greenville, Charleston, Columbia, the greater Myrtle Beach area, and a portion of Aiken County.

Through a regional coordinated planning effort, SCDOT has implemented a uniform application and selection process for the Section 5310 program for all COGs. **To further this effort, SCDOT defines a menu of selection criteria that can be used uniformly across the ten regions, and documents the basis for the selected criteria. At a minimum, the selection criteria will:**

- **Correlate with regional plan implementation strategies;**
- **Address gaps in current service provisions for targeted communities;**
- **Make use of available resources and leverage resources to the extent possible;**
- **Facilitate coordination across public-private, inter-agency and geographic boundaries; and**

- Coordinate with other Federal and/or state programs.

Specific selection criteria for each program are described in each annual application for funding.

The coordinated plans have been developed through a process that includes representatives of public, private and non-profit transportation and human service providers. SCDOT and the COGs have clearly documented the stakeholder involvement and public outreach conducted as a part of this effort. SCDOT worked with each COG in identifying the appropriate stakeholders within a specific region and conducted the public outreach process. The schedules, agendas and process strategies were coordinated with the Statewide Transit Plan development process that was concurrently underway whenever possible to avoid duplication in effort.

Key issues, needs and implementation strategies from each coordinated plan was compiled into a statewide Executive Summary that served as the foundation for development of a truly integrated inter-agency statewide coordination plan.

The goal of the Section 5310 program is to improve mobility for older adults and individuals with disabilities throughout the state and to enhance coordination of federally assisted programs and services in order to encourage the most efficient use of federal resources and achieve the national goal of improved mobility of elderly persons and persons with disabilities. In South Carolina, both private and public nonprofit agencies are encouraged to coordinate transportation services with agencies that provide transportation services to the general public. Projects funded with Section 5310 must be derived from a locally developed coordinated public transit-human service transportation plan.

E. Section 5339 Bus and Bus Facilities Formula Program

The program goal is to support new transit facility construction and/or to improve existing transit facilities. Support timely replacement of transit assets to maintain a state of good repair.

The SCDOT OPT objectives are as follows:

- Promote safe public transit assets through the timely replacement of assets that have met their useful life,
- Promote a safe and secure working environment both for transit employees and users by providing funding for the construction and renovation of transit facilities, and
- Maintain a statewide transportation infrastructure by ensuring that transit assets, including facilities, are continuously being upgraded to meet current demands.
- Ensure that capital assets are in a State of Good Repair (SGR)) which is defined as:
 - Being able to perform its designed function
 - Does not pose a known unacceptable safety risk, and
 - Lifecycle investments must have not been exceeded

F. Other FTA Grant Programs and Information

SCDOT OPT seeks opportunities for other FTA grant opportunities Formula and/or Competitive. SCDOT usually takes a supportive role for other FTA recipients or subrecipients with these grant programs.

Chapter 3 – Eligibility Requirements

To receive allocations of Section 5310 or 5311 funds, a potential subrecipient must submit a resolution from the Governing Authority of the county or counties within their service area. The resolution shall be signed by the Authorized Official and certified by their attorney, and submit documentation agreeing to comply with all applicable certifications and assurances.

A. Section 5311 – Rural Area Formula Program

Section 5311 program funds are dedicated to public transportation services/projects that serve non-urbanized areas of the state, that are open to the general public on a regular and continuing basis. Certain select services are permitted within program funding as long as they are incidental and do not disrupt the general public service normally provided. The cost of these incidental services must be fully allocated and mileage associated with the incidental service must not count towards the useful life of the vehicle.

1. Eligible Applicants/Subrecipients

Regional Transportation Authorities (RTAs) are the eligible subrecipient for 5311 funding for the non-urbanized areas of the counties within their service area. Counties that are not within the boundaries of an RTA may apply or select a designated public transportation provider for the non-urbanized areas of their County via the process outlined for New Starts and Pilot Programs in Chapter 4.

A County may designate another State and/or local public agencies, private non-profit, or private for-profit organization to be the eligible subrecipient for its 5311 service area. These agencies are defined as follows:

- a) State Agency: any legally constituted state government agency, department, commission, council, board, bureau, committee, institution, college, regional transit authorities, university, technical school or Government Corporation of the State of South Carolina Government.
- b) Local Public Agency: any legally constituted political subdivision of the State such as towns, municipalities, counties, transportation authorities, public corporations, boards, Indian tribes (federally recognized or other Indian tribes) commissions and other public agencies established under State law.
- c) Private Nonprofit Organization: a corporation or association determined by the United States Secretary of the Treasury to be an organization described by 26 U.S.C. §501 (c) that is exempt from taxation under 26 U.S.C. §501 (a). Eligible nonprofit organizations may also serve tribal transportation needs.
- d) Private For-Profit operators of transit services or intercity bus services may participate in the program as third party contractors for recipients or as subrecipients.

If a federally recognized Indian tribe that applies for and is selected for an allocation of Section 5311 funds from the state through the annual application process, SCDOT will notify the selected Indian

tribe. The Indian tribe will determine whether to receive funds as a subrecipient of the state or apply directly to FTA for Section 5311 funds. If the Indian tribe notifies SCDOT of its intent to become a direct recipient, SCDOT will notify FTA by letter of the project(s) and amount of funds allocated to the Indian tribe.

As a subrecipient of state-administered Section 5311 funds the Indian tribe must comply with all management requirements of the Section 5311 program as administered by SCDOT. The special terms and conditions that FTA developed for tribes receiving funding under the Tribal Transit Program (Section 5311[c]) are applicable only to that program.

Providers of public transportation in urbanized areas who provide service to non-urbanized areas may be eligible recipients. The following guidelines apply:

- 1) Financial assistance is available only for that portion of the service operated in non-urbanized areas;
- 2) The applicant must be capable of segregating allowable operating and non-operating expenses incurred in providing service to non-urbanized areas; and
- 3) The applicant must be one of the following eligible recipients:
 - I. Transit agency,
 - II. Local governmental agency,
 - III. Political subdivision of the State,
 - IV. Indian tribal government (both federally recognized and other tribes),
 - V. Council of Governments (for planning/coordination only),
 - VI. Private non-profit operator of public services,
 - VII. Private for-profit organizations (as third-party contractors for recipients or subrecipients for transit services or intercity bus needs only).

The Office of Public Transit may limit subrecipient eligibility in order to comply with laws or to further program goals.

2. Eligible 5311 Projects

The services provided under the Section 5311 grants shall focus on the rural areas of South Carolina. This does not preclude service into urbanized areas of the state and/or into neighboring states provided that the passengers reside in South Carolina and service originates from or ends in a rural area in state.

Section 5311 subrecipients may include public transportation service into and out of urbanized areas; however, subrecipients are prohibited from providing exclusive service within an urbanized area. Public transportation providers are prohibited from providing public transportation services outside of their designed geographical service areas unless the purpose is to drop off and/or pick up passengers where the trip originated in the provider's service area. Whenever possible, subrecipients will coordinate service in areas where there are shared geographic service destinations

As part of coordinating services, a subrecipient operational funds may be used to support the operating costs of shared ride service that is open to the general public or a segment of the public defined by age, disability, or low-income. Subrecipients seeking to partner with Transportation

Network Companies (TNCs), must ensure that the TNC fulfills the applicable Federal requirements such as but not limited to:

- Civil rights issues, e.g., ADA and Title VI
- Drug and alcohol testing.

Section 5311 subrecipients are required to comply with all Federal and State requirements imposed by FTA and SCDOT, either through Federal or State statutes, regulations, executive orders, directives, published policies, or other applicable requirements.

3. Joint-funded Projects

Joint-funded Section 5307 and Section 5311 transportation projects are encouraged provided the level of Section 5311 funds allocated for service in the area is fair and equitable. This is usually demonstrated in the local subrecipient’s cost allocation plan. For example, an operator may choose to allocate Section 5307 and Section 5311 funding for a joint urbanized/rural route by identifying the miles or hours traveled in a given geographic area. A subrecipient must develop a cost allocation plan that segregates service activities. The plan must be submitted to SCDOT OPT for review and approval.

This procedure would also be applied to joint capital projects. Vehicles purchased under either program may be used in any part of a combined urbanized and rural or non-urbanized service area, but capital replacement policies should ensure that program funds are used appropriately.

Capital Expenses (Capital Cost for Contracting Percent allowed for FTA Capital Assistance)

PERCENT OF CONTRACT ALLOWED FOR CAPITAL ASSISTANCE	
Type of Contract	Percent Allowed
Service Contract (contractor provides maintenance and transit service; grantee provides vehicles)	40 percent
Service Contract (contractor provides transit service only; grantee provides vehicles and maintenance)	0 percent
Vehicle Maintenance Contract (contractor provides maintenance; grantee provides vehicles and transit service)	100 percent
Vehicle Lease Contract (contractor provides vehicles; grantee provides maintenance and transit service)	100 percent
Maintenance/Lease Contract (contractor provides vehicles and maintenance; grantee provides transit service)	100 percent
Turnkey Contract (contractor provides vehicles, maintenance, and transit service)	50 percent
Vehicle/Service Contract (contractor provides vehicles and transit service; grantee provides maintenance)	10 percent
Assuming that someone other than the recipient provides the assets	

4. Operating Expenses

Operating expenses are costs directly related to system operation. Eligible operating expenses include, but are not limited to:

- Fuel,
- Oil,

- Drivers' salaries and fringe benefits,
- Dispatcher salaries and fringe benefits,
- Maintenance and repairs not otherwise classified or expensed as capital preventive maintenance,
- Vehicle licenses and fee; and
- The cost associated with the use of passenger escorts or driver's aides/onboard assistants. These costs arise most frequently as a result of a mandate in the provision of a contracted service and should therefore be distributed to the contracting agency whenever feasible.

5. Net Operating Expenses

Net operating expenses are those expenses remaining after operating revenues are subtracted from eligible operating expenses. At a minimum, operating revenues include farebox revenues. Farebox revenues include fares paid by riders who are later reimbursed by a human service agency. The federal share of net operating expenses is 50 percent.

6. Operations Deficits

Federal funds may be applied to system operations deficits subject to the availability of funds. Federal participation allows up to 50 percent of the eligible net operating deficit (gross eligible operating expenses less revenue).

Revenue from purchase of service contracts generated from non-USDOT funds may be used to reduce the net project cost or to provide local match under Section 5311 operating assistance.

7. Administrative Expenses

Administrative expenses are non-operating expenses, which are funded up to 80 percent federal share subject to the availability of federal funds. Eligible administrative costs may include, but are not limited to:

- Salaries and fringe benefits of the project director, secretary and bookkeeper, or other personnel performing job duties of an administrative nature;
- Office supplies and materials;
- Facilities and equipment rental (not lease purchase);
- Vehicle insurance;
- Marketing (cost of paid advertisements (e.g., newspaper ads, radio, and TV spots) and/or the services of a professional marketing firm. May also include cost of printing/reproduction associated with in-house marketing;
- Promotional items (cost of items utilized in the promotion or advertising of the transportation system including, but not limited to, pens, pencils, notepads, stickers, and lapel pins). All items shall include the system's name and/or logo;
- Professional services such as legal and accounting assistance;
- Interest on short-term loans to finance project administration or operating costs, with prior approval of SCDOT. The loan must derive from a delay in the Federal apportionment of Section 5311 funds, or SCDOT's execution of a contract agreement; and,

- Indirect cost expenses may be eligible for reimbursement if a cost allocation methodology has been established and approved by the appropriate authority and SCDOT.

Administrative costs for promoting and coordinating ridesharing may be eligible if the activity is part of a coordinated public transportation program. The SCDOT will limit the amount of Section 5311 funds an applicant may apply toward administrative costs if the SCDOT determines those costs to be excessive in relation to the service being proposed.

B. Section 5310 - Enhanced Mobility of Seniors & Individuals with Disabilities

1. Eligible Applicants/Subrecipient

There are three categories of eligible subrecipients for Section 5310 Program funds:

- a) Agencies determined by the U. S. Department of Treasury to be an organization described by 26 U.S.C. 501(c) which is exempt from taxation under 26 U.S.C. 501(a) or one which has been determined under state law to be non-profit and for which the designated state agency has received documentation certifying the status of the non-profit organization. In addition to meeting the above classification, new applicants must also meet the SCDOT vetting process to be eligible to apply for funds under Section 5310 program.
- b) Governmental authorities that certify to the SCDOT that no eligible nonprofit agencies are readily available to provide the proposed project for Enhanced Mobility of Seniors and Individuals with Disabilities Program in the non-urbanized service area.
- c) Council of Governments (COGs) approved by SCDOT Commission to coordinate services for Enhanced Mobility of Seniors and Individuals with Disabilities Program in the non-urbanized region.

2. Eligible Section 5310 Projects

Due to the limited amount of funding under the rural Section 5310 program, SCDOT did not follow the suggested eligibility criteria as stated by FTA; however, SCDOT included additional restrictions to ensure program objectives are being met. The following specific guidance applies:

Only three types of projects are eligible to receive funds under SCDOT-administered Section 5310 program, which is intended to address the special transportation needs of older adults and people with disabilities:

- a) Vehicle purchases (for eligible 5310 subrecipients only)
- b) Purchase of Service (for eligible 5310 subrecipients only)
- c) Mobility Management (SCDOT will only provide Mobility Management for those subrecipients who have previously been approved. SCDOT will not consider proposals for future Mobility Management projects.

Section 5310 subrecipients are required to comply with all Federal and State requirements imposed by FTA and SCDOT, either through Federal or State statutes, regulations, executive orders, directives, published policies, or other applicable requirements. Furthermore, applicants must submit an attorney's certification declaring the agency's legal status and attach a copy of their charter as listed with the South Carolina Secretary of State.

C. Section 5339 – Bus and Bus Facilities Program

1. Eligible Applicants/Subrecipient

Private and public transit agencies that are currently receiving financial assistance under Section 5311 (including 5331(f) – Intercity Bus) or Section 5307 Small Urban program (urbanized areas with populations more than 50,000, but fewer than 200,000) are eligible to receive state-administered Bus and Bus Facilities Program funds.

2. Eligible Section 5339 Projects

SCDOT is responsible for administering both the Section 5339 funds apportioned to the Small Urbanized Areas, and non-urbanized areas. Funds are allocated based on identified project(s) approved by SCDOT. Participation is limited to current Section 5311 subrecipients, and 5307 small urban recipients. Small urban providers will apply directly to FTA and SCDOT OPT will provide a split allocation letter. The Office of Public Transit may, at its own discretion, transfer Section 5339 funds from small urban to rural, or from rural to urban, after conducting consultation hearings with the subrecipients/recipients.

All project(s) cover a contract period of 12 months, from July 1 to June 30, unless a contract extension is requested by the subrecipient, and is approved by SCDOT. Projects are funded on an annual basis with few exceptions. New programs may be considered for mid-year start-up and funding on a case-by-case basis, depending on the availability of federal and/or state funds.

Chapter 4 – Selection Criteria and Method for Distribution of Funds

All project applications will be evaluated to determine the extent to which the proposed project meets overall program goals and objectives of the state and application criteria set forth by SCDOT

Rural communities that are not a part of the urbanized areas of MPOs are included under the jurisdiction of Councils of Government (COG). The SCDOT Commission has designated each of the 10 COGs as the lead regional agencies responsible for coordinating transportation planning and, where appropriate, services funded by the multiple FTA programs in each of their respective planning areas.

The COGs act as the primary point of contact to SCDOT for the identification of transit elements and the development of such elements into an inclusive coordinated transit plan unique to their region. The COGs also review and rank project applications within their respective regions for funding consideration.

A uniform application and selection process under the Section 5310 program was developed for use by SCDOT with input from the COGs on program funding. To further this effort, SCDOT and the COGs developed a menu of selection criteria to be used uniformly across the 10 regions. At a minimum, the selection criteria will ensure that projects:

- Correlate with regional coordination plan implementation strategies;
- Address gaps in current service provisions for targeted communities;
- Make use of available resources and leverage resources to the extent possible;
- Facilitate coordination across public-private, inter-agency and geographic boundaries; and
- Coordinate with other Federal and/or State programs.

The SCDOT Office of Public Transit is responsible for reviewing the coordinated/combined Section 5310 applications and regional priority lists from each COG, and makes the final recommendation on awards.

