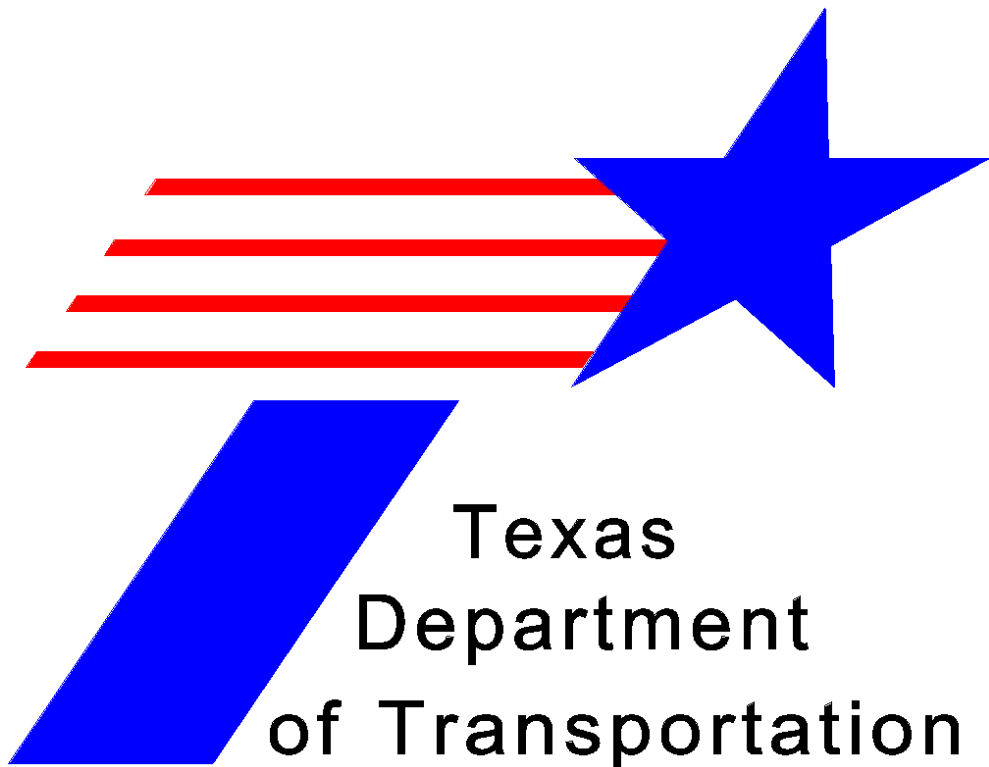


Traffic Safety Program Manual



Revised November 2005

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Traffic Safety Program Manual
November 2005
Manual Notices

Manual Notice 2005-1

To: Holders of Subject Manual Volume

From: Carlos A. Lopez, P.E.
Traffic Operations Division

Manual: *Traffic Safety Program Manual*

Effective Date: November 2005

Purpose

In addition to the minor technical revisions and corrections made throughout this manual, the following major changes were made:

Chapter 1:

- ◆ *Section 2:* Updated latest revision date of all applicable OMB circulars.
- ◆ *Section 4:* Updated current TxDOT signature authority for Traffic Safety grants.

Chapter 2:

- ◆ *Section 2:* Updated program areas. Railroad-Highway Crossings added. There are now 14 areas.
- ◆ *Section 3:*
 - Added language for establishing baseline data for STEP projects.
 - Incorporated revised DWI needs assessment language from the former Section 4.
- ◆ *Section 4 (was Section 7):*
 - Revised Cost Assumption Plan (CAP) submission requirements.
 - Added new match requirements and examples of matching costs.
- ◆ *Former Section 6:* Deleted Project Extension (CAP now used instead).
- ◆ *Former Section 7:* Deleted requirement for District Highway Safety Plan.
- ◆ *Section 6 (was Section 9):* Updated and revised traffic safety proposal scoring process.

Chapter 3: Updated and revised traffic safety project development process. (Program area goals, strategies, and performance measures are now found in the HSP and on the TxDOT Web site.)

