



Franklin Transit Authority

Regular Meeting Agenda ♦ Thursday, May 18, 2023 3:30 P.M., Transit Center, Franklin TN

1. Call to Order
2. Roll Call/Confirm Quorum
3. Public Comments

This portion of the agenda is for members of the public to directly address the Authority on any items not on the agenda and within the jurisdiction of the Authority. Comments are limited to three minutes per speaker. The Authority will hear all communication but will not take any action on items that are not on the Agenda.

CONSENT CALENDAR

4. Minutes of March 16, 2023, Meeting Minutes (ITEM #4)

OLD BUSINESS

5. Transit Presentation (ITEM #5)
 - Transit Report Update
 - VanStar Report Update
6. Year-to-Date Financial Statement and Summary (ITEM #6)
7. Federal Transit Triennial Review Update
8. Contractor Monitor Report Christiana Dunn

NEW BUSINESS

9. Consideration of FY 2023-24 Franklin Transit Budget BAI 5-18-2023A
10. Consideration of Procurement and Purchase of Transit Vehicles BAI 5-18-2023B
11. Acknowledgement of Franklin Transit Authority Accounting Policies and Procedures Manual BAI 5-18-2023C
12. Franklin Traffic Presentation Vernon Gerth

OTHER BUSINESS

13. Report of President and CEO Report
14. Chairman's Report
15. Adjourn—next regular scheduled meeting: July 20, 2023 @ 3:30 p.m.



**FRANKLIN TRANSIT AUTHORITY
MINUTES OF BOARD MEETING
Thursday, March 16, 2023; 3:30 P.M.**

The Franklin Transit Authority met on Thursday, January 19, 2023, at 3:30 P.M. at 708 Columbia Avenue, Franklin, TN.

Members present

Patrick Baggett
Chuck Barber
Jill Burgin
Kerry Perkinson
John Schroer

Debbie Henry, The TMA Group
Stanton Higgs, The TMA Group
Sharmila Patel, The TMA Group
Bill Squires, City of Franklin
Christiana Dunn, City of Franklin
Vernon Gerth, City of Franklin

Ned Dannenburg, Walk Bike Franklin

Kelly Bair, The TMA Group

1. Call to Order

Mr. John Schroer welcomed everyone and called the meeting to order.

2. Roll Call/Confirm Quorum

Mr. John Schroer confirmed a quorum was present.

3. Public Comment

One member of the public attended, Mr. Ned Dannenburg of Walk Bike Franklin. He asked about the capacity on TODD, and Mr. Stanton Higgs explained how the TODD program operated for Franklin Transit.

CONSENT CALENDAR

4. Minutes of January 19, 2023, Regular Meeting Minutes

There were no revisions or corrections needed to either set of meeting minutes. Chairman Schroer called to approve the minutes of the January 19, 2023, meeting. A motion to approve was made by Mr. Kerry Perkinson and seconded by Mr. Chuck Barber. The motion passed unanimously.

OLD BUSINESS

5. Year-to-Date Financial Statement and Summary

Dr. Kelly Bair shared the financial report through January 2023, pointing out that the TMA Group was performing well to budget.

6. Grant Report

Ms. Sharmila Patel presented the grants update including current grant balances for Franklin Transit and Williamson County vanpool, general information about federal 5307 funding, current applications in process, and the status of the CMAQ and IMPROVE Act awards.

Sharmila also provided an update on the Triennial Review. The Recipient Information Request (RIR) was completed, and documents were uploaded to the Reviewer's DropBox before the February 3 deadline. The monitor has begun reviewing documents, and it looks like the virtual review will begin in June. There is a possibility that board members may be asked to participate in interviews in the coming months.

7. Transit Report

Ms. Debbie Henry talked about Chase Harper's departure from The TMA Group. She informed the group that Monte Rodriguez had been promoted to Transit Compliance Director and he would be taking over the operational side of the vanpool program. A person would be hired to oversee the sales side of vanpool.

Stanton Higgs provided a report on transit operations, highlighting that transit shelters plans are moving forward on Carothers Parkway. The trips report was presented, and Stanton pointed out that trips had increased 18% compared to last year and there was still one more big city event before the end of the fiscal year. Hiring drivers continue to be an issue for transit, but services has not been affected. Discussion ensued regarding the pay of drivers, which has gone up incrementally in an effort to remain competitive.

Stanton provided an overview of the upcoming microtransit program, how it works, and how the program will be advertised to companies and residents in the area.

Patrick Baggett pointed out how such a program can help alleviate the traffic difficulties currently experienced in the Cool Springs area. Mr. Vernon Gerth agreed that there wasn't a way to "build ourselves out of the traffic problems." He suggested that some of his staff studying this issue conduct a presentation to the group at the next stated meeting in May and was met with agreement. Chairman Schroer emphasized the importance of marketing the program.

8. VanStar Report

Stanton also provided a report on vanpool. The Williamson County Vanstar program is operating at about 9% increase in effectiveness for the region. He discussed how the TMA Group is working with Health Equity on a program impacting employee benefits. This project will allow The TMA Group to work with companies throughout the state as an administrator of commute benefits for vanpool service for its employees.

The Chairman called for a motion to accept the financial, transit, and vanpool reports. Patrick Baggett made a motion, and Chuck Barber seconded to accept the financial, transit, and VanStar, reports. The motion passed unanimously.

9. 2023 Triennial Review Report

This was covered during the grants report.

10. Contractor Monitor Report

Ms. Christiana Dunn reviewed the monitoring report, sharing updates and praising The TMA Group for its most recent TDOT desk audit.

NEW BUSINESS

11. TDOT Fiscal Monitoring Desktop Review

Debbie Henry discussed the recent desk monitoring review conducted by TDOT, and there were no findings.

12. Acknowledgement of Federal Transit 5310 Funds for CY 2023

Debbie Henry explained that the Federal Transit Administration allocated ARPA (American Rescue Plan Act) funds to the Franklin Transit Authority in the amount of \$143,230 for annual operating support of the demand response services (TODD) that support seniors and individuals with disabilities.

Chairman Schroer called to for a motion to acknowledge this grant agreement for ARPA 5310 funds. A motion was made by Kerry Perkinson and seconded by Ms. Jill Burgin. The motion passed unanimously.

13. Acknowledgement of Federal Transit 5310 Funds for CY 2024

The Federal Transit Administration allocated CRRSAA (Coronavirus Response and Relief Supplemental Appropriations Act of 2021) funds to the Franklin Transit Authority in the amount of \$143,228 for annual operating support of the demand response services (TODD) that support seniors and individuals with disabilities.

Chairman Schroer called to for a motion to acknowledge this grant agreement for CRRSAA 5310 funds. A motion was made by Patrick Baggett and seconded by Chuck Barber. The motion passed unanimously.

OTHER BUSINESS

12. Report of Executive Director

Debbie Henry shared the news that Franklin Transit Authority had received its closeout letter for the Financial Management Oversight Review. She also discussed the promotions of staff members Monte Rodriguez and Mike Johnston.

The TMA Group recently received news from the City regarding the upcoming FY24 budget. The process has moved up compared to previous years to accommodate more Board input into budget requests ahead of the City Administrator's submission in May. The City requested that all budget materials be submitted by Wednesday, March 22, so a special called meeting of the Authority is necessary. The group determined that the meeting would be held on Monday, March 20, at 4:00PM.