Projects approved by SCDOT are included in the local Transportation Improvement Program (TIP) and become part of SCDOT's submission to FTA as the Statewide Transportation Improvement Program (STIP).

SCDOT uses an annual application process to determine how funding will be allocated. All agencies wishing to apply for funding must complete a funding application and demonstrate that they are eligible to receive funding.

Limited English Proficiency (LEP) is one of the factors considered during the application process. Subrecipients that are not English proficient are encouraged to apply for grants and make a request known to SCDOT if there is a need for language assistance for the completion of a subgrant application, OPT will provide adequate resources to ensure that assistance is provided, regardless of whether the party seeking assistance is private/public non-profit or for-profit entity. This process is contained in the SCDOT-LEP plan which is located on the SCDOT OPT webpage.

Projects that are eligible for funding under the Bus and Bus Facilities Program (Section 5339) are selected based on identified needs determined through assessment and analysis of physical condition, analyzing vehicle utilization and useful life standards for replacement in accordance with the State's Transit Assessment Management Plan and FTA Circular C5100.1 (as amended) regarding asset management. Note: These funds are only available to public transit agencies.

A. New Start or Pilot Program for Section 5311

The South Carolina Department of Transportation’s (SCDOT) Office of Public Transit (OPT), desires to establish public transportation service in each of the 46 counties in the state. Therefore, any county without public transportation service may petition OPT for funding consideration to conduct a public transportation feasibility study. The application may be submitted to OPT by the county or the agency acting on behalf of the county. If the application is accepted and the Commission approves the funding recommendation, a subrecipient agreement will be executed providing State Mass Transit Funds for the feasibility study.

The amount of funding in the agreement will depend on the extent of the scope of the feasibility study, but no less than a minimum of \$150,000. The agreement will require the subrecipient to provide local match equal to 20 percent of the total project cost. Once the study is completed and a report is issued, the county will decide, based on the report, whether public transportation is vital to the community, and economically feasible. To move forward with public transportation, OPT will require a resolution from the county or a governing body acting on behalf of the county.

The resolution must designate the agency or a governmental body that will be responsible for receiving and managing public transportation funds from OPT. The designee will be responsible for ensuring compliance with all Federal and State requirements. After the resolution is received, the designated subrecipient/project is placed on a three-year pilot program for which State funds shall be provided under an agreement.

During the pilot phase, OPT shall conduct at least one on-site technical assistance visit. At the completion of the pilot phase, a review shall be conducted to determine if the subrecipient has met the requirements to receive OPT- administered Federal funding.

B. Funding Criteria for Section 5311

Continuing Section 5311 subrecipients are exempt from submitting a study request except in the event of proposed service expansion. Continuing Section 5311 subrecipients complete a grant application and must demonstrate that they are eligible to continue to receive funding. Since Section 5311 funds are used primarily for operations, and the funds are critical to maintaining continuous services, SCDOT generally considers Section 5311 subrecipients eligible for funding from year to year, unless the annual application, SCDOT on-site review, or other circumstances demonstrate that an agency is no longer eligible. These circumstances include, but are not limited to, an agency’s transition from Section 5311 to Section 5307 funds, elimination of general public service, or determination by SCDOT that an agency no longer meets State or Federal requirements for receiving grant funds.

1. Application Process

Section 5311 funds are available for reimbursement of expenditures incurred in providing public transportation services in non-urbanized areas. Applicants must meet the following conditions:

- Meet SCDOT eligibility criteria as stated in Chapter 3 of this Plan;
- Submit a completed application to the SCDOT; and
- Not be prohibited from receiving Federal and/or State funds.

The project application to SCDOT must contain the necessary project supporting documentation as outlined in the SCDOT Annual Application for Funding. At a minimum, applications for Section 5311 program funding shall consist of three parts:

a) Project Description

The project description provides general descriptive information about the applicant and outlines what the public transportation program will accomplish and how it will approach the management of resources and operations. A project description serves as the basis for the application as well as an annual program operations report. The project description should outline the public transportation program operations and finances clearly and its relationship to the local and state public transportation goals.

A project description shall include the following:

- Description of agency mission, objectives, and impact within the geographic area(s) to be served;
- Scope of Service;
- Description of routes, service, service frequency, ridership, farebox recovery and route mileage;
- Anticipated contracts for special services;
- Five-year projection of administrative, operational, capital, and technical assistance, and planning needs;
- An explanation of how the proposed project compares to applicant's previous year's project;
- The impact of the proposed project (e.g., number of persons benefiting, expected achievements); and
- Description of public involvement.

b) Project Budget

The project budget identifies an anticipated budget based on line items for administrative, operating, technical assistance, and/or capital items. A detailed project budget must be included with the application. Budget information should include but not limited to:

- Itemization of personnel, salaries, and fringe benefits;
- Itemized budget expenditures for capital, operating, and administrative needs; and
- Proposed revenues and matching funds arrangements.

2. Required Certifications

All applicants must include the following certifications and assurances in order to receive Federal funds for the purpose of providing rural public transportation:

- 1) Resolution of applicant's Board of Directors;
- 2) Resolution of a local government;
- 3) Roster of applicant's Board of Directors;

- 4) A description of the extent of private sector participation in the application development and in the proposed transportation services;
- 5) Evidence of the proposed project inclusion in the local Transportation Improvement Program (TIP), if applicable;
- 6) A description of efforts to coordinate with human or social service agencies in the service area;
- 7) An attorney's affirmation;
- 8) Signed assurances including:
 - i. Affirmation of Applicant: Acceptance of FFY Certifications and Assurances
 - ii. Affirmation of Applicant's Attorney in Acceptance of Certifications and Assurances
 - iii. Resolution by Board of Directors to Apply for Funding
 - iv. Affirmation of Applicant's Attorney to Apply for Funding
 - v. Local Match Identification for FTA Program Funding
 - vi. Certification for Civil Rights Complaint Status
 - vii. Title VI Program Report (July 1– June 30)
 - viii. DBE Good Faith Efforts Certification
 - ix. Certification on Restrictions on Lobbying
 - x. Certification Regarding Debarment, Suspension, and other Responsibility Matters – Primary Covered Transactions
 - xi. Certification Regarding Debarment, Suspension, and other Responsibility Matters – Lower Tier Covered Transactions
 - xii. Special Section 5333(b) Warranty
 - xiii. Public Hearing Notification Sample
 - xiv. Public Hearing Minutes
- 9) The disposition of all requirements related to school bus and charter provisions, including assurance that the applicant will not engage in school bus operations exclusively for the transportation of students and school personnel in competition with private school bus operators and will not provide charter without undergoing the appropriate procedures in accordance with FTA regulations;
- 10) A description of public involvement in preparing the local application, including a copy of the opportunity for a public hearing notice, affidavit of publication, hearing minutes (if a public hearing is requested), and comments received;
- 11) An updated vehicle/equipment inventory printout or listing of vehicles and other equipment purchased with Federal and/or State funds costing \$5,000 or more;
- 12) An updated transit asset management facilities inventory form, if applicable.

3. Project Selection and Evaluation Criteria

- a) All applications under the Rural Transit Program (Section 5311) are evaluated and funded based on the current Commission-approved sub-allocation formula. OPT will ensure that the process is consistent to ensure fairness.
- b) Specific criteria will be published in the annual application for funding.
- c) Funds made available under Section 5311 should augment rather than replace existing sources of transportation funds. An applicant shall not be penalized if they fail to maintain previous levels of financial support for the project due to:

- d) A Federal or State decision that reduces, or has the effect of reducing, available levels of financial support; or
- e) Local circumstances, as determined by SCDOT/Office of Public Transit, beyond the control of the applicant.

C. Funding Criteria for Section 5310

1. Prerequisite for Funding

SCDOT has developed a uniform application and selection process under the Section 5310 and Section 5310 programs to be used in making funding decisions. To further this effort, SCDOT and the COGs consider a menu of selection criteria to be used uniformly across the 10 regions. At a minimum, the selection criteria will ensure that projects address:

- Correlation of project to the regional coordination plan implementation strategies;
- Gaps in current service provisions for targeted communities;
- Use of available resources and leveraging resources to the extent possible;
- Facilitation of coordination across public-private, inter-agency, and geographic boundaries; and
- Coordination with other Federal and/or State funding programs whenever possible.

Section 5311 applicants are required to notify either their MPO (if in a MPO study area) or their COG of their intention to apply for funds. Applicants should request a letter of support from either the MPO or COG to forward with their formal application to SCDOT for funding. Proposed projects within an MPO study area must be included in that MPO's local TIP. Once the project is approved by SCDOT, it will be included in the next revision of the STIP.

2. Application Process

The Section 5310 funds are available for reimbursement of expenditures incurred in association with approved capital expenses. The project application to the SCDOT must contain the necessary project supporting documentation as outlined in the annual State Announcement, Application Package and Instructions for FTA Section 5310 Program.

SCDOT will administer a statewide call for applications under the Section 5310 program for all areas. Applicants shall submit an online application in the Grants Management System (GMS) to SCDOT. SCDOT will review applications to ensure that all required documents are completed and attached. All applications received in GMS shall be packaged according to each prospective COG region.

Each application package will be sent to the COG to be reviewed, scored, rated, and ranked. COGs will then screen and prioritize projects under this program, within the appropriate funding and programmatic guidelines, and certify consistency with the locally developed coordination plan and priorities. Using the Priority Form provided to the COG for review, the COG shall provide SCDOT with a final list and scores of projects recommended for approval. SCDOT OPT will make funding recommendations to the SCDOT Commission for final approval.

3. Award Process

SCDOT will ensure that the distribution of funds is fair and equitable, and must verify project eligibility prior to submitting a formal grant application to FTA. It is the responsibility of SCDOT to maintain appropriate oversight of all projects. The following documentation is required:

a) Project Description

- Applicant's request for vehicle purchase, purchase of services, or mobility management;
- Information about the proposed project;
- County government(s) designation of the applicant agency as an entity to provide transportation for seniors and individuals with disabilities within a respective service area, if any;
- Certification of source and availability of the agency's required local match; and
- Certification that all statutory and program requirements have been met.
- Project description outlining the public transportation program providing specific information relative to the performance of the project. The project description serves as the road map or guide for the project. A project description shall include the following:
 - Description of agency mission, objectives, and impact within the geographic area(s) to be served;
 - Scope of Service;
 - Description of routes, service, service frequency, and ridership;
 - Explanation of how the proposed project compares to applicant's previous year's project.

b) Project Budget

A detailed project budget must be included with the application. Budget information should include, but is not be limited to:

- Detailed project line items (per category)
- Federal and local match funding totals
- Detailed budget summary

c) Required Certifications

All applicants must include the following certification and assurances in order to receive Federal funds for the purpose of providing rural public transportation:

- 1) Roster of applicant's Board of Directors;
- 2) A description of the extent of private sector participation in the application development and in the proposed transportation services;
- 3) Evidence of the proposed project inclusion in the local Transportation Improvement Program (TIP), if applicable;
- 4) A description of efforts to coordinate with human or social service agencies in the service area;
- 5) An attorney affirmation;
- 6) Signed assurances including:
 - i. Affirmation of Applicant: Acceptance of FFY Certifications and Assurances

- ii. Affirmation of Applicant’s Attorney in Acceptance of Certifications and Assurances
 - iii. Resolution by Board of Directors to Apply for Funding
 - iv. Affirmation of Applicant’s Attorney to Apply for Funding
 - v. Local Match Identification Form for FTA Program Funding
 - vi. Certification for Civil Rights Complaint Status
 - vii. Title VI Program Report (July 1– June 30)
 - viii. DBE Good Faith Efforts Certification
 - ix. Certification on Restrictions on Lobbying
 - x. Certification Regarding Debarment, Suspension, and other Responsibility Matters – Primary Covered Transactions
 - xi. Certification Regarding Debarment, Suspension, and other Responsibility Matters – Lower Tier Covered Transactions
- 7) Public Hearing Notification (Newspaper Advertisement) - A description of public involvement in preparing the local application, including a copy of the opportunity for a public hearing notice, affidavit of publication, hearing minutes (if a public hearing is requested), and comments received.

D. Funding Criteria for Section 5339

Projects that are eligible for funding under the Bus and Bus Facilities Program (Section 5339) are selected based on identified need determined through assessment of physical condition, analyzing vehicle utilization, and useful life standards for vehicle replacement in accordance with FTA Circular C5100.1 (as amended) regarding asset management. These funds are for Section 5311 and Section 5307 Small Urban subrecipients.

1. Method of Distributing Funds

SCDOT shall make funds available for capital, operating, and administrative assistance to projects in non-urbanized areas. The budget submitted by the subrecipient through the application process shall define the category and amount of funds the subrecipient wishes to receive. Any variation shall require prior approval from SCDOT.

Approved subrecipient agreements will have funds disbursed on a reimbursement basis. Invoices are submitted to SCDOT on a monthly basis at a minimum (but not less than quarterly) for Section 5311 approved expenses. Capital expenses are reimbursed to the subrecipient at approved Federal and/or State share once the capital asset has been received by the subrecipient and inspected by OPT’s asset manager.

Eligible project costs under the Section 5311 Program shall be based on the Code of Federal Regulations (CFR), also referred to as Uniform Guidance, Subpart E-Cost Principles; Section 200.400-200.475, (as amended) and guidance issued by SCDOT. Project expenditures shall be categorized as capital, operating, planning/technical assistance or administrative expenses.

E. State Administration and Technical Assistance

Each program allows a percentage of the apportioned funds to be used by the state to administer the program. Eligible costs include administration, planning and technical assistance. The amounts allowed for state administration of each program are:

- Section 5310-up to 10 percent
- Section 5311-up to 10 percent

FTA allows all or a portion of the administrative funds for Section 5310 and Section 5311 to be combined to support activities (such as coordinated planning) that are common to both programs. SCDOT may combine program administration funds into one administrative account, so long as the use is associated with administering Section 5310 and Section 5311 programs.

Chapter 5: Program Development and Project Approval

Applications are now available in electronic format. Applicants may request log in information to GMS or an email copy of the application may be sent to them. For subrecipients that have access to the internet, they can access the application package through the GMS.

SCDOT utilizes all its program funds under the appropriate programs. During the project development stage, SCDOT staff will identify all other program funds that have not been obligated. If these funds are substantial, a transfer spending plan shall be submitted to FTA's regional office for approval after consulting with subrecipients to determine whether or not they are able to use their funds allocated by FTA. If approved, SCDOT shall implement the transfer, identify eligible subrecipients, update the STIP, and adjust the State's FTA grant Program of Projects (PoP).

A. Background

SCDOT makes an annual program announcement for all programs, depending on the timetable for the publication of the apportionment in the Federal Register. The program period of performance is based on the State Fiscal Year (July 1 – June 30). The announcement provides information on available funds and solicit applications from eligible subrecipients. The review of all applications will begin after the application closing date. Once the application review is complete and subrecipient allocations are made based on the FTA announced availability of program funds to the State for the given fiscal year, the Office of Public Transit will make recommendations, which are presented to the SCDOT Commission to request authorization to put the proposed projects out for a 21-day public comment period and subsequent STIP revision.

After the STIP page is updated, OPT initiates a grant application in TrAMS which includes the development of a Program of Projects (PoP).

The Program of Projects identifies each local subrecipient approved to receive funds for that year, including a brief description, funding level (Federal and non-Federal), and the amount of funds identified for state administrative expenses and intercity bus as applicable.

SCDOT's application to FTA can include two categories in the Program of Projects:

- Projects in **Category A** include those applicants certified as having met all the statutory and administrative requirements necessary for project approval.
- Projects in **Category B** include those applicants which SCDOT intends to fund during that fiscal year, but have not yet met all the statutory and administrative requirements of the respective program.

SCDOT routinely strives to allocate all available funds under Category A.

B. Notice of the Availability of Funds

The statewide announcements for Sections 5310, 5311, and 5339 are widely disseminated through various methods, including:

- Annual memo sent to existing public transportation providers;

- South Carolina regional councils of government (COGs) for regional distribution to interested agencies, including private sector transportation providers and Native American tribes;
- Metropolitan planning organizations (MPOs);
- Other local planning agencies;
- South Carolina Transportation Association of South Carolina (TASC);
- Other interested agencies and operators of public transportation service;
- SCDOT Office of Public Transit website; and
- Advertisements in minority media outlets upon occasion.