Chapter 4:

- ◆ *Section 3:* Added table of STEP forms with links.
- ◆ *Section 4:*
 - Deleted 10% indirect rate if subgrantee has no cost allocation plan or direct administrative costs.

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- Updated state per diem rates.
 - Included explanation that STEP grants are prohibited from paying for certain officer training.
 - ◆ *Section 5:*
 - Deleted Debarment Certification, Lobbying Certification, Child Support Statement for grant agreement. These are now included in the General Terms and Conditions.
 - Added link to Subcontract Agreement Forms.
 - ◆ *Section 6:*
 - Revised and strengthened language on IACs.
 - Removed links to IAC contract documents (no longer available on line).
 - ◆ *Section 9:* Revised procedure for submittal of the Miscellaneous Contract Summary Form.
 - ◆ *Section 11:*
 - Deleted “change statement” in grant amendment process and added revised amendment instructions.
 - Added limitation on allowable cost overruns for STEPs.

Chapter 5:

- ◆ *Section 3:*
 - Final RFR now due within 45 days of the end of the grant period.
 - Added new outlay detail form for Indirect Costs (800) — Form 18.303g
- ◆ *Section 4:*
 - Added requirement that RFRs will not be approved for payment without receipt of a Performance Report, and Final RFRs will not be approved for payment without an AER.
 - Made use of Checklist for Traffic Safety RFR mandatory.
 - Revised submission requirements for RFRs.
 - Revised payment procedures for professional services and consultant contracts.
- ◆ *Section 6:* Added language requiring electronic submittal of grant-related documents as of FY 2006.
- ◆ *Section 7:* Added language strongly encouraging program and project managers to attend the TxDOT Project Management Course every 3 years.
- ◆ *Section 8:* Updated and revised information and requirements pertaining to public information and education.
- ◆ *Section 10:* Now includes “Federal Inventory Management and Reporting,” which was formerly Section 11.

Chapter 6:

- ◆ Deleted requirement for subgrantees to submit monthly Action Plans

-
- ◆ Deleted Requirement for subgrantees to submit hard copies of Annex and Performance Reports.

Chapter 7:

- ◆ *Section 2:*
 - Deleted requirement to submit a midyear report form.
 - Added midyear report to be submitted to all program and project managers.
 - Revised Final Performance Report and Administrative Evaluation Report language.
- ◆ *Section 3:* Revised language to clarify the annual reporting process to NHTSA.

Chapter 8, Section 2: Revised language to clarify project closeout and final federal reimbursement process.

Appendices and Glossary: The following appendices have been removed because their content is now available on the Traffic Safety Web site:

- ◆ Project Proposal Instructions
- ◆ Performance Measure Examples
- ◆ Traffic Safety Contacts

The former Appendix D, “Forms,” is now Appendix A.

The Glossary has also been removed. All necessary definitions are provided in context.

Contents and Instructions

Recycle the entire contents of the previous print edition of this manual and use the online version. This manual will no longer be circulated in hardcopy.

Review History

General Counsel Review. The Office of General Counsel reviewed the draft version of this manual and found it legally sufficient for its intended purpose. Suggested changes were incorporated as appropriate.

Audit Office Review. The Audit Office reviewed the draft version of this manual. Suggested changes were incorporated as appropriate.

District and Division Review. Potential users in all districts reviewed draft versions of this manual. Numerous comments were received, and changes and additions were made as appropriate.

Contact

Address questions concerning information contained in this manual to Terry Pence of the Traffic Operations Division, 512-416-3167.

Manual Notice 2004-1

To: Holders of Subject Manual Volume

From: Carlos A. Lopez, P.E.
Traffic Operations Division

Manual: *Traffic Safety Program Manual*

Effective Date: October 2004

Purpose

The purpose of this manual revision is to:

- ◆ revise and update Chapter 6, “Monitoring”
- ◆ revise Appendix A, “Project Proposal Instructions,” to direct users to the current online information
- ◆ revise Appendix B, “Performance Measure Examples,” to direct users to the current online information
- ◆ update Appendix D, “Forms,” to list and link to revised and new forms.