11. Chairman's Report

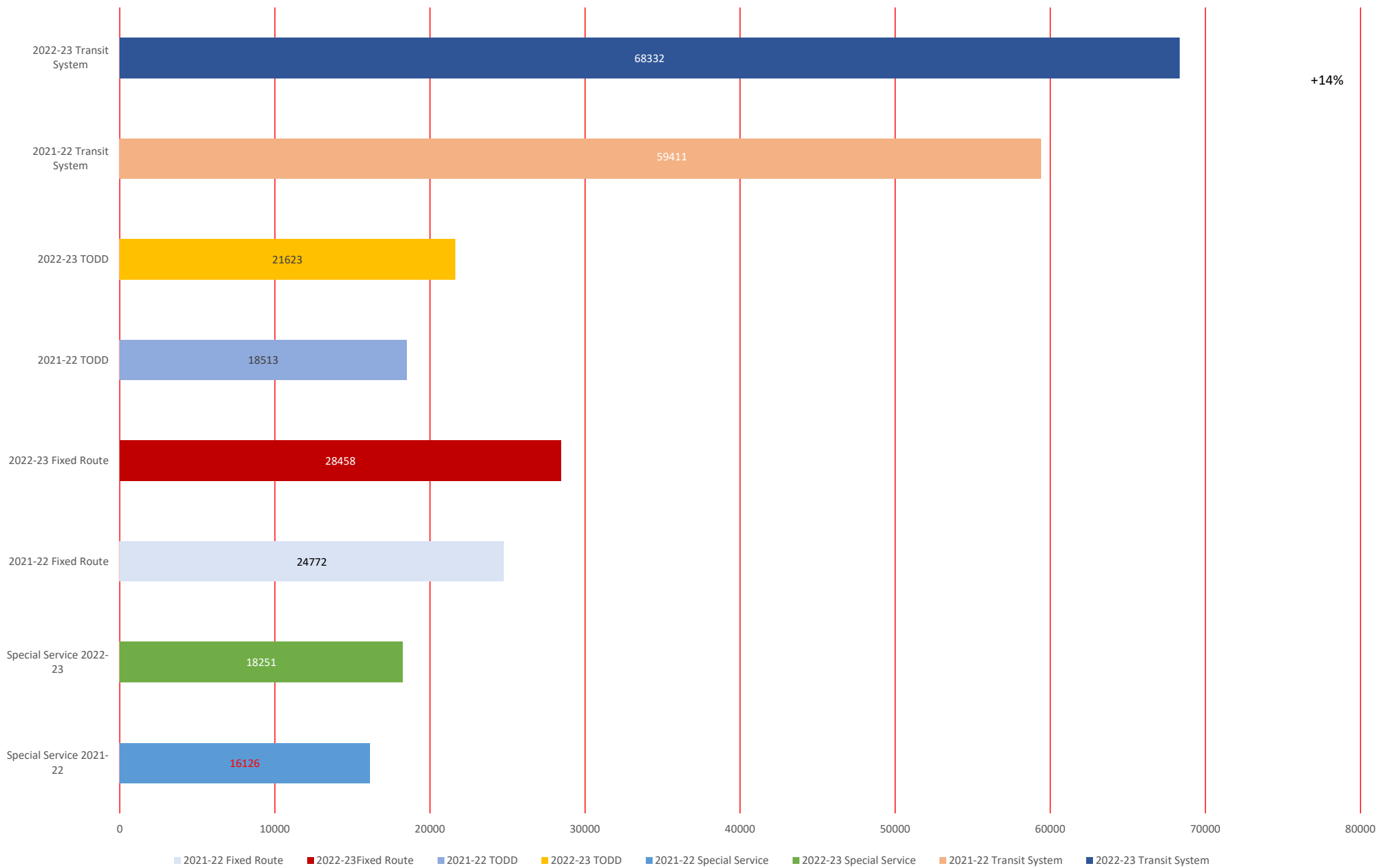
Chairman Schroer indicated he had nothing to add.

12. Adjourn

Jill Burgin made a motion to adjourn, and Kerry Perkinson seconded the motion, which passed unanimously.

The meeting adjourned at 4:40 p.m; the next special called work session is Monday, March 20, 2023, and the next regular scheduled meeting will be May 18, 2023, @ 3:30 p.m.at the Franklin Transit Center.

Franklin Transit Passenger Trips 2021-22 vs 2022-23 July through April Comparison





Franklin Transit Report

Main Street Festival – Franklin Transit provided public transit to the public from the designated Park and Ride location in Franklin. The weather didn't fully cooperate, but the service carried over 3700 passenger trips for the two-day event. The drivers performed well, and Franklin Transit looked good.

Passenger Trip Data – The chart will show that all product lines of the Franklin Transit Authority comparing fiscal 2022 to 2023 July through April have seen an increase. Systemwide the increase is 14% over same time last year.

Driver Recruitment – Since our last meeting in February, we have been able to add 3 full time and 1 part time drivers. We lost one driver, so we have a net gain of 2.5 drivers. We are hopeful that these drivers will get through the next 90 days and become long-term employees.

Transit Shelters – TMA has a few more City approvals to pursue and upon getting those we will schedule the installation of the shelters.

Zero Emission Study – TMA group is in the final stages of the collection of information for the consulting group WSP. TMA staff recently hosted engineers and other WSP consultants at the fleet facility, 1556 Columbia Avenue, to assess the property. The final report should be ready in the next few months.

The TMA Group

708 Columbia Avenue
Franklin, TN 37064
P: 615-628-0260
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**TMA Group – Williamson County VanStar Report
March through April 2023**

The month of March and April stayed steady for the vanpool. The maximum vehicles in operation during this time period was 37. There was not any new vanpools added to the road and there were no vanpools that closed down. During the time frame, the fleet produced 107,459 miles and reduced the amount of vehicle miles of single occupied vehicles by 372,655 miles. The program produced 10,955 unlinked passenger trips during this time period.

Hybrid Toyota Vehicles – Two addition vehicles were procured for the vanpool program during this time period. The total amount spent for the vehicles was \$87,818.42. There was no Federal dollars used for these vehicles. Funding was from the State of Tennessee Improve Act and the TMA Group – Williamson County vanpool program.

TDM and Employer Sales Effort – TMA Group called on over forty (40) companies promoting TDM, Vanpool and Carpool options during this time period.