C. Public Hearing Requirements

A public hearing or public participation is required prior to a subrecipient submitting an application to SCDOT regardless of the program. There is a second level of public comment when the project has been identified and has received SCDOT Commission approval. This comment period allows the public to make statements regarding the proposed project.

The public hearing requirement in 49 U.S.C. 5323 (as amended) for capital projects. The law more clearly connects the public involvement and hearing requirements for capital projects with the environmental review required by the National Environmental Policy Act (NEPA) and its implementing regulations. It also broadens the requirement to apply to all capital projects as defined in 49 U.S.C. 5302.

Under 49 U.S.C. Section 5323 (as amended), any application for a project that will “substantially affect a community or the public transportation service of a community” shall include a certification to the effect that the applicant has:

- Provided an adequate opportunity for public review and comment on the project;
- Provided notice and held a public hearing on the project if the project affects significant economic, social, or environmental interests;
- Considered the economic, social, and environmental effects of the project; and
- Found that the project is consistent with official plans for developing the community.

Title 49 U.S.C. 5323 (as amended), further states, “Notice of hearings under this subsection shall include a concise description of the proposed project; and shall be published in a newspaper of general circulation in the geographic area the project will serve.”

The applicant must provide an adequate opportunity for public review and comment on a capital project and, after providing notice, must hold a public hearing on the project if the project affects significant economic, social, or environmental interests. These requirements are satisfied through compliance with the NEPA requirements for a public scoping process, public review and comment on NEPA documents, and a public hearing on every draft environmental impact statement (EIS).

A public hearing on environmental assessments (EAs) that have a high probability of being elevated to an EIS is also required, ensuring that the applicant has complied with the public hearing requirement and inclusion in the environmental record for the project.

Section 5323 (as amended) must be read in concert with Section 5324 (as amended), which states that FTA must review the public comments and hearing transcript to ascertain that an adequate opportunity

to present views was given to all parties having a significant economic, social, or environmental interest in the project, and that FTA must make a written finding to this effect.

D. Public Notification

SCDOT publicly advertises availability of funds by notifying potential applicants by letter, posting information on the OPT web site, advertising in a publication having general circulation across the state, and sending a press release through the SCDOT Communication Office.

E. Application Review and Approval Schedule

SCDOT’s annual announcements provide a schedule of dates for application submissions, review by SCDOT staff, recording of the approval date by SCDOT Commission, and the SCDOT’s submission of the respective program of projects to FTA for review and approval.

The general application review and approval schedule for allocation of available Federal funds is as follows:

January	Receipt of all Section 5311 and 5310 proposals
February	Proposals reviewed by SCDOT/regional COGs in the case of Section 5310 program projects, to meet the requirement of the competitive selection process
March	Recommendations submitted for all programs to SCDOT Deputy Secretaries/Secretary, and to the Commission for authorization for a 21-day public comment period
April	Presentation of recommendations to SCDOT Commission for approval
May	Submission of State application to FTA for review and approval
June	Subrecipient Agreement Preparation and Release

Note: This schedule is general in nature and may be modified based on the availability of Federal and/or State funds.

F. Annual Program of Projects

All projects considered for funding are included in the Program of Projects, which is submitted annually to FTA. SCDOT provides a “fair and equitable” distribution of funds within the state, including Indian reservations. Maximum feasible coordination with transportation services assisted by other federal sources must be evidenced through the annual evaluation process. The FTA Regional offices have the day-to-day responsibility for administration of the program. Regional office activities include: reviewing and approving state grant applications; obligating funds; managing grants; overseeing the state’s implementation of the annual program, including revisions to the program of projects; receiving state certifications; reviewing and approving State Management Plans; providing technical assistance and advice to the states as needed; and performing state management reviews every three years, or as circumstances warrant. The SCDOT falls under the FTA Region IV office located in Atlanta, Georgia.

G. FTA Approval

After FTA’s approval of SCDOT’s programs of projects and execution of grants between FTA and SCDOT, SCDOT will send approved agreements to subrecipients via the Grant Management System where the agreements between subrecipients and SCDOT will be executed. Each agreement will contain:

- The approved project budget;
- The detailed scope of services to be performed in accordance with the budget; and

- Required Federal and State contract provisions and regulations. This includes the Master Agreement, which is incorporated by reference.

The subrecipient reviews and executes the agreements.

H. Certifications and Assurances

Each year, SCDOT must assure to FTA that the State and all subrecipients meet all requirements necessary to be able to receive FTA funds.

Each Federal fiscal year (on or about October 1), FTA publishes the required certifications and assurances in the Federal Register and updates the certifications and assurances in the TrAMS electronic grant system. This notice indicates which certifications and assurances apply to all grantees and subrecipients.

Subrecipients submit the appropriate original signature certifications and assurances each fiscal year for all programs for which they will be funded. Subrecipients should use the most recent version of certifications provided by SCDOT during the annual application process. No agreements will be authorized until required signed certifications and assurances have been pinned and uploaded in the Grants Management System, or a signed hard copy received.

I. Period of Performance

The period of performance for formula grant agreements is based on the State's Fiscal Year of July 1 – June 30. In some instances, depending on funding source/guidelines, the period of performance may vary and could extend beyond one state fiscal year. Period of performance is stated within the executed grant agreement between SCDOT and the subrecipient.

Grant agreement extension requests must be submitted in writing (with justification) to the Office of Public Transit for consideration and will be considered on a case-by-case basis.

SCDOT may establish different periods of performance for projects that are programmed for funding but have not yet met all the statutory or administrative requirements of the programs (Category B) pursuant to applicable FTA Circulars.

Federally recognized Indian tribal governments approved for Section 5311 funding may request that the period of performance for administrative and operating grants coincide with the Federal fiscal year (October 1 - September 30).

J. Capital Projects

The performance period for all capital projects begins July 1 of the award year (based on the State fiscal year). The period of performance is generally for a period of 12 months for completion of the respective capital project(s). Extension of capital project performance periods will be considered on a case-by-case basis. Subrecipients must submit a request for extension to the Office of Public Transit in writing. The request must indicate the project agreement number; capital project description; justification for request for extension of performance period; and anticipated date of completion.

Chapter 6 Compliance and Oversight

The Office of Public Transit accomplishes efficient and safe public transportation throughout the state by monitoring subrecipients' public transportation systems. At a minimum, all subrecipients must be in compliance with all requirements directly tied to a law, regulation, circular, master agreement, or other binding guidance. The OPT ensures compliance by conducting periodic Compliance and Oversight Reviews. The Compliance and Oversight Reviews are scheduled so that every subrecipient is reviewed approximately every three years. The Compliance and Oversight Review covers financial management and capacity, technical capacity, maintenance, procurement, civil rights, and program-specific requirements.

The Compliance Review Team consists of:

- The Compliance and Oversight Manager
- Regional Fiscal Analyst
- Statewide Asset Manager
- Asset Manager
- Regional Program Managers, and
- The Training, Safety & Security Program Manager

Compliance and Oversight Reviews are tailored to cover material in the most recent version of the FTA Comprehensive Review Contractor's Manual. There are 23 review areas in the current review manual. Each member of the Compliance Review Team has the responsibility for requirements of the review. SCDOT's OPT adheres to and utilizes the guidance of the Contractor's Manual in its reviews. Additions and clarifications may be made to include State law and other requirements that may solely be specific to SCDOT.

Areas Covered During Compliance and Oversight Reviews

1. Legal

The purpose of the Legal review area is to ensure that recipients/subrecipients, promptly notify the FTA of legal matters and additionally notify the U.S. Department of Transportation (US DOT) Office of Inspector General (OIG) of any instances relating to false claims under the False Claims Act or fraud. Furthermore, it is to affirm compliance with the restrictions to lobbying. SCDOT's Office of Public Transit (OPT) follows the Comprehensive Review Contractor's Manual (CRCM) for compliance with Legal and has no additional requirements.

2. Financial Management and Capacity

The purpose of the Financial Management and Capacity review area is to ensure that SCDOT and its subrecipients have financial policies and procedures; an organizational structure that defines, assigns, and delegates fiduciary authority; and financial management systems in place to manage, match, and charge only allowable costs to the award. OPT conducts Single Audits, as required by 2 CFR Part 200, and provides financial oversight of our subrecipients.

The OPT follows the CRCM for compliance with Financial Management and Capacity. In addition to the CRCM requirements, SCDOT incorporated the following additions:

- A. Audits – The OPT has established uniform standards to provide guidance in obtaining and reviewing financial statement audits in compliance with 2 CFR 200 Subpart F Audit Requirements, State Auditor's Office, and SCDOT- OPT requirements. Required audits must include a Schedule of Budgeted to Actual Costs for each contract in which OPT-administered funds were expended. One schedule may be used to

identify all RTAP contracts. These standards are applicable to all subrecipients expending OPT-administered Federal and State funds.

The OPT will track receipt and review of audits to ensure compliance with 2 CFR Federal audit submission frequency, audit report, review, audit finding follow-up, Data Collection submission to Federal Clearing House and Management Decision / close out letter.

- 1) Audit Report Submission Requirements - The following audit report requirements are applicable:
 - Subrecipients who expended \$750,000 or more in OPT-administered Federal assistance in the subrecipient's fiscal year must submit a single audit to OPT.
 - Subrecipients not meeting the scope of a single audit, but who expended OPT-administered State Mass Transit Funds (SMTF) in any amount must submit a financial statement audit in compliance with the State of South Carolina Office of the State Auditor and the OPT contractual requirements.
 - Subrecipients who do not meet the scope of a single audit and did not expend OPT-administered SMTF funds, but who expended more than \$200,000 in OPT-Federally administered funds, must submit a financial statement audit.
 - Subrecipients not meeting the Federal or State expenditure threshold identified above are not required to submit an audit to OPT.
 - For profit agencies expending \$750,000 or more in OPT-administered Federal assistance in the subrecipient's fiscal year who receive only one type of Federal funding must submit a program specific audit to OPT in compliance with 2 CFR.
 - Additional Audit Documents to Be Submitted: The OPT requires subrecipients to submit a copy of the agency's annual audit within nine months of the subrecipient's fiscal year end. Agencies required to submit a single audit have the option of submitting the data collection form or submitting the identify auditee EIN with the audit.

Subrecipients are required to submit with the following documents:

- 1) A copy of the audit report that includes required Schedule of Budgeted to Actual Costs;
- 2) A copy of the data collection form or provide information identifying the auditee EIN required for single audit clearing house submissions;
- 3) The management letter and subrecipient response to the management letter. This letter is issued by the auditor and addresses issues the auditor needs subrecipient management to address, although the matter did not reach the level of a finding.
- 4) Subrecipient responses to findings if not included in the audit.

- B. Issues of Non-compliance – Subrecipients will be determined to be in noncompliance if they fail to:
- 1) Submit the required audit report and subsequent documentation before the due date or obtain an extension from OPT to submit audit documents to OPT after the required submission date;
 - 2) Respond to the OPT review; or
 - 3) Have an audit conducted in accordance with audit requirements for cases of continued inability or unwillingness.
 - 4) Refuse to implement suggested corrective actions.
- C. Remedies for Noncompliance – Failure to comply with Federal statutes, regulations, or conditions of the OPT agreement and other OPT requirements may result in disciplinary action based on 2 CFR 200 Subpart C Specific Conditions. If the additional conditions do not remedy the noncompliance, then OPT may take additional action referred to in 2 CFR 200 Subpart D Remedies for Noncompliance. A finding of noncompliance with an OPT Program area OPT administered program requirements may result in OPT taking appropriate action as identified.

When a subrecipient has a history of failure to comply, the following additional requirements may be instituted:

- 1) Authority to proceed is withheld until receipt of evidence of acceptable performance
- 2) Require submission of detailed reports; financial statements, mileage, maintenance, drug and alcohol, etc.
- 3) Require subrecipient to adhere to increased monitoring and/or increased requirement of OPT approvals
- 4) Require subrecipient to obtain technical assistance; and
- 5) Agency may be placed on high-risk status.

If the above actions do not remedy subrecipient noncompliance, the OPT may take one or more of the following actions as appropriate:

- 1) Temporarily withholding processing request for reimbursement invoices pending correction of the deficiency.
- 2) Disallow all or part of the costs of the activity or action associated with the noncompliance.
- 3) Suspend or terminate all or part of the agreement.
- 4) Transfer assets to another transit system if subrecipient continues to fail to properly use or maintain OPT- funded assets.
- 5) Withhold any further OPT agreements.
- 6) Initiate suspension or debarment proceedings as authorized under 2 CFR part 180.
- 7) Other actions permissible by law.

OPT will provide written correspondence explaining the reason for the disciplinary action(s), the time frame associated with disciplinary action(s) and what the subrecipient must accomplish before the disciplinary action is removed.

3. Technical Capacity – Award Management

The purpose of the Technical Capacity – Award Management review area is to ensure that SCDOT reports progress of projects in awards to FTA and closes awards timely. OPT follows the CRCM for compliance with Technical Capacity – Award Management and has no additional requirements.

4. Technical Capacity – Program Management and Subrecipient Oversight

The purpose of the Technical Capacity – Program Management and Subrecipient Oversight review is to illustrate that SCDOT documents and follows a public involvement process for the development of the long-range statewide transportation plan and State Transportation Improvement Program (STIP). Refer to Chapter 1 of this document for further details regarding this process. As a designated recipient of Sections 5310, 5311, and 5339 funds, SCDOT has developed and submitted a State Management Plan to the FTA for approval. SCDOT has entered into agreements with each subrecipient, has obtained required certifications from subrecipients. SCDOT has reported in the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS) on subawards and ensures subrecipients comply with the terms of the award.

The OPT follows the CRCM for compliance with Program Management and Subrecipient Oversight. In addition to the CRCM, SCDOT incorporated the following additions:

- A. New Starts – SCDOT provides funding to New Start transit programs with State Mass Transit Funding and issues an agreement for the New Start to become a “pilot” public transportation service for three years. Within the three year pilot program the New Start agency will be observed and provided technical assistance to ensure that they have the capacity to comply with Federal requirements and performance goals, and evaluate the risk of noncompliance with those requirements.
- B. Pre-Award Requirements - Upon initial approval of an applicant for inclusion in the Program of Projects, the OPT will ensure the subrecipient:
 - 1. Has the financial capability to perform the services required and that the accounting system is adequate and capable of segregating, accumulating, and maintaining costs of the project.
 - 2. Establishes adequate internal controls to ensure that project costs are reasonable, allowable and can be allocated under the project;
 - 3. Ensures that transactions are properly recorded; inventory procedures account for capital assets purchased with OPT- administered funds; and that documentation of project management and oversight results in preparation of required audits.
 - 4. Establishes a proper record retention policy to ensure that documents will be maintained for the required minimum retention requirements per statute, regulations, guidance, etc.
- C. Standards for Accounting - SCDOT maintains a financial management system of financial reporting, accounting records, internal controls, and budget controls subject to standards specified in the state laws enforced by the state auditor and the South Carolina Department of Administration. All systems and procedures for financial management are in compliance with Federal regulation 2 CFR Part 200, the

Uniform Administrative Requirements (as amended): Cost Principles and Audit Requirements for Federal Awards. All projects included in the annual program of projects shall be assigned a project number per contract for use as identification purposes. All subrecipients are required to establish and maintain an accounting system to which all transportation–related costs and revenues are properly recorded are:

- clearly identified, and
- easily traced and substantially documented regardless of the operational nature of the agency serving as the designated transit system

The OPT and the subrecipient are both responsible for documenting and supporting all costs charged to the project and revenue earned with supporting documentation. Examples of adequate documentation include, but are not limited to:

- Time records, authorized pay rates, checks, and direct deposit documents for payroll;
- Vendor invoices and contracts for AP cash disbursements;
- Procurement documents, contracts, and subrecipient billings for AR cash receipts;
- Cash receipts, cash disbursement, and bank statements for bank reconciliations; and
- Vendor invoices, purchase orders, and checks for fixed assets.

Reasonable costs are considered as those that do not exceed an amount that would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the costs. In determining if a cost is reasonable, consideration may be given to:

- Cost is ordinary and necessary for the performance of the contract;
- Generally sound business practices, related party transactions, Federal and State laws and regulations, and contract terms and conditions;
- Enacted with prudence under the circumstances, considering their responsibilities to the agency, clients, public, OPT, and the Federal government; and
- The action was a significant deviation from agency policies and procedures that unjustifiably increased costs.