Instructions

This manual notice includes the following new material, which should be incorporated into the existing manual volume as follows:

| New Pages: | Instructions: |
|---|-----------------------------|
| Chapter 6, “Monitoring” | Replace all existing pages. |
| Appendix A, “Project Proposal Instructions” | Replace all existing pages. |
| Appendix B, “Performance Measure Examples” | Replace all existing pages. |
| Appendix D, “Forms” | (appears online only) |

Contact

Address questions concerning information contained in this manual to Terry Pence of the Traffic Operations Division, 512-416-3167.

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Manual Notice 2002-2

To: Holders of Subject Manual Volume

From: Carlos A. Lopez, P.E.
Traffic Operations Division

Manual: *Traffic Safety Program Manual*

Effective Date: December 1, 2002

Purpose

The purpose of this manual revision is to:

- ◆ revise and update “Project Proposal Instructions”
- ◆ update the list of “Traffic Safety Contacts”
- ◆ add (to the online version of the manual only) a complete listing of all Traffic Safety Program forms with links to each form and to the portion of the manual where each form is described.

Instructions

This manual notice includes the following new material, which should be incorporated into the existing manual volume as follows:

| New Pages: | Instructions: |
|---|-------------------------|
| Appendix A: “Project Proposal Instructions” | Replace existing pages. |
| Appendix C: “Traffic Safety Contacts” | Replace existing pages. |
| Appendix D: “Forms” | (appears online only) |

Contact

Address questions concerning information contained in this manual to Al Giles of the Traffic Operations Division, 512-416-3166.

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Manual Notice 2002-1

To: Holders of Subject Manual Volume

From: Carlos A. Lopez, P.E.
Traffic Operations Division

Manual: *Traffic Safety Program Manual*

Effective Date: July 1, 2002

Purpose

To establish and revise procedures and requirements regarding the Texas Highway Traffic Safety Program.

Content

This manual represents a near complete revision of the subject manual, which was formerly titled, *Highway Traffic Safety Volume of the Traffic Operations Manual*. Major changes are as follows:

Chapter 1:

- ◆ *Section 1:* All forms and documents related to this manual are now available through the online version.
- ◆ *Section 1:* The annual review of the *Traffic Safety Program Manual* has been changed to biennial.
- ◆ *Section 1:* The contents of Policy Statement 1-95 (formerly contained in Appendix A) have been incorporated.
- ◆ *Section 2:* New federal laws, regulations, and guidelines, primarily regarding TEA-21, have been added.
- ◆ *Section 2:* Updated and revised Office of Management and Budget (OMB) Circular applicable to the Texas Traffic Safety Program has been added.
- ◆ *Section 4:* Current TxDOT signature authority has been updated to include a cross reference to the Contract Services Office (CSO), which is the Office of Primary Responsibility (OPR) on this subject.

(continued...)

Content (*continued*)

Chapter 2:

- ◆ *Section 2:* The titles of two program areas have been changed, and a 13th has been added (Commercial Vehicle Safety).
- ◆ *Section 2:* Approximate due dates in the highway safety planning process have been changed to reflect current scheduling.
- ◆ *Section 6:* When to submit the Application for Project Extension has been changed to coincide with the submission of the Project Proposal for the project year when an extension will be required.
- ◆ *Section 9:* A provision allowing for the addition of unanticipated “target-of-opportunity” projects by amending the State Highway Safety Plan has been added.

Chapter 3:

- ◆ *Section 1:* New language concerning the National Priority Program Areas has been added along with the National Highway Traffic Safety Administration (NHTSA) web site address as the location for the source document.
- ◆ *Section 2:* Updated Program Area Goals, Performance Measures, and Strategies have been combined in a table as a result of a strategic planning meeting held in San Antonio on June 20–22, 2001.
- ◆ *Section 3:* Discussions about Countermeasure Development and Project Implementation have been added as part of the project development process.