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VanStar

NTD S-10 Report

Provider Williamson County

From March 2023 To April 2023

5/3/2023 3:49 PM

Maximum Service Vehicles								
Total Monthly Ridership VOMS								37
Vehicles Operated in Annual Maximum Service (VOMS) *								37
Vehicles Available for Annual Maximum Service (VAMS) *								91
Periods of Service								
Field		Average Weekday	Average Saturday	Average Sunday				
Time Service Begins		4:46 AM	5:49 AM	5:49 AM				
Time Service Ends		6:02 PM	4:36 PM	4:35 PM				
Services Supplied								
Total Monthly Ridership VRH					2561.88			
Total Monthly Ridership VRM					100967.00			
Field		Average Weekday	Average Saturday	Average Sunday			Annual Total *	
Vehicles In Operation		27	1	1				
Total Actual Vehicle Miles		2377.95	161.97	54.15			104197.00	
Total Actual Vehicle Revenue Miles		2321.74	71.63	54.15			100967.00	
Total Actual Vehicle Hours		89.42	79.55	1.86			4577.88	
Total Actual Vehicle Revenue Hours		58.73	2.21	1.86			2561.88	
Services Consumed								
Total Ridership Unlinked Passenger Trips (UPT)					10761			
Field		Average Weekday	Average Saturday	Average Sunday			Annual Total *	
Unlinked Passenger Trips (UPT)		248.44	4.89	3.78			10761.00	
Passenger Miles Travelled (PMT)		10955.51	160.38	121.40			473622.80	
Service Operated (Days)								
Field		Total Weekday	Total Saturday	Total Sunday			Annual Total *	
Days Operated		43	7	6			56	

The TMA Group
Statement of Activities
Franklin Transit Service
For the Nine Months Ending March 31, 2023

	Month Actual	Month Budget	YTD Actual	YTD Budget	Total Budget
Revenues					
COF Transit Operating	\$ 15,022.57	\$ 26,870.71	\$ 275,040.79	\$ 597,448.26	745,363.92
Fares	4,878.00	12,500.00	63,688.92	83,500.02	123,000.00
Other Revenues	800.00	800.00	7,200.00	7,300.00	9,700.00
State Funding	33,799.44	64,559.16	221,690.18	481,577.48	675,255.00
Federal Funding	144,353.00	226,169.00	1,494,670.00	1,380,760.01	2,052,926.00
Total Revenues	198,853.01	330,898.87	2,062,289.89	2,550,585.77	3,606,244.92
Direct Cost of Program					
Salaries	96,371.64	130,393.00	958,091.23	1,029,141.91	1,471,052.48
Employer Taxes and Benefits	25,331.92	37,602.04	257,403.25	270,894.31	395,707.14
Marketing and Outreach	0.00	6,646.29	12,730.55	24,790.85	44,729.74
Professional Services	3,062.46	49,393.94	42,395.97	391,835.98	540,017.81
Transit Building Maintenance	1,020.00	2,552.01	25,076.35	22,968.09	30,624.07
Transit Maintenance	20,613.10	21,138.16	241,575.22	164,164.50	227,578.95
Transit Center Cleaning	1,547.68	2,083.33	17,818.64	18,749.97	25,000.00
Transit Safety	0.00	1,250.00	7,016.09	11,250.00	15,000.00
IT Support	4,444.65	4,481.30	31,820.68	40,331.70	53,775.56
Transit Security	1,107.80	3,500.00	17,904.36	31,500.00	42,000.00
Transit Surveillance	296.65	250.00	2,669.85	2,250.00	3,000.00
Legal Fees	90.25	176.14	907.75	1,585.26	2,113.72
Transit-DAM Compliance	492.50	375.00	3,130.50	3,375.00	4,500.00
Payroll Fees	664.14	615.74	4,257.76	4,769.47	6,841.45
Transit Fuel & Lubricants	13,042.70	22,479.17	123,320.58	166,312.53	233,750.00
Postage and Supplies	1,159.94	2,125.25	12,658.32	19,127.25	25,503.00
Utilities	2,982.66	4,077.38	29,849.44	36,696.42	48,928.50
Trolley Insurance	11,243.40	14,707.26	98,604.48	108,365.34	152,487.16
Transit General Liability	1,279.40	1,118.99	11,514.60	10,070.91	13,427.87
Payouts for Insured Liab Damag	343.96	208.33	4,228.39	1,874.97	2,500.00
Errors & Omissions Liability	880.92	692.92	7,928.28	6,236.28	8,315.00
Insurance General Office & D&O	1,310.59	1,398.67	11,929.50	12,588.03	16,784.04
Property Tax	0.00	0.00	0.00	651.48	651.48
Vehicle Licensing & Registrati	0.00	16.67	0.00	150.03	200.00
Dues and Subscriptions	1,388.48	3,544.63	17,408.07	31,901.67	42,535.55
Meetings	0.00	125.00	936.43	1,125.00	1,500.00
Travel and Training	1,650.88	1,007.87	3,671.83	9,070.83	12,094.43
Equipment - Other	0.00	166.67	2,451.04	1,500.03	2,000.00
Bank Fees	33.52	325.00	417.80	1,275.00	2,250.00
Marketing & Advertising	1,704.17	4,716.68	49,804.36	42,450.12	56,600.00
Office Rent	4,034.67	4,755.35	36,379.11	42,798.15	57,064.14
Equipment Lease	369.32	505.71	4,056.67	4,551.39	6,068.53
Tracking Software	653.00	6,666.67	10,430.00	20,000.00	40,000.00
Depreciation Expense	1,732.61	1,637.03	13,860.58	14,733.27	19,644.30
ADA Expenditures	0.00	166.67	42.21	1,500.03	2,000.00
Total Direct Cost of Program	198,853.01	330,898.87	2,062,289.89	2,550,585.77	3,606,244.92
Net Difference - Operations	\$ 0.00	\$ 0.00	\$ 0.00	0.00	0.00

The TMA Group
Statement of Activities
Franklin Transit Service
For the Nine Months Ending March 31, 2023

	Month Actual	Month Budget	YTD Actual	YTD Budget	Total Budget
Planning					
Federal Planning	\$ 2,354.00	\$ 16,666.67	\$ 31,348.00	150,000.03	200,000.00
State Planning	294.19	2,083.33	3,918.52	18,749.97	25,000.00
COF Planning Cost Share	293.69	2,083.33	13,915.42	18,749.97	25,000.00
Total Planning Revenues	2,941.88	20,833.33	49,181.94	187,499.97	250,000.00
Planning Costs					
Planning/Transit	2,941.88	20,833.33	39,185.54	187,499.97	250,000.00
Zero Emission Study Match	0.00	0.00	9,996.40	0.00	0.00
Net Difference - Planning	\$ 0.00	\$ 0.00	\$ 0.00	0.00	0.00
Equipment					
Federal Capital Expenditures	\$ 0.00	\$ 38,000.00	\$ 0.00	342,000.00	456,000.00
State Capital Expenditures	0.00	4,750.00	0.00	42,750.00	57,000.00
COF Capital Cost Share	0.00	4,750.00	0.00	42,750.00	57,000.00
Total Equipment Revenues	0.00	47,500.00	0.00	427,500.00	570,000.00
Equipment Costs					
Equipment - Transit	0.00	47,500.00	0.00	427,500.00	570,000.00
Net Difference - Equipment	\$ 0.00	\$ 0.00	\$ 0.00	0.00	0.00

FRANKLIN TRANSIT AUTHORITY
BOARD ACTION ITEM

Item Number: 5-18-2023A

Meeting Date: 05-18-2023

Item Title: Consideration of FY 2023-24 Franklin Transit Budget

BACKGROUND

Attached is the FY 2023-24 Franklin Transit Authority Budget for your consideration, which was presented to the City of Franklin BOMA Budget and Finance Committee for consideration on March 30, 2023.

STAFF RECOMMENDATION

Staff recommends that the Franklin Transit Authority approve the proposed FY 2023-24 Franklin Transit Budget.