Subrecipients must maintain inventory use records that support costs charges such as work orders or other supporting documentation. Documentation must include, at a minimum:

- Sufficient item description,
- VIN or serial number, as appropriate,
- Item cost and quantity.
- Costs are allocated per the approved methodology.

- D. Program Income – The definition of Program Income is gross income earned by a subrecipient that is generated directly by an activity supported in whole or in part with Federal funds or earned only as the result of the grant award. Only the portion of income recorded is considered program income and is subject to OPT oversight.

Program income does not include interest earned on advances of Federal funds, rebates, credits, discounts, etc., and interest earned on any of them, except as otherwise provided in the awarding agency regulations, award terms, and conditions. Program income also does not include proceeds from

the sale of real property, other capital assets, and supplies/materials inventory. Program income must be:

- 1) Retained in accordance with OPT agreements and used for allowable capital or operating expenses.
 - 2) Used to reduce total allowable cost to net costs on which the Federal share is determined when requesting reimbursement for OPT-administered funds. Program income may be used to reduce net operating expenses or as revenue to be used by the subrecipient as local match.
 - 3) Accounted for in the subrecipient's accounting system for income earned. The accounting system must be able to identify the purpose for which program income was used, as it may be used to meet cost sharing or matching requirements for non-FTA transit programs, when authorized by OPT. The amount of the Federal award remains the same.
 - 4) Costs associated with the generation of program income may be deducted from gross income provided these costs have not been charged to the award, and if authorized by the Office of Public Transit.
- E. In-Kind - Match that represents goods and services contributed by the subrecipient agency that represent the monetary value for which resources would have been expended to acquire the goods or services to accomplish program objectives. OPT may consider a request from a subrecipient to utilize in-kind for match on a case-by-case basis. However, such consideration must come from an audited financial document that can be verified. The goal of OPT is to manage and administer in-kind match in a manner that ensures program compliance in accordance with Federal and State laws, regulations, statutes, and industry standards. FTA provides states discretion in implementing program objectives; therefore, effective July 1, 2015 SCDOT Office of Public Transit no longer allows the use of in-kind contributions as local match.
- F. Cost Allocation Plans - In compliance with Title 2 CFR 200 Subpart E-Cost Principles (as amended) Federal guidelines, subrecipients are required to have a cognizant agency-approved Cost Allocation Plan (CAP) for charging indirect cost to administered programs. The cognizant agency is the Federal or authorized agency that provides the most Federal funds to the subrecipient and is responsible for reviewing, negotiating, and approving cost allocation plans and/or indirect cost rate proposals.
- The CAP Proposal is the document subrecipients will use to identify how allowable costs are accumulated and allocated or used to develop billing rates of services provided. This document will be used to ensure that the method of allocating costs among benefiting programs is reasonable and proportionate to the benefit received based on the process of assigning cost and equitable relationships. Costs must be charged consistently as indirect or direct. Costs cannot be as both; the portion charged as indirect must not be charged as direct, and any portion charged as direct must not be charged as indirect. All cost must be properly supported with proper documentation.
- G. Indirect Cost Rate - Subrecipients must have a cognizant agency approved Cost Allocation Plan (CAP) and/or Indirect Cost Rate (ICR) in order to charge indirect costs (administration and general expenses). In the case where OPT is the cognizant agency, subrecipients must have an approved Cost Allocation Plan. In the case where OPT is not the cognizant agency, the subrecipient must submit the documentation approved by the cognizant agency upon receipt.

H. De minimis Rate In Lieu of Indirect Cost Rate

A subrecipient who has never received a negotiated indirect cost rate from their cognizant agency may elect to charge indirect cost using the de Minimis rate for an indefinite period of time. The de minimis rate is 10 percent of modified total direct costs (MTDC). Once elected, this methodology must be used consistently for all Federal awards until the subrecipient chooses to negotiate an indirect cost rate. A subrecipient may negotiate a rate at any time.

- I. Direct Cost Allocation Methodology - Subrecipients who have costs that benefit two or more projects, programs, or activities in proportions that can be determined without undue effort must allocate costs to the projects based on the proportional benefit. If cost that benefits two or more projects or activities cannot be determined, the costs may be allocated or transferred to benefitting projects on any reasonable documented basis.
- J. Agreement Changes – During the course of the project, it may become necessary to make changes in the form of administrative amendments, agreement revisions, or amendments. Agreement changes (amendments and revisions) must be submitted on the Budget Adjustment Form with a justification for contract revisions and all contract amendments that require OPT approval.

Budget changes must comply with salary and fringe benefits contract percentage limitations and the administrative category limitation of 40 percent of total program budget. Once the original budget has been approved, salary and/or fringe benefits expense increases are not allowed.

For budget changes to be effective, except for revisions requiring OPT concurrence, a modified contract must be fully executed before changes are reflected on Form 600 - Request for Payment Invoice Form.

- K. Administrative Amendment - An administrative amendment is a change in a grant agreement that may be initiated by OPT or the subrecipient with the concurrence of OPT. The modification is used to modify or clarify certain terms, conditions, or provisions under the contract.

An Administrative Amendment may be used to:

- 1) Modify an agreement to comply with changes required by SCDOT,
- 2) Change or extend the agreement period (year),
- 3) Change the type of funds obligated for a grant agreement, or
- 4) Reflect a change in the subrecipient's name.

An administrative amendment cannot be used to change the scope, amount of funding, or purpose of a contract.

- L. Agreement Amendment - An agreement amendment is a change in the scope or purpose of an agreement or the Federal and/or State participation. An agreement amendment requires OPT's approval before the agreement budget change can be reflected on Form 600 documents. A detailed justification must be submitted with the form. An agreement amendment is used for the following:

- 1) Addition/deletion of budget line items in an approved agreement,
- 2) Any scope change that will alter the original intent of the agreement,
- 3) Changes that will affect the agreement category funding amounts and/or matching ratios,

- 4) Changes in the number of units, size, or physical characteristics of items to be purchased or constructed, or
- 5) A change that SCDOT concludes is significant to include, but is not limited to, route reductions, material changes, or personnel changes, etc.

M. Agreement Budget Revision - A budget revision may be issued when appropriate if the purpose, scope, total category amount, and total agreement amount remains the same and minor adjustments to budget line items are approved. The budget revision must be approved reviewed by the Regional Program Manager, and reported on the Form 600 with a submission of a consistent with the applicable approved agreement and budget. Agreement revisions must be reported on Form 600 documents. A detailed justification must be submitted with the form when OPT approval is required.

The following budget revisions require approval from OPT:

- 1) Transfers are within a budget category from one budget category's active (approved budget) line item to another agreement budget category active line item.
- 2) The line item change must be a change of 30 percent or greater. For example, transferring funds from an approved administrative miscellaneous expense to an approved travel expense when the change represents a 10 percent change in an approved line item.
- 3) The line items for salaries/fringe benefits under the administrative category shall not exceed 40 percent of the total annual allocation for Section 5311, unless an approved indirect cost rate is provided.

The following budget revisions apply to agreement revisions that may be made without OPT prior approval but do require OPT concurrence:

- 1) Transfers within a budget category from an active budget line item to another active budget line item.
- 2) The line item increase/decrease must be less than 30 percent and within the same budget category, it will not need a budget revision formalized.
- 3) There are no increases made to salaries and/or fringe benefit line item expenses.

N. Allowable Revisions - The OPT encourages subrecipients to have a sound financial management system to allow for the completion and review of budget(s) to avoid unnecessary use of budget changes. The following conditions apply to budget change requests:

- 1) No modification requests by subrecipients will be allowed during the first three months of the contract period.
- 2) Only three budget revision/amendment requests will be allowed between the 4th and 11th months during the contract period.
- 3) No change request by subrecipients will be accepted during the last 30 days of the agreement period. Special circumstances may be considered on a case-by-case basis.
- 4) Budget Change Process - Subrecipients must submit a request that includes a justification to the Regional Program Manager along with a properly completed Budget Change Form at least two weeks prior to the anticipated change date. An authorized representative of the agency must initiate the change.

OPT staff will review and respond to the subrecipient in writing issuing a decision that the status of the request is approved, denied, or needs to be modified. If approved, the grants and contract staff will initiate an agreement modification document that must be signed by the subrecipient and SCDOT- OPT authorized personnel.

A copy of the request, Budget Change Form, and other supporting documents will be maintained and uploaded in the Grants Management System or on the J: drive.

O. Closeout Procedures

- 1) Grant Agreement Closeout – SCDOT’s OPT enters into yearly transit grants with the FTA. These grants are applied for, managed, and monitored electronically through an FTA grant system. OPT is expected to close out grants in a timely manner. In order to accomplish grant closeout, OPT must do the following:
 - Submit quarterly/yearly Federal financial reports and milestone progress reports;
 - Update the program of projects as needed; and
 - Expend funds as outlined in the grant.

Once all funds have been expended and/or projects are complete, OPT must follow the close out process in FTA’s electronic grant system. A final financial and milestone report are submitted. Any leftover funds are deobligated. OPT then notifies FTA that there are pending close outs in the system.

- 2) Agreement Closeout – SCDOT will unilaterally initiate agreement closeout in cases where approved funds have been substantially disbursed or the subrecipient has done little to complete activities as approved in the contract. In every case, OPT will notify subrecipients by letter that the grant agreement has been closed out, indicating that the project is complete and no further charges will apply to that grant agreement, or when the contract period of performance has expired and no contract extension was granted.

Upon completion of a project, within 30 days after the ending date of the agreement, the subrecipient is to submit to the Office of Public Transit the items outlined below:

- a) A final Request for Payment invoice to request payment for any remaining eligible expenses, if appropriate.
- b) A check made payable to the South Carolina Department of Transportation for over-requested funds.
- c) Copies of any technical studies or other documents produced as a result of the contract, if not already submitted.
- d) Any other reports required as a condition of the contract.

5. Technical Capacity – Project Management

The Office of Public Transit (OPT) new construction or renovation of facilities or other real property for Section 5311 and Section 5339 or other discretionary funding provided by FTA. Subrecipients of these funds must ensure that the cost of construction or rehabilitation of transit facilities, including design, engineering, and land acquisition, are eligible capital expenses. The responsibility for contract/construction management and oversight lies with the subrecipient.

Real property must be acquired, managed, used and disposed of in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (Uniform Act or URA) (PL 91-646) and 49 CFR Part 24, the implementing regulation, Additional guidance may be found in FTA Circular 5010.1E

The purpose of the Uniform Act are:

- To provide uniform, fair and equitable treatment of individuals whose real property is being required or who may be displaced in connection with construction/rehabilitation of a federally funded project.
- To ensure relocation assistance is provided to displace individuals to lessen any emotional and/or financial impact of the displacement.
- To help improve the housing conditions of the displaced individuals living in substandard housing.
- To encourage and expedite acquisition by agreement and without coercion.

The implementation of the Uniform Act are specific in providing the means to achieve those objectives. These objectives are contained in the FTA Circular 4703.1 Environmental Justice Policy Guidance for Federal Transit Administration Recipients, Title VI and related statutes.

To ensure eligibility for Federal funding, the subrecipient should follow the typical process sequence when acquiring real property for a project

1 Title VI Equity Analysis

National Environment Policy Act (NEPA) Approval

1. Title Search
2. Appraisal
3. Appraisal Review
4. Just Compensation Determination
5. OPT/FTA Concurrence

As stated, SCDOT Office of Public Transit does not perform or manage transit services and will not directly be involved in the construction or remodeling of capital projects, however, OPT as part of its oversight responsibility, will conduct periodic inspection to ensure building/facility maintenance remains in compliance.

The assurance for Real Property Acquisition and Relocation Form, which can be found on the OPT website, must be submitted as part of the application process in order for the application to be considered complete.

- A. Site Selection – Subrecipients may retain a consulting firm to compare various properties to determine the most suitable location. As well, a commercial real estate firm may also be retained to assist with the evaluation and location of the property or facility. If a donated property is being considered, such property must be appraised at the current fair market value, with an accompanying review appraisal.
- B. Environmental Review - An environmental review is necessary for new construction or a building purchased for renovation. All proposed project sites must be evaluated and assessed to determine impact, if any, on wetlands, streams, high biotic potential, livable communities' considerations and federally protected threatened or endangered species and their habitats. A consulting firm may be used to determine if there are any environmental issues that need to be addressed prior to construction.

An environmental review must be completed and FTA's approval received prior to committing federal funds. Federal funds will not be made available for any facility purchase or construction until the

environmental documents are reviewed and approved by FTA. Environmental issues may need to be addressed if any of the following exist:

- Property is owned by the state or located on a national historic site;
- Pre-existing environmental issues, e.g., if underground tanks and/or wet lands are present; or
- If property has already been purchased by the provider, and an environmental review or study has been completed, the document(s) must be submitted to OPT for review and subsequent Federal approval.

Review of Environmental Documentation

The Office of Public Transit review of the environmental documentation may take 4 - 6 weeks depending on the complexity of the project. A copy of the survey or plot map and description of the property should be furnished for review along the Checklist and Documentation accompanying the Information required to initiate NEPA. Additional information such as a feasibility study, appraisals, site plan and other relevant information are needed to assist SCDOT with the review.

If the environmental review indicates a “finding of no significant impact” (FONSI), the project will be able to proceed to the next step.

If the review indicates an adverse environmental affect, an environmental study including an “environmental impact statement” (EIS) may be required or an alternative site may be selected. Transit providers must certify all federal and state environmental requirements are met before commencing work on a facility project for activities to be deemed eligible for reimbursement.

C. Pre-Award Review

All construction or real property acquisition-related activities over \$10,000 shall require pre-award review and approval by OPT before commencing work.

Pre-Award Review and Approval

The following activities are requiring for pre-award review and approval:

- Land acquisition;
- Independent cost estimate (cost and price analysis);
- SCDOT as lien holder to the property;
- Architect or professional engineer selection;
- New construction, renovation, or improvement bids and contract award notifications.

The OPT utilizes a Facility Construction Checklist to assist SCDOT and the subrecipient in managing the development and oversight of an approved facility project. The OPT will confer and seek assistance from other SCDOT offices as deemed necessary with the review and approval of the activities listed above.

The transit provider shall ensure that state and/or local reviews and approvals are received from appropriate state and/or local agencies including approval by a local building inspector as may be required before application for funding is submitted.

- D. Facility Construction Checklist - The Facility Checklist (which is located on OPT website) is used as a guide for all construction or renovation activities that require a pre-award review and approval by the SCDOT Office of Public Transit. This will allow for appropriate project consultation, planning and guidance to be afforded to the subrecipient prior to local or state commitment of federal or state funds. Funding consideration for any support of a construction or renovation project is dependent on availability of funds, in addition to other federal and/or state guidance that affects the dissemination or use of the funds. When federal and/or state funds are used, applicable federal and state guidelines and requirements must be followed in accordance with FTA Circulars 4220.1 and 5010.1E (as amended), and any revisions thereto.
- E. Subrecipient Responsibilities - The subrecipient's responsibilities are to:
- a. Provide continuous administrative and management direction of project operations;
 - b. Submit a site selection analysis, two appraisals (with one being a review appraisal) and complete a categorical exclusion checklist or full environmental assessment, whichever is applicable;
 - c. Submit progress reports, to OPT at different phases of the project and provide updates as necessary;
 - d. Comply with ***SCDOT's Policy for Architectural & Engineering Contractor Indirect Cost Rate Approval***
 - e. Prepare and submit a cost allocation plan prior to incurring costs if seeking reimbursement for these costs. Update and retain these approved documents for OPT review during compliance and oversight review;
 - f. Conduct cost estimate analysis and keep expenditures within the latest approved project budget;
 - g. Ensure compliance with OPT/FTA requirements relating to consultants, contractors, and subcontractors working under approved third party contracts or inter-agency agreements;
 - h. Provide, directly or by contract, adequate technical inspection and supervision by qualified professionals of all work in progress;
 - i. Ensure conformity to contract agreements, applicable statutes, codes, ordinances, and safety standards;
 - j. Maintain the project work schedule agreed to by OPT and the subrecipient and constantly monitor project activities to ensure that schedules are met and other performance goals are being achieved;
 - k. Submit requests for payment reimbursement on a monthly basis for activities completed in accordance with the current approved budget;
 - l. Account for federal and state property associated with the project and maintain property inventory records;
 - m. Arrange for an annual independent organization-wide audit in accordance with 2 CFR Part 200, Subpart F; and
 - n. Submit a signed, executed copy of the 'Agreement Not to Convey or Encumber' (See OPT website for sample form).

The subrecipient agrees to comply with 49 U.S.C. § 5324(a), which requires compliance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, 42 U.S.C. §§ 4601 et seq.; and with U.S. DOT regulations, "Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally Assisted Programs," 49 CFR, Part 24. The OPT shall be kept informed and involved in all phases of planning and construction.

- F. Request for Reimbursement - Requests for reimbursement shall be submitted on a monthly basis with supporting documentation. Request for Payment, Form 600, must accompany all reimbursement

requests with an itemized list of activities completed. The Request for Payment must be completed and signed by the subrecipient including an invoice request for payment from the contractor and designer. A DBE reporting form will need to be submitted with payment. Other applicable documentation such as Davis Bacon Wage reports may be required to be submitted.

OPT Responsibilities: OPT shall

- i. Create and maintain real property inventory to include but not limited to address of the property, grant amount award associated with the property, project summary etc.
- ii. Create and maintain a list of excess real property inventory.
- iii. Create and maintain a facility inspection tool
- iv. OPT's goal, conduct one facility inspection within a period of no more than 3-years.
- v. OPT's goal, update the inventory within a period not more than 1-year.
- vi. Create and maintain real property utilization plan

Real Property Inventory

OPT will maintain a Real Property Inventory for real property funded with OPT administered federal funds after December 26, 2014 for which the federal government retains an interest. Subrecipients will maintain an updated real property inventory for their agency in addition to complying with TAMP reporting, maintaining federally required information and Physical Inventory requirements Subrecipients must notify OPT when there is changes to property sure as addition or substitute uses or is removed from the service for which it was originally intended.

Real Property Inventory document will include: Property Parcel & Physical Address; Use & Condition & Summary of Condition; Brief Description of Improvements, Expansions, Retrofits; Asset Useful Life; Date Place in Service; Original Acquisition Cost; Federal Share; Federal Percentage; Non-Federal Percentage; OPT Agreement #, FTA Grant Number; same information for federally funded construction and renovations; disposal information Appraised Value & Date, Anticipated disposals; Disposal Date & Sale Price; and Reason for Excess Property.

6. Transit Asset Management

The purpose of the Transit Asset Management review area is to ensure that SCDOT and its subrecipients comply with 49 CFR Part 625 to ensure public transportation providers develop and implement transit asset management (TAM) plans.

The OPT follows the CRCM for compliance with Transit Asset Management, and in addition to the CRCM requirements, SCDOT incorporated the following additions:

The OOPT's Transit Asset Management Plan is based on MAP-21 Act, 49 CFR §625 regulations, applicable FTA Circulars, and 2 CFR Part 200, as amended. Subrecipient's asset management system must allow expenditures to be traced to accounts to establish that funds were used according to the agreement. The system must be able to provide accurate financial reporting supported by adequate source documentation and ensure adequate maintenance procedures to keep property in good condition.

Subrecipients who purchase capital assets with OPT-administered funds are required to certify that capital assets purchased under the project shall be used for the provision of public transportation

services within the subrecipient's service area or other areas as described in the grant application. Capital assets shall be used for the life of the asset in compliance with the property management standards. The title/deed to all capital assets purchased with OPT-administered Federal/State funds shall be maintained by the SCDOT until the useful life of the property has been met and no Federal interest exists. Subrecipients may request the title be released to them once the useful life is met.

If a subrecipient's transit system is failing to use or maintain OPT funded assets properly, OPT may initiate disciplinary action.

The OPT held various sessions with plan participants in which decisions from those meetings were used to develop the plan. The group TAM Plan Tier II became effective October 1, 2018 and all transit assets under the administration of the South Carolina Department of Transportation will be guided by the policy provisions as laid out in the plan.

A. TAM Plan Requirements - SCDOT OPT has developed the TAM Plan in accordance with the guidelines established by FTA. 49 CFR §625.27 "Group Plan for Transit Asset Management requires that States, acting as sponsors, develop a group TAM Plan for all subrecipients under the Rural Area Formula Program (Section 5311), and urbanized area operators not meeting the scope of the Tier I TAM plan. SCDOT is responsible for setting unified targets for the plan participants. While 49 CFR §625.25 requires that all TAM Tier II plans are included, all Section 5311 subrecipients are required to participate in the group plan and urban providers can opt in or out if they choose. Section 5311 subrecipients cannot opt out.

- 1) An inventory of the number and type of all capital assets that the subrecipient owns, except equipment with an acquisition value under \$50,000 that is not a service vehicle.
- 2) A condition assessment of those inventoried assets for which SCDOT OPT has direct capital responsibility.
- 3) A description of analytical processes or decision-support tools used to estimate capital investment needs over time. OPT uses the decision support tools FTA developed for TAM Plans for Small Providers.
- 4) A project-based prioritization of investments.
- 5) Facility evaluation based on FTA's TERM-Lite (Transit Economic Requirements Model Lite).

All Useful Life Benchmarks and Performance Targets can be found at: [FTA Useful Life Benchmarks Cheat Sheet](#)

The Tier II rural participants and urban participants of the Group Plan are listed in the TAM Plan document found on the OPT webpage.

B. Subrecipient Requirements:

1. Annually, provide SCDOT OPT a complete inventory of all rolling stock and equipment with a purchase value of \$50,000 or greater. Administrative and service vehicles are exempt. The Asset Inventory Form is located on the OPT webpage
2. Conduct an annual self-evaluation of:

- a) All revenue vehicles and equipment purchased with OPT administered FTA funds with a purchase value of \$50,000 or greater using The Office of Public Transit self-evaluate template located on the Office of Public Transit webpage.
- b) Subrecipients with facilities that were built or re-modeled with FTA funding must self-evaluate their respective facilities using SCDOT developed template based on FTA’s TERM-Lite (Transit Economic Requirements Model Lite). Template can be obtained at SCDOT website.

C. OPT Requirements - In addition to the above-required elements, SCDOT OPT must ensure the following actions occur:

- 1) Coordination with the development of the plan with each Tier II subrecipient’s executive director.
- 2) The completed SCDOT OPT Tier II Group Plan is made available to all participants in a format that is easily accessible.
- 3) Sharing of plan information with the MPOs representing urbanized area operators that participated in the group plan.
- 4) Updates of TAM Plan are performed as required.
- 5) Use of self-evaluation to complete analysis data collection and to set replacement priorities and make decisions.
- 6) Statewide FTA funded assets remain in a “State of Good Repair”.

D. Property Management Standards

Capital assets purchased with OPT state-administered funds valued at \$5,000 or more must be accounted for in the agency fixed asset listing or in compliance with subrecipient capitalization criteria if less than \$5,000. Asset cost may include the purchase price and costs associated with getting the asset ready for use. For example, the costs of a lift or destination sign, purchased as part of a vehicle, can be included in the cost of the vehicle.

Capital assets shall be assigned an agency-unique identification number that is to be used throughout the life of the asset – the assigned number is to be used once in the life of the agency. The unique identification number is separate from the asset number.

E. Federally-Required Information to Maintain

Fixed asset records must contain the federally required information as follows:

- Description, to include year, make, and model, of vehicle and equipment make and model;
- Vehicle VIN or equipment serial number, and building’s physical address;
- Acquisition date;
- Title holder
- Federal Award Information Number (FAIN)
- Useful life
- Cost;
- Funding source (e.g., Section 5311, SMTF, Section 5339 etc.)
- Percentage of Federal participation in the cost;
- OPT agreement number and FTA grant number under which it was purchased;

- Location;
- Use and condition; and
- Any disposition data, as appropriate (disposal date, sale price or, where applicable, the method used to determine its fair market value).

F. Depreciation Standards

Capital items purchased with OPT-administered funds are to be depreciated using the straight line method of depreciation over the useful life of an asset in accordance with generally accepted accounting principles. Vehicles purchased with OPT funds must comply with OPT identified useful life standards. Depreciation expense is not an allowable reimbursable cost if the fixed asset was purchased, in part or in whole, with Federal funds.

G. Asset Inventory Standards

Equipment and other capital assets purchased with OPT funds, must have a physical inventory count performed, at a minimum, biennially (once every two years) and the results reconciled with to the subrecipient's fixed asset listing. In addition, capital items with a purchase value of \$5,000 or more must be reported to OPT as requested on the OPT Property Inventory Form. The completed form must include an agency-authorized signature and the information contained on the form supported by the agency's fixed asset listing.

H. Utilization Standards

To ensure that vehicles purchased with OPT-administered funds receive maximum use, OPT requires rotating vehicles within the service area. Any system failing to use its primary fleet (excluding backup vehicles) may be denied replacement or rehabilitation funds and excess fleet may be transferred to another transit system. Rolling stock and other capital assets must meet the TAMP standards for replacement. TAMP is located on the SCDOT website.

I. Out of Service Vehicles

If a vehicle is out of service more than 30 days, transit providers must provide written notification to the appropriate OPT asset manager. For the period of time the vehicle is out of service, the transit provider must ensure that accounting stops the depreciation so the out of service time does not count toward the minimum useful life.

If emergency situations arise due to a vehicle being out of service for several months and the agency does not have a spare vehicle, a transit system may request authorization from the OPT to lease a vehicle short term in order to maintain needed service levels within a service area. SCDOT OPT must provide written approval prior to the subrecipient executing a lease agreement. Copies of lease agreements must be forwarded to the appropriate asset manager for maintenance in SCDOT OPT's grant agreement file. Payment of invoices resulting from a lease agreement that did not receive OPT's prior approval will require the subrecipient to refund the payment to OPT using non-OPT-administered funds. OPT may seek short time loaner vehicle transfer from another agency.

J. Vehicle Rehabilitation

Rehabilitation is an eligible capital category expense. OPT has the discretion to approve or deny rehabilitation requests. The subrecipient must submit a request to receive approval for rehabilitation to the appropriate OPT asset manager. Along with the request, the agency must submit a completed cost benefit analysis that supports rehabilitation and two vendor quotes. If a vehicle is rehabilitated with OPT-administered funds, the useful life must be adjusted to reflect the new replacement threshold. Rehab of Cut-a-ways will be determined on a case-by-case basis to ensure meaningful return on investment.

K. Ensure Statewide FTA-funded Assets Remain in a “State of Good Repair” Useful Life Standards

OPT has adopted FTA minimum useful life standards per FTA Circular 5010 (series), as amended, and requires subrecipients to use those standards on all OPT-funded vehicles to ensure timely replacement of vehicles. The useful life of rolling stock begins on the date the vehicle is placed into revenue service and continues as long as it is in service.

Vehicles may be replaced once the useful life has been met, and with OPT prior approval, if funds are available. Incidental use service mileage does not count toward the minimum useful life mileage.

OPT uses the guidance provided in the Table ES-1 - Minimum Service-life categories for Buses and Vans which is provided in the FTA Useful Life of Transit Buses and Vans Report No. FTA VA-26-7229-07.1 found in the following link: [Useful Life for Transit Buses and Vans](#)

Incidental use service mileage does not count toward the minimum useful life mileage.

L. Incidental Use

OPT encourages the incidental use of OPT-funded capital assets to raise additional revenues for the transit system. Incidental use must be compatible with the original purpose of the contract/project. Subrecipient must obtain OPT prior approval by submitting a request for incidental use that includes a justification. Justification for incidental use of OPT funded capital assets should be based mainly on a proposed use that benefits public transportation. Proceeds from incidental use, at a minimum, must reflect appraised fair market values and is to be reported on Form 600 to reduce gross operating expenses.

OPT may allow incidental use of assets if:

- 1) It does not interfere with the public transit services for which it was originally obtained;
- 2) It does not exceed 20 percent of the total use of an asset; and
- 3) It does not interfere with continuing control over the asset.

M. Meal Delivery

Capital assets purchased with OPT-administered funds may be used for meal delivery if the delivery service does not conflict with providing public transportation service or reduce service to the general public. OPT expects the nutrition program to pay the operating costs attributable to meal delivery. OPT-administered funds cannot be used to purchase special vehicles used solely for meal delivery.

N. Contracted Services

Capital assets purchased with OPT-administered funds may be used to provide contracted services. Services must not replace or minimize the primary mission of the subrecipient to provide public transportation service to the general public. OPT-funded vehicles that still have a useful life and have not been released by OPT must be used to provide transportation services within the subrecipient's designated service area and are applicable to contracted services. Transportation within the designated service area includes transportation of an individual from the designated service area to a facility or location outside the service area and the return trip. A transit provider is allowed to pick up an individual outside of its service area if it is part of a coordinated trip to a designated location.

The subrecipient should ensure that contracted rates for transportation services covers all anticipated expenses to include, but not be limited to, maintenance of vehicles and any administrative overhead. Therefore, transit providers must ensure that all transportation expenses associated with providing the service are allocated to contracts in a method that is based on benefits received.

O. Use Agreement

All capital assets purchased with OPT-administered funds must be in direct control of the subrecipient. OPT reserves the right to approve or disapprove all use agreements that involve items purchased with the OPT-administered Federal and State funds.

The subrecipient must provide justification that the best use of an asset should include usage under a use agreement. If the justification is accepted, subrecipient must address the following issues, at a minimum, with the subcontractor before the use agreement is signed:

- 1) Drivers of the transit system or drivers from another agency may drive the vehicles as long as insurance coverage is adequate for the use(s);
- 2) The vehicle use agreement must state who is responsible for insurance, maintenance, drivers, emergencies, backups, etc.;
- 3) The vehicles must be operated as open to the general public without discrimination;
- 4) Incidental service ridership and revenue miles must be reported separate from the service open to the general public;
- 5) Driver licensing requirements; and
- 6) Drug and alcohol testing requirements.

The OPT must be notified of the location of assets while in use by another agency. The subrecipient remains responsible for compliance with all State and Federal rules and regulations.

P. Vehicle Title Release

When a vehicle for which OPT holds the title has reached its useful life and the vehicle will no longer be used to provide public transportation services, the subrecipient must submit Form 700A to the appropriate Asset Manager to request release of the title. Submission of Form 700A must:

- 1) Include two appraisals from qualified businesses on business letterhead, except when the asset is being transferred;

- 2) Include completed “Vehicles” section that requires the vehicle description (make, model, and year), the VIN, original purchase date and price, contract and/or grant number, and the percentage of Federal participation;
- 3) Identify total vehicle mileage; and
- 4) Include in the “Reason for Release/Disposal” whether the vehicle will be sold due to replacement or other issue or will be retained for non-public transportation services or for scrap.

Once the title is released the public transportation subrecipient cannot use the vehicle to provide public transportation services. The vehicle can be used as part of the contingency fleet and in non-public transportation services.

Q. Vehicle with Extenuating Maintenance Problems

Outside the application process, the subrecipient must submit Form 700A – Asset Release Request for disposal to the appropriate OPT Asset Manager. In the Reason for Release/Disposal section the agency must include a justification that, at a minimum, must identify;

- 1) The number of days in the shop within the past 12 months;
- 2) The defective part(s);
- 3) The total cost of repairs since the vehicle was purchased; and
- 4) The original vendor delivery date.

The following must be submitted with Form 700A:

- a) Copy of repair bills over \$1,000.00; and
- b) Copy of maintenance records of the identified vehicle.

The OPT Asset Manager shall provide a written response to the request. SCDOT reserves the right to conduct an on-site inspection of the vehicle.

R. Asset Sale

Outside of the application process, a subrecipient must obtain prior approval to dispose of a capital asset purchased with OPT-administered funds on Form 700A – Asset Release Request. The form must be submitted to an OPT Asset Manager along with two appraisals from qualified businesses on business letterhead. The Reason for Release/Disposal section of the form is to include a justification for disposal of assets that have reached their useful life or a justification for early disposal of an asset that has not met its useful life.

OPT approval of the sale of a vehicle due to replacement may require the subrecipient to sell the vehicle within 90 days after receipt of the title. If the vehicle is not sold within the specified time frame and no extension was granted by OPT, the title must be returned to OPT.

If sale proceeds are \$5,000 or less, the percentage of Federal interest associated with sale proceeds must be identified as program income on the Form 600 Request for Payment Invoice form when requesting reimbursement from OPT. However, if the vehicle was purchased using OPT funds and proceeds exceed \$5,000, the Federal share must be returned to OPT within 30 days of the sale, and OPT will return the money to FTA. The transaction to record the vehicle sale and resulting gain/loss must be in accordance with generally accepted accounting principles.