Approved _____
Board Officer

Date

Franklin Transit Authority
Budget Summary
2024

Description	2023 Estimated		2024 Budget	
	2023 Budget	Actual		
COF Transit Operating	745,363.92	477,565.26	694,473.19	
Fares	80,000.00	55,192.84	68,000.00	
Fares - MicroTransit Service	35,000.00	-	35,000.00	
Special Events	8,000.00	37,298.00	45,000.00	
Rent - Building & Equipment	9,700.00	9,600.00	9,700.00	
State Grant Funds	294,400.00	248,199.86	290,350.00	
CMAQ for MicroTransit	380,855.00	-	378,931.49	
Federal Grant Funds	2,052,926.00	2,016,556.00	2,083,464.00	
Total Revenues	3,606,244.92	2,844,411.96	3,604,918.68	
Salaries	1,471,052.77	1,337,810.94	1,801,197.14	
Fica/Med	110,878.54	105,162.08	135,781.40	
Employee Benefits	259,417.67	234,448.08	264,930.15	
Workers Comp	18,410.93	10,229.76	19,253.79	
Uniforms	7,000.00	172.34	4,000.00	
Professional Services	593,793.07	109,494.82	160,209.00	
Payroll Fees	6,841.45	4,640.36	6,037.20	
Maintenance and Repairs	258,203.02	364,396.06	366,600.00	
Cleaning - Transit Center	25,000.00	24,351.20	26,000.00	
Transit Security	60,000.00	46,769.54	31,000.00	
Transit Surveillance	-	3,559.80	2,500.00	included in transit security last year's budget. Pulled out separately this year for grant purposes
Tracking Software - Microtransit	40,000.00	16,942.00	65,000.00	
Marketing/Education/Community Outreach	75,729.74	14,950.20	62,500.00	
Print Advertising	16,500.00	22,169.30	20,500.00	
Radio/Web Advertising	6,100.00	6,600.00	6,600.00	
Recruitment	3,500.00	28,988.90	16,000.00	
Legal Fees	2,113.72	135.00	5,000.00	
Transit-DAM Compliance	4,500.00	3,753.00	4,500.00	
Fuel	233,750.00	172,785.36	235,500.00	
Postage & Supplies	25,503.00	13,865.68	12,700.00	
Utilities	48,928.50	38,019.88	45,000.00	
Vehicle Liability	152,487.16	129,062.28	162,000.00	
Insurance-Gen. Liability	13,427.87	15,352.80	16,500.00	
Payouts for Insured Liab Damag	2,500.00	5,281.36	7,500.00	
Errors & Omissions Liability	8,315.00	10,571.04	11,000.00	
Insurance General Office	16,784.04	15,995.46	17,000.00	
Vehicle Licensing & Registrati	200.00	-	-	
Dues, Subs, Tuition	42,535.55	25,858.18	30,000.00	
Property Tax	651.48	-	650.00	
Meetings	1,500.00	1,872.86	2,500.00	
Travel & Training	12,094.44	3,771.66	6,000.00	
Equipment - Transit Other	3,500.00	2,229.68	4,000.00	
Equipment Lease	6,068.53	5,451.92	6,000.00	
Bank/Credit Card Charges	2,250.00	379.50	1,800.00	
Rent-Fleet Facility/Office	57,064.14	48,550.20	49,160.00	
Depreciation - Transit Off Equ	19,644.30	20,790.72	-	
Total Direct Expenditures	3,606,244.92	2,844,411.96	3,604,918.68	
Net Income/Loss	-	-	-	
Revenue				
Federal 5307 Planning	200,000.00	52,159.00	80,000.00	
State 5307 Planning	25,000.00	6,520.00	10,000.00	
COF Planning Cost Share	25,000.00	6,519.38	10,000.00	
Total Revenue	250,000.00	65,198.38	100,000.00	
Planning/Transit Expenditures	250,000.00	65,198.38	100,000.00	
Revenue				
Federal 5307 Capital Expenditu	456,000.00	-	536,000.00	
State 5307 Capital Expenditure	57,000.00	-	67,000.00	
COF Capital Cost Share	57,000.00	-	67,000.00	
Total Revenue	570,000.00	-	670,000.00	
Rollout Program/Shelters	340,000.00	-	200,000.00	
Equipment - Transit Expenditures	200,000.00	-	440,000.00	
Cameras for Vehicles	30,000.00	-	30,000.00	

FRANKLIN TRANSIT AUTHORITY

BOARD ACTION ITEM

Item Number: 5-18-2023C

Meeting Date: 5-18-23

Item Title: Consideration of Procurement and Purchasing of Transit Vehicles

BACKGROUND

5307 grant allocations for rolling stock have been awarded to Franklin Transit Authority. These grants funds allow for the purchase of up to six transit vehicles in FY2024. These vehicles will replace existing transit vehicles that are aging and exceed the vehicle useful life standard of five years/150,000 miles.

Given the current limitations of available transit vehicle inventory, it is prudent that we procure the vehicles at the time they become available. These vehicles will be our standard cut-away design, equipped to accommodate 2 ADA passengers. Once procured/received, each vehicle will have a useful life of five years/150,000 miles.

RECOMMENDATION

Staff requests the Authority authorize the procurement and purchase of up to six transit replacement vehicles.

Approved _____
Board Officer

Date

FRANKLIN TRANSIT AUTHORITY
BOARD ACTION ITEM

Item Number: BAI 5-18-2023C

Meeting Date: 5-18-2023

Item Title: Acknowledgement of Franklin Transit Authority Accounting Policies
and Procedures Manual

BACKGROUND

To support Federal Transit Administration rules and regulations, an Accounting Policies and Procedures manual specific to Franklin Transit Authority has been created. The manual is necessary to comply with changing Federal Transit Administration rules and regulations.

STAFF RECOMMENDATION

Staff recommends, to ensure compliance with Federal Transit Administration requirements, the Franklin Transit Authority approve the updated Franklin Transit Authority Accounting Policies and Procedures Manual.

Approved _____
Board Officer

Date

THE TMA GROUP FOR FRANKLIN TRANSIT AUTHORITY

The Transportation Management Association Group

Accounting Policies and Procedures

TRANSPORTATION MANAGEMENT ASSOCIATION

Accounting Policies and Procedures for Franklin Transit Authority

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Franklin, TN 37064
Phone 615.628.0257 • Fax 615.628.3219

Last Revised: 04/18/2023

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Introduction

This manual has been prepared to document the internal accounting policies and procedures currently in use at The TMA Group for the Franklin Transit Authority. The TMA Group provides transit services for the Franklin Transit Authority, including receipt, management and distribution of grant funds and other revenue for these services. The purpose of the policies in this manual is to ensure that such funds and other assets are safeguarded, that financial statements are in conformity with generally accepted accounting principles, that guidelines of grantors and donors are complied with, and that finances are managed with responsible stewardship, accuracy, efficiency, and transparency.

All personnel with a role in the management of The TMA Group's fiscal operations are expected to uphold the policies in this manual. It is the intention of The TMA Group that this accounting manual serves as our commitment to proper, accurate financial management and reporting.

These policies will be reviewed annually and revised as needed by the staff and approved by the Chief Executive Officer. A copy of this manual, as may be amended, will also be provided to the Franklin Transit Authority.

Revised 04/24/23.