S. Transfer of Assets

Managing the transfer of federally-funded capital assets is part of SCDOT/OPT's management and oversight responsibilities. OPT has established uniform standards for the transfer of assets purchased with OPT-administered funds. OPT may confer with FTA on the transfer of assets. The transfer of assets requires that the transfer be supported with appropriate transfer documentation. If discrepancies exist between the language in this section and applicable Federal and State regulations and statutes, the Federal statute/regulation prevails. Direct recipients of FTA funds must comply with FTA requirements.

1) Asset transfers may be initiated when:

- a) OPT determines that the asset is underutilized and initiates the transfer process. For vehicles, OPT may consider excessive inventory or low usage of vehicles that are not part of the regular fleet; or
- b) An OPT subrecipient may submit a request to OPT to have the asset transferred.

2) Asset Transfer Approval Process

The transferring agency must submit a request to transfer assets on Form 700A – Asset Release Request to the OPT Regional Program Manager. With Form 700A, subrecipients must submit:

- a) Two appraisals on vendor letterhead with the form; and
- b) Most recent fixed asset listing that identifies the federally required information for the assets to be transferred. The document must include the federal participation, OPT contract number, purchase price, vehicle identification number (VIN) for vehicles, serial number for equipment or physical address for facilities as well as depreciation.

The remaining useful life of the asset shall be transferred utilizing straight line depreciation

The Regional Program Manager will coordinate with the appropriate Asset Manager. The Asset Manager will inspect the asset with the transferring agency to determine condition and reliability of the asset. OPT will determine if the asset can be transferred and if it can, will identify receiving agency. (Note: Recipient of transferred asset may be based on statewide needs.)

Transferring agency must submit to OPT:

- a) A resolution from the transferring agency governing body stating the need to transfer the assets; and
- b) A resolution from the receiving agency governing body stating their willingness to accept the asset being transferred and identifying the scope of work regarding asset usage.

The Regional Program Manager will forward the fixed asset listing, appraisals, and transfer information to the responsible financial analyst. The financial analyst will verify asset book value to be used as the value of the transferred asset. The Regional Program Manager will coordinate with the contract and grants manager. Assets transferred with a remaining Federal

interest \$5,000 or more or have a remaining useful life are required to be added to an existing grant or to a new grant as a zero-dollar project.

OPT will prepare an Asset Transfer Agreement that the receiving agency and OPT must sign and date.

The Grant Manager shall update the appropriate grant accordingly.

T. Transfer of Vehicles

Upon completion of a successful inspection of the vehicle and OPT concurrence to allow the transfer, the asset manager will ensure the following:

The Asset Manager will sign the vehicle title as lienholder and OPT as authorized agent thereby releasing the lien from the transferring agency.

The transferring agency will complete and sign the title transferring the vehicle to the receiving agency and must identify SCDOT as lienholder on the back of the title. OPT will retain a copy of the old title that has been released.

The receiving agency will sign the title; will complete and turn in the old title to the SC Department of Motor Vehicles (DMV); and will complete DMV Form 400 to obtain a new title for the vehicle that identifies SCDOT as the lienholder on the new title.

The receiving agency must provide evidence of insurance to OPT prior to taking possession of the vehicle.

U. Transfer of Facilities and Other Assets

Upon completion of a successful inspection of the vehicle and OPT concurrence to allow the transfer, the asset manager will ensure the following:

- 1) Any legal real estate documents required for the asset transfer are completed as required by Federal, State, county and/or local statutes and regulations; and
- 2) Any other documents or actions required by applicable statutes and regulations are completed. This will include resending the Agreement Not to Convey or Encumber document and deeding the property to the receiving agency. See SCDOT website for a sample of this agreement.

The receiving agency is responsible for:

- 1) Submitting to the transferring agency the resolution stating the receiving agency's willingness to accept the asset and all obligations. Must also submit a document identifying the scope of work regarding asset usage;
- 2) Sign Form 700B - Asset Transfer Agreement between OPT and the receiving agency; and
- 3) Add the transferred asset to the fixed asset listing using the transfer information provided by OPT.

V. Make-Ready Expenses

Make-ready expenses are costs incurred to bring the capital asset to the location, condition needed for it to operate in the manner intended, and costs associated with returning an asset to its full functional serviceability. These expenses may be eligible for reimbursement. Such expenses include, but are not

limited to, the cost of repainting the asset to the agency's color scheme, adding a logo, and other costs associated with making the asset ready for use.

W. Accident Reporting Requirements

OPT places a high priority on the safety of transit personnel and patrons. OPT provides guidance to our subrecipient(s) to ensure compliance with all applicable laws and regulations. When an OPT-funded asset is involved in an accident and/or OPT-funded equipment fails/malfunctions, the subrecipient must notify the OPT asset manager no later than 24 hours after the incident/accident.

What to Report?

- An accident resulting in a fatality, to include equipment malfunction;
- An accident where immediate medical treatment is given at the scene or where persons are transported to a medical facility; (This includes equipment failure/malfunction.)
- An accident that results in a tow-away of OPT-funded vehicle;
- An accident resulting in property damage to OPT-funded assets greater than \$1,500; or
- An accident resulting in property damage to non-OPT-funded assets greater than \$1,500.

Supporting Documentation - The following documents must be sent to the asset manager:

- Agency internal accident report to include:
 - Date, time and location(s) of the incident/accident
 - A brief narrative of the incident/accident to include name(s) of injured, nature of injury, if and where medical care was provided
 - A description of the asset(s) involved, e.g., vehicle make, model and year or facility address
 - South Carolina DMV Form FR-10 for vehicle related incidents
 - Insurance Settlements

When a vehicle funded through SCDOT has been in an accident, subrecipients must comply with OPT Accident Reporting Requirements. If the affected asset will be disposed of or taken out of service, subrecipients must comply with disposal of assets requirements. Direct recipients of FTA funding must follow FTA insurance settlement and asset disposal criteria.

If the OPT-funded asset has not met the useful life threshold, the subrecipient may be required to return to OPT a portion of the proceeds related to the remaining Federal and/or State interest or may be required to apply a portion of the proceeds to the public transportation program. The remaining Federal share will be based on the remaining book value or insurance proceeds, whichever is greater.

X. Insurance Proceeds

1) Insurance Proceeds – Asset Replacement

If an agency receives insurance proceeds for the replacement of an asset, the subrecipient may use the proceeds to purchase a similar asset with OPT concurrence, prior to asset replacement. Subrecipients must follow disposal requirements identified in the Disposition of Assets section of this chapter.

If the asset has not met the useful life threshold and a replacement is not purchased, the Federal percentage of participation of the purchase must be returned to OPT.

If the vehicle has met the useful life criteria but is not replaced, insurance proceeds are to be used in the public transit program.

When an OPT-funded vehicle that has not met the useful life threshold is declared a total loss by the insurance adjustor/company, the insurance proceeds, based on Federal and State percentages of participation in the purchase, will be returned to SCDOT.

If no local funds were used to purchase the vehicle, total proceeds received must be returned to OPT.

2) Insurance Proceeds – Asset Repair

If an agency receives insurance proceeds to repair an asset purchased with OPT-administered funds, the asset must be repaired to the point where it is safe and sound. If the subrecipient does not use the full amount of the settlement to repair the damages and that asset has not met its useful life, the remainder of the proceeds must be put back into the public transit program.

3) Insurance Proceeds – Refunded to OPT

If the OPT-funded asset has not met its useful life and/or the insurance proceeds are more than \$5,000, then insurance proceeds may be required to be submitted to OPT. Insurance proceeds that are required to be refunded to OPT must be submitted by check to the Regional Program Manager. The check and appropriate information will be submitted to the OPT Grant Manager who will ensure appropriate records are updated.

Y. Satisfactory Continuing Control

The purpose of the Satisfactory Continuing Control review area is to ensure that SCDOT ensures that Federal FTA-funded property will remain available to be used for its originally authorized purpose throughout its useful life until disposition. OPT does not perform or manage transit services and will not directly be involved with owning/managing FTA-funded property; we do provide oversight for our Section 5311 subrecipients. OPT adheres to the requirements of the CRCM for compliance with Satisfactory Continuing Control, and in addition to the CRCM requirements, SCDOT incorporated the following:

- A. Real Property - Real property is defined as land, including affixed land improvements, structures and appurtenances (e.g. rights, restrictions, or covenant attached to property). It does not include movable machinery and equipment. Subrecipients must comply with applicable Federal, State, and local regulations for purchase, use, and maintenance requirements. Subrecipients must comply with reporting and disposal OPT's Group Tier II TAM Plan.

The real property in the fixed asset listing, at a minimum, must include:

- Fixed asset system number,
- Property address,
- Original purchase date,
- Original acquisition costs,
- OPT contract/agreement number,

- Federal percentage of participation,
- Description, cost, date, of improvements,
- Summary on any conditions on the title,
- Current use of the property,
- Anticipated disposition or proposed action, and
- If purchased with OPT funds, copy of city/county stamped Covenant not to Convey

1) Property Management

Facilities constructed or renovated with Federal funds will remain the property of the subrecipient as long as the facility is used for public transportation purposes. If for any reason the facility is no longer needed for the purposes of public transportation services in the non-urbanized area, the provisions regarding property disposition must be followed. Refer to FTA Circular 5010.1 (as amended).

Subrecipients shall have a current and operational effective facilities and equipment maintenance plan that ensures that Federal and State investments in facilities and equipment are protected adequately. The maintenance plan should be written and include the organization's assignment of responsibility for facility and equipment maintenance, a series of inspections and routine maintenance actions designed to ensure the proper care and maximum useful service life of facilities and equipment, and a record-keeping system that maintains adequate permanent records of maintenance and inspection activity for buildings and equipment. OPT will ensure compliance through periodic on-site inspections. A sample Facility Maintenance Plan is included on OPT website.

2) Facilities Policy

Facility Maintenance Standards - Subrecipients must develop a preventive maintenance inspection checklist as a guide to agency daily/monthly facility inspections. Subrecipients may adopt all or a portion of the OPT recommended checklist. Checklist is located on the SCDOT website.

Facility inspections: The following structural elements should be inspected at a minimum during any facility inspection.

- Elevators and stairwells,
- Safety equipment,
- HVAC units,
- Lighting,
- ADA accessibility, as appropriate,
- Housekeeping issues such as cleanliness, etc., and
- Corrections to reported issues.

OPT-funded Facilities and/or Facility Improvements - In addition to the primary requirement, OPT-funded facilities and/or facility improvements covered by contractor warranties must report:

- Description of repair(s),

- b) Contractor performing repairs, and
- c) Address of the facility where work is performed.

3) Restrictive Covenants

OPT requires that land and permanent buildings purchased or improved with Federal or State funds have a restrictive covenant filed with the property deed. The covenant is to protect the Federal interest in the property. Because passenger shelters are not permanent buildings, they are exempt from this requirement.

4) Disposition of Property

Land, buildings, or facilities purchased or improved using Federal or State funds may only be used for the originally authorized purpose. Such property shall not be transferred to another party, disposed of, its title encumbered, or have other liens or claims imposed, without obtaining the approval of OPT.

When property funded with Federal or State funds is no longer needed for the originally authorized purpose, the subrecipient is required to contact OPT for disposition instructions. The options are as follows:

- a) Retain title of the property after compensating the awarding agency (SCDOT);
- b) Sell the property and compensate the awarding agency (SCDOT); or
- c) Transfer title to the awarding agency (SCDOT) or to a third party designated or approved by the awarding agency.

The fair market value of the property shall be used when property is sold, transferred to another party, or voluntarily converted to a non-transit use by the transit agency. Subrecipients must have a commercial appraisal or other fair market valuation to determine fair market value. SCDOT must review and approve the fair market valuation if a commercial appraisal is not used.

When compensating SCDOT under the procedures identified above, SCDOT receives an amount equal to the fair market value times the percentage of Federal or State reimbursement as identified in the original subrecipient agreement. The subrecipient also retains an amount equal to the fair market value times the percentage of match provided as identified in the original subrecipient agreement.

The disposition of property that is involuntarily converted (e.g., acts of God or acts of nature) will be negotiated on a case-by-case basis between SCDOT and the subrecipient.

Subrecipients must reinvest any funds received from the sale of property or insurance proceeds into the transit program. Funds received by SCDOT shall be reinvested into the originating grant.

- B. Real Property Disposition - The subrecipient will prepare and update a real property excess inventory listing for all property purchased with OPT-administered federal funds that are no longer required for transit purposes for which it was originally purchased. Subrecipients must obtain prior approval from OPT before disposing of real property using Form 700A – Asset Release Request. In determining if real

property is no longer needed, OPT may seek FTA guidance/concurrence. OPT will notify the subrecipient of OPT's determination on the use of the excess property for other purposes or disposition.

Real Property Disposition Options - OPT may consider the following options, per FTA Circular 5010. 1E and as amended, concerning excess property:

- a) Transfer real property to a Federal grant program that has a consistent purpose as the original real property use approved by OPT.
- b) Sell real property, reimburse OPT, and retain property. Reimburse OPT the original grant's Federal percentage of participation of the greater of (1) the competitive market value less reasonable sales costs or (2) straight line depreciated remaining book value of the property, land, and any improvements less reasonable sales costs.
- c) Sell real property and apply sales proceeds less reasonable sales costs to replacement property under the same program as the original purchase (49 CFR 18.31 as amended)
- d) Sell real property and apply net proceeds to an open grant. If the subrecipient has an open capital grant for the purchase of real property, it may apply sale proceeds less reasonable sales costs to the open grant.
- e) Sell real property and apply sale proceeds less reasonable sales costs to another OPT capital transit project. (49 U.S.C. 5334(h)(4) as amended)
- f) Reinvest insurance coverage proceeds due to property damage into the property or reimburse OPT the percentage of participation in the property.

OPT may consider other subrecipient proposed options on a case-by-case basis. Fair market value may be determined by a realtor/commercial appraisal.

- C. Disposition of Rolling Stock Assets - Managing the disposition of assets purchased with OPT-administered funds is part of OPT's management and oversight responsibilities of subrecipients. The OPT has established uniform standards for disposal of assets and the release of vehicles purchased with OPT-administered funds. OPT reserves the right to conduct a vehicle analysis on a fleet when the request for disposition involves vehicles. Asset transfers and dispositions due to accidents must also comply with asset disposal requirements as appropriate. Direct recipients of FTA funds must comply with FTA disposal requirements.

Disposition of assets must comply with the OPT Group Tier II TAM Plan, as appropriate. Transit systems are required to dispose of capital assets purchased, in part or in whole, with OPT-administered Federal funds that are no longer needed for the purpose for which they were acquired. Disposition could include the transfer of, sale of, and/or replacement of assets. This could include assets that are no longer used to capacity due to loss of contracts, service reductions, changes in the nature of services, or dissatisfaction with asset performance.

The request for capital asset disposal, asset transfers, and vehicle title release must be submitted to OPT Asset Manager using OPT Form 700A – Asset Release Request. The form is located on the OPT webpage. The form must:

- 1) Include two appraisals from qualified businesses on business letterhead, except when the asset is being transferred; and
- 2) Be dated and signed by the executive director or a designee approved by the executive director.

The Asset Manager shall provide a written response on the status of the request to include use limitations for retained vehicles, and other guidance deemed necessary. The subrecipient must retain supporting disposal documentation based on OPT or the subrecipient's record retention policy, whichever is more stringent.

- D. Disposition of Assets/Return of Funds to FTA - The provisions for transit asset disposition [49 USC § 5334(h)(4)(B)] requires that rolling stock, equipment and aggregate supplies that have met their minimum useful life and were:
- (1) purchased with federal assistance
 - (2) with a fair market value of more than \$5,000 and
 - (3) sold after November 15, 2021.

The subrecipient may retain a portion of the funds which is \$5,000 plus the percentage of its local share in the original award. The balance of the proceeds are then returned to SCDOT who may elect to retain its percentage of the local share, and return the remaining federal share to FTA. SCDOT will process reimbursements to FTA utilizing the one of the following options to make a payment when returning funds to FTA:

- a. Plastic Card or Automatic Clearing House Payment (ACH Direct Debit)
- b. Check payment via the Paper Check Conversion (PCC) process.