Division of Duties

The following is a list of personnel who have fiscal and accounting responsibilities within the accounting department:

Chief Executive Officer/President

1. Reviews and approves all financial reports.
2. Oversees the development of an appropriate annual budget for Franklin Transit Authority services based on the Franklin Transit Authority's approved guidelines. Presents annual budget to required stakeholders for acceptance and approval.
3. Reviews and signs all issued checks.
4. The Chief Executive Officer recommends all contracts to the Franklin Transit Authority for approval.
5. Oversees all grant submissions, reports to the Franklin Transit Authority the handling of all funds, development of funding sources, and coordination of grant preparation.
6. Opens all correspondence, invoices, bills, and bank statements, reviews for any irregularities, and reviews completed monthly bank reconciliations.
7. Oversees the adherence to all internal controls.

Chief Financial Officer

1. Reviews and enters all program expenditures into the accounting system.
2. Monitors program budgets.
3. Reviews all payroll.
4. Reviews and manages cash flow.
5. Reviews all reimbursements and fund requests and double checks receipts provided.
6. Assists Chief Executive Officer and Chief Operations Officer with the development of annual budget.

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7. Reviews all incoming and outgoing invoices.
8. Receives all incoming accounting department mail from Chief Executive Officer.
9. Monitors and manages all expenses to ensure the most effective use of assets.
10. Reviews expenditures for grant expenditures and reports.
11. Oversees expense allocations.
12. Reviews, revises, and maintains internal accounting controls and procedures.
13. Overall responsibility for data entry into accounting system and integrity of accounting system data.
14. Mails vendor checks.
15. Processes customer invoices.
16. Completes financial reports.
17. Completes bank reconciliations.
18. Prepares monthly journal entries and accruals to make sure accounting system is in compliance with Generally Accepted Accounting Principles.
19. Completes invoicing for local and state grants and compiles backup documentation.

Chief Operations Officer

1. Facilitates development of annual budgets.
2. Monitors program budgets.
3. Manages funding for transportation projects and services.
4. Manages grant and procurement processes.

Director of Grants and Procurement

1. Processes vendor invoices and prepares checks for signature.
2. Oversees federal grant funding and reporting.
3. Reconciles grant funds received and expended between the Federal Transit Administration, Franklin Transit, and the TMA Group.

Transit Director

1. Collects daily fares from locked vaults.

ACCOUNTING PROCEDURES MANUAL

2. Counts fares and reconciles to tickets collected.

Transportation Operations Representative

1. Deposits fares into bank account.
2. Provides documentation to the finance office.

Chart of Accounts and General Ledger

The TMA Group has designated a Chart of Accounts specific to its operational needs and the needs of its financial statements. The Chart of Accounts is structured to mirror the Uniform System of Accounts as specified by the Federal Transit Administration to the extent possible so that financial statements can be shown by natural classification (expense type) as well as by functional classification (program administration). The Chief Financial Officer is responsible for maintaining the Chart of Accounts and revising as necessary.

The general ledger is automated and maintained using our accounting software. All input and balancing is the responsibility of the Chief Financial Officer with final approval by the Chief Executive Officer.

Revenue and Accounts Receivables

Funding Procedures

Franklin Transit Authority is funded through Federal and State grants with a local match from the City of Franklin, Tennessee. The TMA Group pulls down federal funding through ECHO and direct deposited in the City of Franklin's fares bank account. The State match is billed directly to State of Tennessee, Department of Transportation by The TMA Group, and checks are issued to Franklin Transit Authority from the State of Tennessee. Requests for funding are tracked by billing date, grant number, type of funding, and date received to ensure all funding billed is received by Franklin Transit Authority (mailed to The TMA Group's address); as funding is received funds are deposited in the City of Franklin's fares bank account. As funding is received, all supporting documentation is attached and submitted to the Finance Department at the City of Franklin. At year end, all funding is reconciled between The TMA Group and the City of Franklin to verify and concur that all funding has been received and recorded accurately.

Revenue Recognition

Cash Receipts and Deposits

Cash receipts generally arise from

1. Contracts and Grants
2. Transit Fares

The principal steps in the cash receipts process are:

The Transit Operations Representative receives incoming mail and forwards it unopened to the Chief Executive Officer. The Chief Executive Officer opens, date stamps, and distributes all mail. Checks are placed into the Chief Financial Officer's box. The Chief Financial Officer determines the nature of the check.

Contracts and Grants

Checks received in payment of contracts and grants made payable to Franklin Transit Authority are copied with one copy given to the Director of Grants and Procurement, one copy maintained by the Chief Financial Officer, and the final copy scanned with all backup documentation pertaining to the funding and delivered by the Chief Financial Officer to the City of Franklin Accounting Office. Checks are deposited into the Franklin Transit Authority checking account by the Transit Director. The Transit Director returns the bank receipt to the Chief Financial Officer who logs receipt of the payment in the accounting system and provides copies of all documentation to the City.

ECHO Drawdowns

An agent, currently the Contract Compliance Monitor with the City of Franklin is the Authorizing Official for ECHO drawdowns and has delegated the task of approving ECHO drawdowns to the Chief Executive Officer of the TMA Group. Financial data is downloaded from the accounting system and, if needed, spreadsheets are used to calculate expenditures used for drawdowns from the ECHO system. The Director of Grants and Procurement calculates the amount to be drawn and provides a memo to the Chief Executive Officer for approval. The approved memo is provided to the Chief Financial Officer. The Chief Financial Officer draws down the funds and keeps a running list on a spreadsheet for all funds for the year. She verifies within two days that the funds have been deposited and then provides copies of the drawdowns and the bank statement to the Director of Grants and Procurement and the Financial Analyst with the City of Franklin verifying the receipt of the funds, which are deposited into the Franklin Transit Authority account maintained by the City.

Transit Fares

Transit fares are captured in the transit vehicle fare boxes as passengers enter the Transit vehicle. Transit drivers do not make change and do not have access to open the fare box; however, the drivers are permitted to sell fare book passes and proceeds are deposited into the fare box the same as regular fares. Fare boxes remain locked and are removed from the transit vehicles at the end of each day and placed in a cabinet in the Transit Fleet Facility where they are removed the following morning by the Transit Director or Transit Operations Representative. Fares are counted and reconciled against the Daily Count Sheets from the Transit Drivers. Fares are counted by someone other than the employee who removes them from the fare boxes, and the deposit is prepared and deposited into the City of Franklin fares account by Transit office staff. The Chief Financial Officer reviews the fare receipts and deposits on a monthly basis and reconciles them to the City of Franklin fares bank statement. The Chief Financial Officer maintains the documentation for fares deposits and daily count sheets.

Expenses and Accounts Payable

Cash Disbursements

1. A stock of blank checks for each bank account are maintained in a locked file cabinet in the Director of Grants and Procurement's office.
2. Incoming invoices will be received and opened by the Chief Executive Officer and delivered to the responsible staff person.
3. The staff person responsible for ordering the product or service will check the validity of the invoice against proposals, bids, receipts, etc., and the work accomplished or delivered. The staff person will record the expense allocation on the invoice and forward the invoice to the Chief Financial Officer.
4. The Chief Financial Officer will ensure that the invoice reflects an appropriate expense allocation, all documentation and receipts are attached, and will enter the invoice into the accounting system and then forward the invoice to the Director of Grants and Procurement for processing and payment.
5. The Chief Financial Officer will check the accounting system to ensure that a particular invoice has not already been paid to prevent duplicate and overbilling.
6. All disbursements will be made by check unless the item is only approved for ACH processing. All ACH processed payments will follow the same chain of command for approval and disbursement as set forth in these guidelines.
7. A check request voucher should be completed by purchasing staff and attached to original receipts where applicable and for recurring payments or payments where no invoice or statement is received from a vendor.
8. The Director of Grants and Procurement shall prepare all checks for signature on at least a weekly basis. Copies of all checks will be maintained on file with vendor invoices and supporting documentation attached.