For information regarding Disposition Requirements, please use the following link: [Bipartisan Infrastructure Law Disposition Requirements Frequently Asked Questions \(FAQs\)](#).

7. Maintenance

The purpose of the Maintenance review area is to ensure that SCDOT keeps federally-funded vehicles, equipment, and facilities in good operating condition. It is also to ensure that Americans with Disabilities Act (ADA) accessibility features on all vehicles, equipment, and facilities are in good operating order. OPT does not perform or manage transit services and will not directly be involved with maintaining federally-funded vehicles, equipment, and facilities. However, we do provide oversight for our Section 5311 subrecipients. OPT adheres to the requirements of the CRCM for compliance with Maintenance, and in addition to the CRCM requirements, SCDOT incorporated the following:

- A. Maintenance Standards and Policies - OPT requires all subrecipients who use assets purchased with OPT-administered funds to submit a comprehensive maintenance plan that includes, at a minimum, original equipment manufacturer (OEM) procedures for maintaining vehicles, facilities, and ADA accessibility features. The SCDOT Comprehensive Preventive Maintenance Program template is located on the OPT website.

Subrecipients shall allow OPT access to capital assets and maintenance records in order for OPT to monitor maintenance and performance. OPT shall have the right to perform announced and unannounced inspections and shall be permitted to view and copy maintenance records as deemed necessary. SCDOT may request subrecipient personnel to drive vehicles to evaluate the condition of vehicles and equipment.

- B. Vehicle Maintenance Records - Subrecipients shall maintain an up-to-date vehicle file for each vehicle containing, at a minimum, the following information:

- 1) Make and model of vehicle;
- 2) Vehicle identification number (VIN) and fleet number for vehicle;
- 3) Serial number for equipment;
- 4) Vehicle repair work orders complete with date and vehicle mileage;
- 5) Preventive maintenance records complete with date and vehicle mileage;
- 6) Pre/post trip inspection sheets; and
- 7) Warranty work orders complete with date and vehicle mileage.

- C. Materials Inventory –OPT defines materials inventory as items used to perform maintenance activities of OPT funded facilities, vehicles and other assets. It includes, but is not limited to, tires, fuel, oil, filters, etc. It excludes capital assets. OPT has established uniform standards for compliance to achieve adequate resource management of materials inventory items purchased, in whole or in part, with OPT-administered funds.

Subrecipients will develop policies and procedures to ensure that inventory is safeguarded to prevent the abuse and misuse (i.e., not used for personal use) and ensure inventory costs are properly charged to programs in the period the program received the benefit. To ensure compliance with this policy, subrecipients may only submit requests for reimbursement for materials inventory that have been used (consumption method). Exceptions to the consumption method may be considered on a case-by-case basis when considering inventory items that are hard to obtain and/or have unusual delivery times and where the costs are reasonable in nature. In such cases, OPT written approval is required before items are ordered.

- D. Warranty Claim Reports - Subrecipients with capital assets funded by OPT are required to track all warranty claims and submit these claims to the designated regional OPT Asset Manager monthly. OPT will monitor monthly reports, at a minimum, for recurring issues, trends, and defects. The Warranty Claim Report, Form 900 is located on the OPT website.

Monthly warranty claim reports must include any warranty repair(s) made to any asset whether installed by the manufacturer, contractor, or authorized dealer. In addition to the aforementioned, OPT funded vehicle reports must include:

- 1) Vehicle make and model,
- 2) VIN,
- 3) Description of repair,
- 4) Authorized repair vendor, and
- 5) Location of vendor facility where warrantied repairs were made.

- E. Recalls - Subrecipients must submit a copy of recall correspondence to the agency's OPT Asset Manager within seven days of receiving recall notifications.
- F. Preventative Maintenance Schedule - The subrecipient shall ensure that capital assets under the agency's control are regularly checked, inspected, and maintained, to ensure capital assets are operated in a safe and effective manner. The preventative maintenance schedule shall indicate the types of inspection and maintenance to be performed and the date (mileage for vehicles), that these operations are due.

- G. Vehicles are to be maintained in accordance with OEM (original equipment manufacturer) guidelines and warranty requirements as stated in the OEM’s owner’s manual. Facilities must comply with all applicable State and Federal regulations.

- H. “Late” and “Missed” Preventative Maintenance (PM) - The subrecipient shall perform all OEM-required preventive maintenance at OEM required intervals. Any PM that is more than 500 miles past the OEM required interval will be considered “LATE” PM. Any PM that is more than 1,000 miles past the OEM regular interval will be considered a “MISSED” PM.

- I. Equipment Maintenance Standards - All components of the vehicle bodies, installed equipment, and all mechanical, electrical, fluid, air, and/or hydraulic systems shall be maintained in a safe and fully functional condition. Subrecipients shall ensure, at a minimum, that:
 - 1) All ADA wheelchair lift-related equipment shall be cycled and inspected daily and PM will be performed to ensure all wheelchair lifts are operating with a high degree of safety. All PM will be performed at OEM recommended levels (e.g., 750 cycles, 1500 cycles, 3000 cycles, 4500 cycles, etc.)
 - 2) Damage shall be repaired in a professional manner in accordance with industry standards. Damage includes, but is not limited to, body damage, glass, and all vehicle components.
 - 3) Heating, ventilation, and air conditioning (HVAC) systems shall be maintained in accordance with industry standards to ensure passenger compartment temperature is comfortably maintained. Subrecipient shall maintain the A/C system in operable condition throughout the entire year.
 - 4) Vehicle interior and exterior shall be routinely cleaned and maintained in a presentable and professional manner.
 - 5) All emergency equipment shall be maintained in proper working condition according to all applicable State and Federal regulations.

- J. Out of Service - OPT shall consider a vehicle that is unfit for revenue service to be out of service. A vehicle that is found unfit for service will be taken out of service and shall not be returned to service until defects are corrected. A vehicle shall be considered unfit if any of the following conditions are found:
 - 1) Wheelchair lift or any ADA accessibility-related equipment is not functioning properly;
 - 2) Air conditioning is not working according to industry standards;
 - 3) Tires have a tread depth less than the State and Federal recommended levels;
 - 4) Emergency equipment (e.g., exits, doors, windows, are inoperative); and/or
 - 5) Any condition that does not comply with applicable federal and state regulations.

- K. Real Property Maintenance Requirements - Properties purchased or constructed with federal or State funds such as land, buildings (e.g., bus barns), and facilities (e.g., passenger shelters and transfer stations) should be maintained free of defects and graffiti to ensure that access is usable and they remain a safe environment. The properties must be used for the purposes described in the application and agreement.

All subrecipients are required to have maintenance plans for buildings and facilities and submit them to OPT. Subrecipients must maintain in operative condition those features of the facilities that are

required to make the facilities readily accessible to and usable by individuals with disabilities. These features include, but are not limited to, elevators, signage, and systems to facilitate communications with persons with impaired vision or hearing. Accessibility features shall be repaired promptly if they are damaged or out of order. When an accessibility feature is out of order, reasonable steps will be taken to accommodate individuals with disabilities who would otherwise use the feature. At a minimum, ADA equipment should be maintained based on the manufacturer's suggested maintenance guidelines.

Proper maintenance of facilities, machinery, and equipment is the key to protecting the Federal investment and prolonging the useful life of the facility. Each subrecipient shall have in place an established system of regular and frequent maintenance checks of ADA equipment sufficient to determine if they are operative. An effective maintenance plan ensures that Federal and State investment in facilities and equipment is protected adequately. The maintenance plan should be written and include an organization and assignment of responsibility for facility and equipment maintenance, a series of inspections and routine maintenance actions designed to ensure the proper care and maximum useful service life of facilities and equipment, and a record-keeping system that maintains adequate permanent records of maintenance and inspection activity for buildings and equipment.

8. Procurement

The objective of the Procurement policy is to ensure that SCDOT uses its own documented procurement procedures which reflect applicable State, local laws and regulations, and conform to applicable Federal law and the standards identified in 2 CFR Part 200. SCDOT follows the State of South Carolina's overall policies and procedures, which is more stringent than the federal requirement. The OPT complies with the following Federal circulars and guidance regarding Procurement of Goods and Services. Refer to the following Federal regulations:

- FTA Third Party Contracting Guidance (Circular 4220.1F)
- OMB Uniform Administrative Requirements (2 CFR 200)

The Procurement Policy and Procedures encompass the 80 Procurement System Elements required by FTA. As a State entity, OPT is required to adhere to the Procurement requirements of the South Carolina Code of Laws, Title 11, Chapter 35, and the SC Code of Regulations, Chapter 19-445, Consolidated Procurement Code. This document addresses the requirements for FTA-funded procurements that go beyond the guidelines established within the SC Code of Laws and SC Code of Regulations, as well as the latest edition of the South Carolina Department of Transportation Goods and Services Procurement Manual.

When procuring property and services under a Federal award, South Carolina Department of Transportation and its subrecipients must follow the same policies and procedures it uses for procurements from its non-Federal funds pursuant to 2 CFR § 200.317(a). Federal rules do require SCDOT to comply with several mandatory provisions, including:

- Procurement of recovered materials (2 CFR § 200.322)
- Inclusion of required contract provisions (2 CFR § 200.326)
- All Congressionally-imposed requirements applicable to the use of FTA funds in third-party contracts such as:
 - Build America/Buy America

- Bus Testing
- Pre-Award/Post-Delivery

9. Disadvantaged Business Enterprise

The purpose of the Disadvantaged Business Enterprise (DBE) review area is to ensure that SCDOT complies with 49 CFR Part 26 to ensure nondiscrimination in the award and administration of U.S. Department of Transportation (US DOT)-assisted contracts. OPT strives to create a level playing field on which DBEs can compete fairly for all SCDOT contract opportunities whether US DOT-assisted contracts or not. OPT follows the CRCM for compliance with DBE requirements and coordinates with the SCDOT’s DBELO and DBE Certification Officer to ensure compliance with these requirements. In addition to the CRCM requirements, SCDOT incorporated the following:

- A. DBE Policy - It is the policy of the South Carolina Department of Transportation (SCDOT) to ensure nondiscrimination in the award and administration of Federally-assisted contracts and make a good faith effort to use disadvantaged business enterprises (DBEs) in federally-assisted contracting and procurement activities according to regulations and objectives of 49 CFR Part 26 and State law.

The SCDOT has established a DBE program in accordance with regulations and objectives of the United States Department of Transportation (USDOT) found in 49 CFR Part 26. The SCDOT will require each transit vehicle manufacturer (TVM), as a condition of being authorized to bid or propose on FTA-assisted transit vehicle procurement, to certify that the TVM has complied with the requirements of the TVM’s DBE program goal. SCDOT will submit within 30 days of making an award, the name of the successful bidder and the total dollar value of the contract to the FTA utilizing the Transit Vehicle Award Reporting Form. Alternatively, SCDOT may, at its discretion and with FTA approval, establish project-specific goals for DBE participation in the procurement of transit vehicles in lieu of the TVM complying with this element of the program.

- B. DBE Requirements for Subrecipients - FTA Section 5311 projects/contracts must comply with the U.S. Department of Transportation’s regulations on the participation of business concerns owned and controlled by socially and economically disadvantaged individuals. The regulations are outlined in “Participation of DBEs in DOT Programs”, (49 CFR, Part 26) which became effective on March 4, 1999 (64 F.R. 5096). FTA Circular 9040.1F outlines the USDOT’s requirements and delineates the steps that the recipient of public transit funds (SCDOT subrecipients (Section 5311 grantees), contractors, and subcontractors) should take to set goals and meet other requirements for FTA-assisted contracts and procurements.

Section 5311 recipients shall be considered subrecipients of funds from the SCDOT. Section 5311 subrecipients will be required to make every reasonable effort to utilize DBEs in order to contribute to the SCDOT’s attainment of its overall goal of a minimum DBE participation in the Section 5311 program as stated in the subrecipient grant agreement and as periodically updated through SCDOT DBE methodology and goal assignment as per 49 CFR Part 26. Please see OPT webpage on the SCDOT website for information on the Transit DBE Goal Setting methodology.

- C. DBE Certification - Information regarding the SCDOT DBE certification process can be found on the SCDOT website under the “Doing Business with SCDOT” banner on the Office of Business Development and Special Programs webpage.

The SCDOT DBE Plan is also known as the SCDOT DBE Program Document. This document can be found on the SCDOT webpage: [SCDOT OPT DBE PROGRAM](#)

10. Title VI

The purpose of the Title VI review area is to confirm that SCDOT ensures that no person shall, on the grounds of race, color, or national origin, be excluded from participating in, or be denied the benefits of, or be subject to discrimination under any program or activity receiving Federal financial assistance without regard to whether specific projects or services are federally-funded. OPT does not operate or manage and transit service; however, they utilize this review to ensure that its subrecipients provide all transit services and related benefits are distributed in an equitable manner. SCDOT submits and updates its Title VI plan every three years to FTA. OPT follows the CRCM for compliance with Title VI, and in addition to the CRCM requirements, SCDOT incorporated the following:

- A. Title VI Compliance Program - SCDOT ensures compliance with Title VI of the Civil Rights Act of 1964; 49 CFR, part 21; related statutes and regulations to the end that no person shall be excluded from participation in or be denied the benefits of, or be subjected to discrimination under any public transportation program or activity receiving financial assistance from the U.S. Department of Transportation on the grounds of race, color, sex, disability or national origin. OPT ensures that the requirements and guidelines within FTA Circular 4702.1(series) objectives are implemented and monitored as required.

SCDOT's "Notice to the Public of Rights under Title VI" is posted on the Office of Public Transit and Office of Business Development and Special Programs websites. SCDOT also has Complaint Procedures, a Discrimination Form, and a Complaint Log posted on the Office of Business Development and Special Programs website for subrecipients and the general public to utilize.

SCDOT's LEP plan is included in the FTA Title VI program document and posted on the Office of Business Development and Special Programs website under Title VI Compliance. Subrecipients are required to submit copies of their LEP plans during the compliance and oversight review monitoring process with the exception of Section 5310 recipients.

The Title VI Complaint Procedure for FTA Funded Programs or Activities is located on the SCDOT website. Any person who believes he or she has been discriminated against should file a complaint utilizing SCDOT's Title VI Complaint form, which is located at: <https://www.scdot.org/business/bus-development-titleVI.aspx>.

As required by FTA Circular 4702.1(series), SCDOT submits a Title VI Program to the FTA regional office once every three years.

- B. Monitoring of Subrecipients - SCDOT monitors subrecipients' compliance with notification of the public of Title VI rights during the compliance and oversight review process. Subrecipients are required to submit a copy of their Notice to the Public to ensure compliance with FTA requirements and list the locations where the notice is posted and advertised. Documentation of the subrecipient's compliance is also achieved through the review of the oversight questionnaire. The Title VI Coordinator maintains these documented notices to the public.

- C. Subrecipient Responsibilities - For any subrecipient to receive Federal funds, each is required to submit a board-approved Title VI plan in accordance with the following procedures:
- 1) Submit Title VI plans to OPT and OPT forwards the plans to the SCDOT's Title VI coordinator for review/concurrence and to maintain on file. The Title VI Coordinator will notify OPT in writing regarding concurrence with the Title VI plan.
 - 2) Forward any updates to the Title VI plan to OPT accompanied by minutes of the Board approval of such updates.
 - 3) Submit Title VI plans and other pertinent documentation such as complaint logs, notices to the public, Title VI activity plan log, current complaint procedures and forms, LEP, equity analysis, etc. triennially as part of the OPT complaint review. This documentation is forwarded to SCDOT Title VI Coordinator for review to determine whether the plan meets the requirements.
 - 4) Complete certifications and assurances as a part of their annual application process.
 - 5) Notify OPT immediately upon the receipt of a Title VI complaint. Complaint is forwarded to the SCDOT Title VI Coordinator for review and guidance.
- D. SCDOT Responsibilities – SCDOT Office of Public Transit will adhere to the following requirements of the Title VI Program:
- 1) Assist in preparing program applications.
 - 2) Provide an open application process that is advertised publicly to all persons, including minority applicants.
 - 3) Issue press release for all Federal program announcements.
 - 4) Conduct compliance reviews triennially to ensure compliance with Title VI requirements.
 - 5) Review quarterly reports from subrecipients and document any Title VI complaints.
 - 6) Compile quarterly report for submittal to the Title VI Coordinator.
 - 7) Conduct analyses of the overall allocation of the benefits and burdens of transportation investments in light of Title VI considerations by conducting public hearings and collecting public input and data.
 - 8) Utilize public outreach and involvement methods to ensure public participation and comments from the general public, low income and minority populations, and LEP persons are included in the planning of transportation programs and activities.
 - 9) Maintain a funding formula used to allocate and distribute funds to transit subrecipients. The funding distribution process includes several factors that are reviewed and evaluated. Over the years, the factors have remained the same; no new factors have been added to the formula. OPT periodically reviews the funding allocation distribution methodology to see if additional adjustments need to be made to address any Civil Rights issues. This is also supplemented by the analysis and outreach efforts contained in the State Multi-modal Plan, which is updated every five years.
 - 10) Maintain Title VI plans for all subrecipients with Title VI Coordinator.
 - 11) Process request for payments in a timely manner (see process in the policy and procedure manual).