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9. The Chief Financial Officer will make copies of all checks pertaining to each program funding and indirect expenditures and place copies in applicable files located in the file cabinet in the Chief Financial Officer's office for invoice preparation for all grant and program funded expenditures.
10. The Chief Executive Officer has signature authority on all checks. Checks more than \$5,000 must also be signed by the TMA Board Treasurer or Chairman.
11. The Chief Financial Officer shall mail payments after the required signatures are obtained.
12. The Chief Financial Officer shall monitor the accounts payable register on a monthly basis to ensure that invoices are processed and paid in a timely manner.

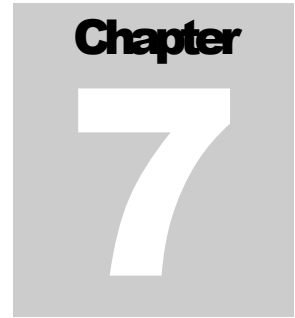
Reconciliations

Bank Reconciliations

1. The City of Franklin maintains the Franklin Transit Authority checking account and provides read-only access to the Chief Financial Officer of the TMA group.
2. The Chief Financial Officer makes comparison of dates and amounts of deposits as shown in the accounting system and on the statement,
3. The Chief Financial Officer will attach the completed bank reconciliation to the applicable bank statement, along with all documentation.
4. The Chief Executive Officer reviews the bank reconciliations on a monthly basis.

Balance Sheet Account Reconciliations

Each month, the Chief Financial Officer shall review the ending balance shown on the balance sheet accounts. A reconciliation of each balance sheet account shall be prepared and maintained monthly on an Excel spreadsheet and reviewed by the Chief Executive Officer.



Accruals

To ensure a timely close of the General Ledger, The TMA Group may book accrual entries. Some accruals will be made as recurring entries.

Accruals to consider:

1. Recurring expenses, including employee vacation accrual, prepaid corporate insurance, depreciation, etc.
2. Accruals of revenues and expenditures to ensure they are accounted for in the correct accounting period.

Purchases

1. When the normal cash disbursement procedure of invoice etc. is not appropriate (i.e., postage, petty cash, etc.), a check request should be completed and forwarded with any order form or other documentation to the Chief Executive Officer for approval.
2. Approved check requests should be sent to the Chief Financial Officer for payment.
3. In the absence of backup materials, receipts for the purchase must be provided to the Chief Financial Officer for attachment to the check request.
4. Only the Chief Executive Officer, Chief Operating Officer, and Director of Safety and Assets carry corporate credit cards in his or her name. Credit card purchases should be approved by the cardholder's immediate supervisor. Credit card statements of purchases by the Chief Executive Officer are reviewed and approved by the TMA Board Chairman. Credit card statements should be reviewed by an employee or TMA Board Chairman who does not possess a credit card to ensure that this credit card policy is being adhered to.

The purchase of airline tickets and other authorized business expenditures may be made using the corporate credit card. In every case of credit card usage, the individual charging an account will be held personally responsible if the charge is deemed personal or unauthorized. Authorized uses of the credit card include:

- a. Airline or rail tickets (at coach class or lower rates) for properly authorized business trips. The account code will help reconcile the costs of travel with the proper program to be charged.
- b. Lodging and meal charges that do not exceed the authorized reimbursement rate for persons traveling on official TMA Group business.
- c. Car rental charges (for mid-size or smaller vehicles) for properly authorized business trips.
- d. Properly authorized expenditures for which a credit card is the only allowed method of payment (such as monthly internet access).
- e. Business telephone calls.

- f. Receipts should be compiled and submitted with an expense report. Unauthorized use of the credit card includes:
 - i. Personal or non-business expenditures of any kind.
 - ii. Expenditures which have not been properly authorized.
 - iii. Meals, entertainment, gifts or other expenditures which are prohibited by:
 - 1. Budget and/or policies;
 - 2. Federal, state, or local laws or regulations;
 - 3. Grant conditions or policies of the entities from which The TMA Group receives funds.

5. Capital Expenditures:

Franklin Transit's capital expenditures are paid for by the City of Franklin and maintained on the City's financial records.

6. Consultants:

Contracts with consultants will include rate and schedule of pay, deliverables, time frame, and other information such as work plan, etc. Justification for payment should be submitted to file. For example, if The TMA Group hired a writer to create a publication, a copy of the final version should be included in the file.

7. Contracts:

Contracts for purchasing products or services, similar to a purchase order, should be created and maintained for the file whenever appropriate. Throughout the year, contracts are acknowledged by the Franklin Transit Authority.

Asset Management

Capital Equipment

1. A fixed asset log for Franklin Transit equipment is maintained by the City of Franklin and provided to the Chief Operations Officer and Director of Safety and Assets including date of purchase, asset description, purchase/donation information, cost/fair market value, donor/funding source, identification number, title holder, and life of asset.
2. The log will be reviewed periodically by the Chief Operations Officer
3. The Franklin Transit Authority and City of Franklin shall be informed in writing of any change in status or condition of any property or equipment.

Payroll Processing

1. Timesheets are to be prepared by all staff on the approved form and submitted bi-weekly on Friday. If Friday falls on a holiday, the timesheets are to be submitted the day prior. Exceptions to the submittal date may occur and will be communicated accordingly. Office employees must document their daily hours on time sheets.
2. Timesheets are to be tracked on a daily basis and time allocated to each program as applicable.
3. Timesheets are signed and dated by the employee and the employee's supervisor for submission to the Chief Financial Officer by Monday following the deadline for submission.
4. Paychecks are distributed the following Friday, or the day before if Friday falls on a holiday.
5. Employees may choose direct deposit to a designated bank account. Their paycheck is deposited directly into the designated account on the payroll date. The employee will have access to review their pay stub on the payroll vendor's website. Employees that do not provide information for direct deposit of paychecks will be issued a live check on the payroll date.
6. The Chief Financial Officer will review payroll expenditures and allocations bi-weekly.
7. Transit Drivers are responsible for clocking their time each day on the time clock. Hours are approved or corrected by the Transit Director and then submitted to accounting for payroll processing on the same bi-weekly payroll schedule as office employees.
8. Vacation, sick, and personal hours used and earned will be tracked and recorded by the Chief Financial Officer no less than on a monthly basis or by pay period as applicable.

Personnel Records

All personnel files contain the following documents: an application and/or resume, date of employment, position and pay rate, authorization of payroll deductions, W-4 withholding authorization, termination date where applicable, a signed acknowledgement of receipt of Employee Handbook, an emergency contact form, and other forms as deemed appropriate by the Chief Executive Officer and Chief Financial Officer.

All employees will fill out an I-9 form and submit the allowable forms of identification to the Chief Financial Officer. The completed I-9 forms will be kept in a secure location separate from the personnel files. All personnel files are kept in a secure, locked file cabinet in the office of the Chief Executive Officer and accessed only by authorized personnel.

Financial Reporting

The Chief Financial Officer will prepare the monthly and annual financial reports for distribution to the Chief Operations Officer, Director of Grants and Procurement, and Chief Executive Officer. The reports will include the following: statement of income and expenses, budget versus actual report for each program which has an established budget, general ledger detail, and any other requested report.

Periodic and annual financial reports will be submitted to the Franklin Transit Authority for review and approval.

Federal, State, and local funding is recorded and tracked in the accounting system. Expenditures associated with fund requests are recorded and tracked in the accounting system and related reports are used to calculate the funding requests that are made on a reimbursement basis. Expenditures are recorded into various associated cost pools which are used to determine allowability when determining the types and amounts of funding to be requested.

A financial report is prepared monthly for Franklin Transit Authority and provided to the City of Franklin along with spreadsheets documenting all expenditures and funds to be provided by grants. Backup documentation of all expenditures is also provided to the Contract Compliance Monitor on a monthly basis.

An annual audit will be conducted by an independent auditor as approved by TMA's Board of Directors. The City of Franklin's auditors provide the audit reports for the Franklin Transit Authority.

Grant Compliance

1. When a new grant is received or renewed, a copy of the executed grant must be forwarded to the Chief Financial Officer and the City of Franklin.
2. The Director of Grants and Procurement should set up a permanent file for the grant and maintain the contract along with any other financial correspondence regarding the grant.
3. It is the responsibility of the Chief Financial Officer to review the grant contract and extract any fiscal items which must be complied with by The TMA Group. Typically, for government grants, reference will be made to various publications put out by the Office of Management and Budget (OMB) and the Comptroller General's Office to which The TMA Group is responsible for adhering.

Governmental Generally Accepted Accounting Principles:

4. It is a policy of The TMA Group to adhere to any restrictions imposed by its funders, both governmental and private. Therefore, The TMA Group employees are expected to bring any instances of non-compliance to the attention of management.
5. When The TMA Group is expending federal funds, prior written approval from the funder agency is required for the purchase of:
 - a. Capital expenditures for land, buildings, or rolling stock;
 - b. Insurance and indemnification expenses;
 - c. Pre-award costs;
 - d. Public information service costs;
 - e. Publication and printing costs;
 - f. Rearrangement and alteration costs;
6. The TMA Group will never request federal funds to pay for the following costs:
 - a. Bad debt expense;
 - b. Contingencies;
 - c. Contributions or donations to others;
 - d. Entertainment expenses;
 - e. Fines and penalties;
 - f. Interest, fundraising and other financial costs;
 - g. Lobbying.
7. Federal funds received in advance will be deposited into a separate federally insured bank account. Any interest earned from those monies will be submitted to the funder agency. [It is The TMA Group's current policy to receive federal funds only on a reimbursement basis.]

Month End and Fiscal Year End Close

The Chief Financial Officer will review and sign off on all month- and year-end journal entries. They are maintained electronically for audit trail purposes.

At the end of each month and fiscal year end, the Chief Financial Officer will review all balance sheet accounts including verification of the following balances: cash accounts match bank reconciliations, and accounts receivable and payable accounts match outstanding amounts due and owed.

The income and expense accounts review will include reconciliation to amounts received and expended and verification that all payroll expenses match the payroll.

All entries needed to finalize the books for each month will be entered and completed as soon as all invoices have been received. The Chief Financial Officer will review the records for completeness and accuracy and will print the financial statements for review by the Chief Executive Officer, Director of Grants and Procurement, and Chief Operations Officer. The Chief Executive Officer and Chief Operations Officer will give approval of the financial statements to the Chief Financial Officer. The Chief Financial Officer will distribute the approved financial statements for Transit to the City of Franklin along with the Fares Report and the request for funding for the month.

Once the final monthly and fiscal year-end financial statements are created, reviewed, and approved by the Chief Financial Officer and Chief Executive Officer, no more entries or adjustments will be made into that month's or year's ledgers.

After the books have been closed for the month, the Chief Financial Officer and Chief Executive Officer will meet to review the balance sheet reconciliations and bank statement reconciliations. The Chief Executive Officer will sign off on the review, which will be filed in the monthly accounting folders.

All other appropriate government filings including those required by the state will be completed and filed with the appropriate agency.

Fiscal Policy Statements

1. Employee or public personal checks will not be cashed through the petty cash fund.
2. No salary advances will be made under any circumstances.
3. No travel cash advances will be made except under special conditions and pre-approved by the Chief Executive Officer.
4. Reimbursements will be paid upon complete expense reporting and approval using the official TMA Group form.
5. The Chief Executive Officer and two designated TMA Group Board members are the signatories on The TMA Group's bank accounts. Disbursements exceeding \$5,000 require a second signature by an authorized TMA Group Board member.
6. Bank statements will be reconciled monthly. All bank statements will be given unopened to the Chief Executive Officer for review.
7. Accounting and personnel records will be kept in locked file cabinets in the finance and/or Chief Executive Officer's office and only parties with financial and/or HR responsibility will have access to the keys.

Chapter

16

Cash Management and Payment

In accordance with 2 CFR 200.305, no advanced payments will be received or drawn down from the ECHO system. The TMA Group, on behalf of Franklin Transit Authority, only requests funds on a reimbursement basis for allowable costs (as defined in the next section). ECHO funds are only drawn down after expenditures have been paid and payments have been disbursed. ECHO draw-downs are approved by the Chief Executive Officer, as delegated by the authorized individual at the City of Franklin, before they are given to the Chief Financial Officer to be processed and only after verification of payment of related expenditures has been made.

Chapter

17

Allowable Costs

In accordance with 2 CFR 200.405, costs are only allocated to a particular Federal award or cost objective if goods or services involved are chargeable or assignable to that Federal award or cost objective. Expenditures must be aligned with approved budgeted items. Responsibility for determining allowability of costs lies with the individual responsible for overseeing the program or project and determination of allowability must be made before the expenditure is made.

Costs that can be identified as directly contributing to a particular project will be directly allocated to that project. If a cost benefits more than one project directly, cost will be allocated to each project based on the proportional benefit. Any cost that benefits more than one project that cannot be identified based on proportional benefit will be allocated as an indirect cost based on the current year approved indirect cost rate as defined in the prior section “Indirect Costs Allocation”. Currently, no indirect costs are allowed to be billed to any Federal funds that benefit the Franklin Transit Authority.

In accordance with 2 CFR Part 200 Subpart E, direct and indirect costs must be allowable, allocable, and reasonable in order to be charged to the Federal Government.

Allowability of Cost

In order to be allowable under 2 CFR 200.403, costs must:

- Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.
- Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items.
- Be consistent with policies and procedures that apply uniformly to both federally financed or other activities.
- Be accorded consistent treatment. A cost may be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
- Be determined in accordance with GAAP.
- Not be included as a cost or used to meet cost sharing or matching requirements of another federally-financed program in either the current or prior period.
- Be adequately documented.