12. Americans with Disabilities Act – General

The purpose of the Americans with Disabilities Act – General review area is to confirm that SCDOT does not discriminate against an individual with a disability in connection with the provision of transportation service. The law sets forth specific requirements for vehicle and facility accessibility and the provision of service, including complementary paratransit service. OPT does not operate or manage and transit service; however, it utilizes

this review are to ensure that its subrecipients provide all transit services and related benefits in an equitable manner. OPT follows the CRCM for compliance with Americans with Disabilities Act – General and no additional requirements are incorporated for this review area.

13. Americans with Disabilities Act – Complementary Paratransit

The purpose of the Americans with Disabilities Act – Complementary Paratransit review area requires that under 49 CFR 37.121(a), each public entity operating a fixed route system shall provide paratransit or other special service to individuals with disabilities that is comparable to the level of service provided to individuals without disabilities who use the fixed route system. “Comparability” is determined by 49 CFR 37.123-37.133. OPT does not operate or manage and transit service; however, it utilizes this review to ensure that its subrecipients who operate a fixed-route system provide paratransit or other special service to individuals with disabilities that is comparable to the level of service provided to individuals without disabilities who use the fixed route system. OPT follows the CRCM for compliance with Americans with Disabilities Act – Complementary Paratransit and no additional requirements are incorporated for this review area.

14. Equal Employment Opportunity

The purpose of the Equal Employment Opportunity review area is to confirm that SCDOT ensures that no person in the United States shall on the grounds of race, color, religion, national origin, sex, age or disability be excluded from participating in, or denied the benefits of, or be subject to discrimination in employment under any project, program, or activity receiving Federal financial assistance under the Federal transit laws. OPT does not meet the threshold for requiring an EEO Program. However, SCDOT utilize this review and follows the CRCM to ensure that its subrecipients comply with the Equal Employment Opportunity review area. In addition to the CRCM requirements, SCDOT incorporated the following:

- A. EEO Requirements/Thresholds - All subrecipients are required to submit to SCDOT assurances indicating their compliance with FTA EEO objectives, as detailed in FTA Circular 4704.1A at [FTA Circular EEO Thresholds](#) SCDOT receives this information during the application process.

Any subrecipient that meets the following thresholds specified in the circular must submit an EEO plan:

- 1) Capital or operating assistance in excess of \$1,000,000
- 2) Planning assistance in excess of \$250,000
- 3) Employs 50 or more transit related employees

Note currently, there are no subrecipients receiving Federal funds administered through OPT that meet these thresholds.

15. School Bus

The purpose of the School Bus review area is to confirm that SCDOT ensures that its subrecipients do not provide school bus service in competition with private school bus operators unless the service qualifies and is approved by FTA Administrator under an allowable exemption. Federally-funded equipment or facilities cannot be used to provide exclusive school bus service. OPT follows the CRCM to ensure that its subrecipients comply with the School Bus review area. In addition to the CRCM requirements, SCDOT incorporated the following:

No subrecipient shall engage in school bus operations using buses, facilities or equipment funded with Federal funds. A subrecipient may, however, use such buses, facilities, and equipment for the transportation of school

students, personnel, and equipment in incidental charter bus operations. Such use of project equipment is subject to 49 CFR 604.

16. Charter Bus

The purpose of the Charter Bus review area is to confirm that SCDOT subrecipients do not use FTA-funded equipment and facilities to provide charter service that unfairly competes with private charter operators. Subrecipients may operate charter only when the service meets a specified exception defined in rule. OPT follows the CRCM to ensure that its subrecipients comply with the Charter Bus review area. In addition to the CRCM requirements, SCDOT incorporated the following:

- A. Capital assets purchased with OPT-administered funds may be used for charter service under certain conditions if the exception conditions are met. See [FTA Charter Bus Service Regulations](#).

All OPT subrecipients are prohibited from providing charter service using FTA-funded equipment if there is at least one private charter operator in the area willing and able to provide charter service in their service area; however, there are exceptions and a process for prospective charter services. The OPT requires any subrecipient wishing to provide charter service under the FTA-identified exceptions to contact the office for further assistance.

- B. Allowable Charter Services - OPT must be notified via email or postal service that a request for charter service exception is being submitted to FTA. SCDOT subrecipient requests for charter service exception (including all supporting documentation) will be reviewed by and coordinated through OPT prior to submission to FTA.

All allowable incidental charter service must be fully allocated with no charge to federally-funded programs. No mileage, trips, or hours associated with allowable incidental charter service shall be represented in the subrecipient's annual operating statistics (OPSTATS) report.

- C. Compliance for Charter Services - OPT reviews compliance with charter rules during periodic on-site visits. On receiving a written complaint alleging that a violation has occurred, OPT shall investigate and determine whether a violation has occurred. OPT will look to the subrecipient to remedy any claims against the subrecipient in association with charter service in violation of 49 CFR 604. OPT may bar a subrecipient from receiving further funding when a continuing pattern of documented violations occurs.

The requirements of 49 CFR 604 shall apply to recipients/subrecipients of Federal financial assistance under the Federal Transit Laws, except as otherwise provided below. Per 49 CFR 604.2, these services are NOT considered charter:

- 1) Normal, year-round fixed route services and demand-responsive transportation provided to individuals by any transit system (or contractor);

- 2) Transportation services by any transit system (or contractor) transporting persons to or from transit facilities or projects within its geographic service area or proposed geographic service area for the purpose of conducting transit oversight functions such as inspection, evaluation, or review;
- 3) Transportation services by any transit system (or contractor) transporting persons for emergency preparedness planning and operations;
- 4) Transportation services funded by and meeting the program purposes of the former JARC, New Freedom, or any special needs programs, as well as services funded by a non-urbanized formula program (e.g., Section 5310) that serves the needs of human service agencies or specifically targets special needs of populations who are elderly, disabled, or low income:
- 5) Transportation services by any transit system (or contractor) provided for up to 45 days in direct response to an emergency declared by the President, governor, or mayor or in an emergency requiring immediate action prior to a formal declaration (Anything beyond 45 days is not exempt); and
- 6) Transportation services by a transit system (or contractor) from non-urbanized areas transporting individuals to or from transit training outside its geographic service area.

An overview of the charter service exceptions and required responses is available on the [Charter Service Final Rule-Fact Sheet](#). This information is provided for summary purposes only. Please consult with OPT for further guidance.

- D. Program Purposes - Section 5310 and Section 5311 subrecipients are exempt from the FTA charter rule provided the service is for program purposes only. "Program purposes" is defined as transportation that serves the needs of either human service agencies or targeted populations, such as elderly, individuals with disabilities, low income, etc.

"Program purposes" does not include exclusive service for other groups formed for purposes unrelated to the special needs of these targeted populations. Thus, Section 5310 and Section 5311 subrecipients who intend to provide charter service that is outside their program purposes must follow the guidelines outlined.

All FTA subrecipients are prohibited from providing charter service using FTA-funded equipment if there is at least one private charter operator in the area willing and able to provide charter service. To confirm

The Office of Public Transit requires any subrecipient wishing to provide charter service under the FTA-identified exceptions to submit a search for a private charter operator utilizing the [FTA Charter Registration](#) website. The subrecipient must notify SCDOT's Office of Public Transit that a request for charter service exception is being submitted to FTA. SCDOT subrecipient requests for charter service exception (including all supporting documentation) will be reviewed by and coordinated through the Office of Public Transit prior to submission to FTA.

All allowable incidental charter service must be fully allocated with no charge to federally funded programs. No mileage, trips and hours associated with allowable incidental charter service shall be represented in the subrecipient's annual operating statistics (OPSTATS) report.

- E. Required Reporting of Charter Services - Rural public transit systems doing any charter service under any of the allowable exceptions must file quarterly electronic reports with SCDOT utilizing the [FTA Charter Service Reporting Form](#) and provide SCDOT a copy within 15 days of the end of each quarter, listing each charter service provided and providing the specified detail in those cases where such is required. All such services must also be reported as charters on quarterly and year-end statistical reports as requested or required.

17. Drug Free Workplace Act

The purpose of the Drug Free Workplace Act review area is to ensure that OPT maintains a drug free workplace for all award-related employees; report any convictions occurring in the workplace timely; and have an ongoing drug free awareness program for its subrecipients. OPT follows the CRCM for compliance with Drug Free Workplace and has no additional requirements.

18. Drug and Alcohol Program

The purpose of the Drug and Alcohol Program review area is to ensure that OPT subrecipients Section 5311 and Section 5339 funds that have safety-sensitive employees have a drug and alcohol testing program in place for such employees. OPT follows the CRCM for compliance with the Drug and Alcohol Testing Program. In addition to the CRCM requirements, OPT incorporated the following:

- A. Drug and Alcohol Program - SCDOT subrecipients of specific FTA funding must establish and maintain a drug and alcohol testing program in accordance with 49 CFR §655, and in consonance with 49 CFR Part 40.

To ensure compliance with FTA Drug and Alcohol Testing Program requirements, public transportation providers must:

- 1) Establish an anti-drug use and alcohol misuse program as outlined in 49 CFR § 655.11-12;
- 2) Establish an education and training program for all covered employees as outlined in 49 CFR § 655.14;
- 3) Establish and provide written notice to every covered employee, of the employer's anti-drug and alcohol misuse program policy, in accordance with 49 CFR § 655.15 -17;
- 4) Establish a program that provides testing for prohibited drugs as outlined in 49 CFR § 655.21;
- 5) Establish a program that provides testing for alcohol as outlined in 49 CFR § 655.31-35, and in conjunction with 49 CFR Part 40;
- 6) Comply with the testing requirements as detailed in 49 CFR § 655.41-62;
- 7) Maintain in a secure location, with controlled access, all records of its anti-drug and alcohol misuse program as detailed in 49 CFR § 655.71, and in accordance with records disclosure instructions provided in 49 CFR § 655.73; and
- 8) Annually prepare, maintain, and electronically complete and submit a Drug and Alcohol Management Information System (DAMIS) Report reflecting the results of its anti-drug and

alcohol misuse testing programs performed for the previous calendar year. Transit agencies may complete this report electronically. The OPT training, safety, security program manager will provide DAMIS Report preparation instructions, along with a transit agency user ID# and password to all FTA Section 5311 subrecipients, upon receipt from FTA.

- B. Drug and Alcohol Program Compliance - To ensure SCDOT subrecipient compliance with FTA's mandated Drug and Alcohol Testing Program and the Drug-Free Workplace requirements, the OPT training, safety, security program manager will:
- 1) Periodically review each transit agency's Drug and Alcohol Program Policy for compliance and provide technical assistance and offer training to correct potential deficiencies;
 - 2) Conduct on-site visits to review all aspects of each transit agency's drug and alcohol program that cannot be accomplished via desktop audit, such as compliance with program management requirements, records maintenance and storage review; ensuring that all applicable drug and alcohol program regulations are readily available; reviewing documentation of employee training; collector compliance with regulations; and reviewing any other program compliance requirements;
 - 3) Provide technical assistance in all matters pertaining to transit agency drug and alcohol program management as requested, or deemed to be appropriate;
 - 4) Provide employee/supervisor training, such as "Reasonable Suspicion Referral for Supervisors" and other program related training as available/required;
 - 5) Monitor transit agency drug and alcohol program management activities via accessing and reviewing the Third Party Administrator (TPA) website or whatever means possible;
 - 6) Ensure that transit providers have the TPA resources available through state contract;
 - 7) Monitor collection sites for compliance with FTA Drug and Alcohol Testing Program requirements;
 - 8) Coordinate efforts that would eventually allow individual transit agencies to review their drug and alcohol testing program activities via accessing the current TPA website;
 - 9) Collect, compile, and review all data necessary to validate each transit agency's Drug and Alcohol Management Information System (DAMIS) Report. Each transit agency prepares this report electronically. The OPT training, safety, security program manager reviews each report and then electronically forwards the data to FTA prior to March 15 of each year.
 - 10) Provide professional input in conjunction with the preparation of any South Carolina Materials Management Office (SCMMO) Request for Proposals (RFP) associated with the procurement of a drug and alcohol testing Third Party Administrator.

19. Section 5307 Program Requirements

OPT does not have any compliance nor oversight responsibilities for 5307 Programs. OPT acts as a pass-through agency for small urban Section 5307 funds. OPT does not have oversight responsibilities; however, OPT tracks the funds to ensure that funds do not lapse.

20. Section 5310 Program Requirements

The purpose of the Section 5310 Program Requirements review area is to ensure that OPT expends Section 5310 funds on eligible projects that meet the specific needs of seniors and individuals with disabilities. Projects selected for funding must be included in a locally developed, coordinated public transit-human services transportation plan. OPT approves all subrecipient leases of Section 5310-funded vehicles. Leases of Section 5310-funded vehicles must include required terms and conditions. SCDOT holds the title to the leased vehicles. OPT follows the CRCM for compliance with 5310 Program Requirements. In addition to the CRCM requirements, OPT incorporated the following:

Section 5310 Compliance Reviews – OPT staff conducts on-site reviews of Section 5310 subrecipients at least once every three years. OPT will give the subrecipient prior notification of each monitoring activity (on-site review) to be conducted. OPT staff notifies the subrecipient in writing of any deficiencies or findings noted during a monitoring visit and conducts follow-up visits to ensure that corrective actions are taken, as necessary.

21. Section 5311 Program Requirements

The purpose of the Section 5311 Programs review area is to ensure that OPT expends Section 5311 funds on eligible projects to support rural public transportation services and intercity bus transportation. OPT follows the CRCM for compliance with Section 5311 Program Requirements. In addition to the CRCM requirements, OPT incorporated the following:

- A. Section 5311 Compliance Reviews – OPT will conduct program and financial reviews on a triennial basis of public transit subrecipients. The review will include OPT-administered FTA funds (Section 5311, 5339 and 5310 if applicable) and State Mass Transit Funds. OPT will prepare an annual schedule of agencies to be reviewed and will provide a written request of documents to be submitted or made available to OPT. The on-site review will begin with an entrance conference and end with an exit conference.
- B. Section 5311 Compliance Review Report – The Office of Public Transit will provide a report identifying findings, corrective action, recommendations, and guidance, which requires subrecipient input. Findings and guidance will be closed once issues have been adequately addressed.

22. Public Transportation Agency Safety Plans

The purpose of the Public Transportation Agency Safety Plans review area is to ensure that those transit agencies meeting the Public Transportation Agency Safety Plan requirement comply with the Public Transportation Agency Safety Plan (PTASP) regulation (49 CFR Part 673) to ensure public transportation providers develop and implement an Agency Safety Plan (ASP). OPT does not operate or manage public transportation services and is not required to have an ASP. OPT subrecipients do not meet the threshold that requires a Tier I or Tier II ASP. SCDOT Office of Public Transit developed and certified ASPs on behalf of 11 small

public transportation providers; three of the small public transportation providers opted to prepare their own ASP.

OPT follows the CRCM for compliance with Public Transportation Agency Safety Plans, and has no additional requirements.

23. Cybersecurity

The purpose of the Cybersecurity review area is to ensure that recipients who operate rail fixed guideway public transportation systems certify compliance with the requirements for establishing a cybersecurity process under 49 U.S.C. § 5323(v), a new subsection added by the National Defense Authorization Act for Fiscal Year 2020, Pub. L. 116-92, § 7613 (Dec. 20, 2019). OPT subrecipients do not operate rail fixed guideway public transportation systems; therefore, this section currently does not apply to OPT Compliance and Oversight requirements.