Reasonable Costs

In order to be reasonable under 2 CFR 200.404, consideration of costs must be given to:

- Whether the cost is a type generally recognized as ordinary and necessary for the operation or proper and efficient performance of the Federal award.
- The restraints or requirements imposed by such factors as: sound business practices; arm's length bargaining; Federal, state, local and other laws and regulations; and terms and conditions of the Federal award.
- Market prices for comparable goods or services for the geographic area.
- Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the entity, its employees, its membership, the public at large, and the Federal government.
- Whether the entity significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the Federal award's cost.

Allocable Costs

Under 2 CFR 200.405, a cost is allocable if the goods or services are chargeable or assignable to the Federal award or cost objective in accordance with relative benefits received and is met if the cost:

- Is incurred specifically for the Federal award;
- Benefits both the Federal award and other work of the entity and can be distributed in proportions that may be approximated using reasonable methods; and
- Is necessary to the overall operation of the entity and is assignable in part to the Federal award in accordance with the principles in this subpart.

All activities which benefit from indirect costs will receive an appropriate allocation of indirect costs. Any costs allocable to a particular project or Federal award may not be charged to overcome fund deficiencies, to avoid restrictions imposed by Federal statutes, regulations, or terms and conditions of the Federal awards, or for other reasons.

Direct Costs

According to 2 CFR 200, Subpart E, costs that can be specifically and readily identified with a particular project or activity are accumulated and reported at the same level proposed in the budget.

Facilities and Administrative Costs

Costs that are incurred for common or joint objectives and that cannot be specifically identified with a particular project or program are allocated to Franklin Transit Authority based on percentage of transit expenditures compared to expenditures for all programs.

Classification of Costs

After determining allowability, reasonableness, and allocability, expenditures are charged and classified to appropriate expenditure account codes and programs in the accounting system. Budget and expenditure information recorded in the accounting system serves as the basis for the preparation of the yearly financial statements; department-level planning and reporting; fund specific planning and reporting; facilities and administrative cost proposal preparation and rate calculation; and audit reviews and many other uses.

Computer System Backup Procedures

The TMA Group contracts with an outside vendor to maintain offsite backup of TMA's computer and digital files. The vendor also maintains the servers and in-house network and computer operations and remains on-call on an as needed basis to trouble-shoot and repair any IT related issues. They maintain remote log-in capabilities to handle issues that can be fixed remotely.

Record Retention

Document Destruction

The Document Retention and Destruction Policy identifies the record retention responsibilities of staff, volunteers, members of the Franklin Transit Authority, and outsiders for maintaining and documenting the storage and destruction of the organization's documents and records.

The organization's staff, volunteers, members of the Franklin Transit Authority, committee members and outsiders (independent contractors via agreements with them) are required to honor the following rules:

- a. Paper or electronic documents indicated under the terms for retention in the following section will be transferred and maintained by the TMA Group;
- b. All other paper documents will be destroyed after three years, except as noted below;
- c. All other electronic documents will be deleted from all individual computers, data bases, networks, and back-up storage after one year, except as noted below;
- d. No paper or electronic documents will be destroyed or deleted if pertinent to any ongoing or anticipated government investigation or proceeding or private litigation (check with legal counsel or the human resources department for any current or foreseen litigation if employees have not been notified); and
- e. No paper or electronic documents will be destroyed or deleted as required to comply with government auditing standards (Single Audit Act).

Record Retention

The following table* indicates the minimum requirements and is provided as guidance to customize in determining your organization's document retention policy. Because statutes of limitations and state and government agency requirements vary from state to state, each organization should carefully consider its requirements and consult with legal counsel before adopting a Document Retention and Destruction Policy. In addition, federal awards and other government grants may provide for a longer period than is required by other statutory requirements.

Type of Document	Minimum Requirement
Accounts payable ledgers and schedules	7 years
Audit reports	Permanently
Bank reconciliations	2 years
Bank statements	3 years
Checks (for important payments and purchases)	Permanently
Contracts, mortgages, notes, and leases (expired)	7 years
Contracts (still in effect)	Contract period
Correspondence (general)	2 years
Correspondence (legal and important matters)	Permanently
Correspondence (with customers and vendors)	2 years
Deeds, mortgages, and bills of sale	Permanently
Depreciation schedules	Permanently
Duplicate deposit slips	2 years
Employment applications	3 years
Expense analyses/expense distribution schedules	7 years
Year-end financial statements	Permanently
Insurance records, current accident reports, claims, policies, and so on (active and expired)	Permanently
Internal audit reports	3 years
Inventory records for products, materials, and supplies	3 years
Invoices (to customers, from vendors)	7 years
Minute books, bylaws, and charter	Permanently
Patents and related papers	Permanently
Payroll records and summaries	7 years
Personnel files (terminated employees)	7 years
Retirement and pension records	Permanently
Tax returns and worksheets	Permanently
Timesheets	7 years
Trademark registrations and copyrights	Permanently
Withholding tax statements	7 years

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The §200.333 Retention requirements for records per the new Super-Circular state:

Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. Federal awarding agencies and pass-through entities must not impose any other record retention requirements upon non-Federal entities. The only exceptions are the following:

- If any litigation, claim, or audit is started before the expiration of the 3-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.
- When the non-Federal entity is notified in writing by the Federal awarding agency, cognizant agency or audit, oversight agency for audit, cognizant agency for indirect costs, or pass-through entity to extend the retention period.
- Records for real property and equipment acquired with Federal funds must be retained for 3 years after final disposition.
- When records are transferred to or maintained by the Federal awarding agency or pass-through entity, the 3-year retention requirement is not applicable to the non-Federal entity.
- Records for program income transactions after the period of performance. In some cases recipients must report program income after the period of performance. Where there is such a requirement, the retention period for the records pertaining to the earning of the program income starts from the end of the non-Federal entity's fiscal year in which the program income is earned.
- Indirect costs rate proposals and cost allocation plans. This paragraph applies to the following types of documents and their supporting records: indirect cost rate computations or proposals, cost allocation plans, and any similar accounting computations of the rate at which a particular group of costs is chargeable (such as computer usage chargeback rates or composite fringe benefit rates).
 - If submitted for negotiation. If the proposal, plan, or other computation is required to be submitted to the Federal Government (or to the pass-through entity) to form the basis for negotiation of the rate, then the 3-year retention period for its supporting records starts from the date of such submission.
 - If not submitted for negotiation. If the proposal, plan, or other computation is not required to be submitted to the Federal Government (or to the pass-through entity) for negotiation purposes, then the 3-year retention period for the proposal, plan, or computation and its supporting records starts from the end of the fiscal year (or other accounting period) covered by the proposal, plan, or computation.

Local Government Guidelines 8.4.5 Retention of Records

The LG shall maintain the project records as follows:

The Project Records shall be organized, indexed, and available for review on an as needed basis. An index shall be placed in the End of Job Folder. Boxes shall be numbered consecutively and labeled by Contract Number or Project Number, and County.

All documents shall be kept for a minimum of seven (7) years after everything is closed and finalized. These documents include, but are not limited to copies of the contract, starting notice/work order, correspondence, field books, diaries, material tickets, test reports, progress estimates, final record books, as-built drawings and specifications, contractor payrolls and certifications, field notes, and inspection reports, notice to contractors, estimates, correspondence for advertising and receiving bids, letting

ACCOUNTING PROCEDURES MANUAL

advertisements, bid tabulations, bid books (proposal contracts) completed by the contractor, project specifications and provisions, job estimate, contract and bond certificates.