Chapter 4:

- ◆ *Section 4:* The Grant Agreement and Project Budget have been revised to include program income.
- ◆ *Section 6:* The Traffic Safety Interagency Cooperation Contract (IAC) form (TxDOT Form 2079) and procedures have been revised and included along with a cross reference to CSO.
- ◆ *Section 6:* The Traffic Safety Interagency Contract and Amendment CSO Transmittal form (TxDOT Form 2083) has been added as a Contract Services Office (CSO) processing requirement.
- ◆ *Section 8:* The checklist for IAC Review has been updated to coincide with the new format and titling of the IAC form.
- ◆ *Section 9:* A new section has been added concerning the Miscellaneous Contract Summary Form (TxDOT Form 1722), which includes instructions on how to complete the form for Traffic Safety project agreements.
- ◆ *Section 11:* Language has been added to further clarify the criteria regarding budget amendments.

(*continued...*)

Content (*continued*)

Chapter 5:

- ◆ *Section 3:* The Request for Reimbursement (RFR) form (Form 1858), has been revised and simplified. Instructions for completing the new RFR form are also included.
- ◆ *Section 3:* A provision has been added to permit a “paperless” RFR process for those agencies that desire to do so.
- ◆ *Section 3:* A provision has been included to recognize the use of e-mail versus paper correspondence for requests and approvals of various issues regarding project management practices.
- ◆ *Section 4:* New procedures are included for the distribution and processing of RFRs, including the appropriate number of copies required.
- ◆ *Section 5:* Program income can now be used as a match, as long as it is approved in advance by TxDOT.

Chapter 6:

Section 4: A Compliance Monitoring Checklist (TxDOT Form 2032) has been added.

Chapter 7:

Section 2: The mid-year reporting process has been clarified and strengthened.

Chapter 8: No substantive changes have been made.

Former Appendix A, “Policy Statement I-95,” has been dropped and its provisions added to Chapter 1.

Appendix A (formerly Appendix B), “Project Proposal Instructions”:

- ◆ *Section 1:* The program areas list has been revised to reflect the changed titles of two program areas and the addition of Commercial Vehicle Safety. The list now includes 13 areas.
- ◆ Minor changes have been made to the instructions for completing the Project Proposal form (TxDOT Form 1851) and its attachments.

Appendix B (formerly Appendix C), “Performance Goal Examples”: No substantive changes have been made other than to refer to this document as a “manual” rather than “volume.”

Appendix C, “Traffic Safety Contacts”: New appendix of information formerly contained in Appendix A. Some district telephone numbers have changed. The Traffic Safety Section of the Traffic Operations Division TRF-TS has been added.

Glossary: Minor changes and updated information have been included.

Supersedes

This edition of the Highway Traffic Safety Manual supersedes:

- ◆ the *Highway Traffic Safety Volume of the Traffic Operations Manual* (dated March 1999)
- ◆ Policy Statement 1-95, “Highway Safety Program.”

Review History

General Counsel Review. The Office of General Counsel reviewed the draft version of this manual and found it legally sufficient for its intended purpose. One ambiguity was noted, and we corrected it.

Audit Office Review. The Audit Office reviewed the draft version of this manual and suggested one change, which we made.

District and Division Review. Potential users in all districts as well as the Finance Division (FIN), CSO and NHTSA reviewed draft versions of this manual. We received numerous comments and made changes and additions to the final version as appropriate.

Instructions

Remove and recycle the entire contents of the *Highway Traffic Safety Volume of the Traffic Operations Manual* and replace with these pages and tabs.

Availability

This manual is available online through TxDOT’s intranet at:

<http://txdot-manuals/dynaweb/coltraff/tfc/@Generic__BookView;cs=default;ts=default>

(To navigate there from Crossroads, click on “TxDOT Manuals,” open the “Traffic Operations” collection in the left frame, then click the manual title in the right frame.)

and on the Internet at:

<http://manuals.dot.state.tx.us/dynaweb/coltraff/tfc/@Generic__BookView>

(To navigate there from the TxDOT home page, click on “Business,” click on “TxDOT Manuals,” open the “Traffic Operations” collection in the left frame, then click the manual title in the right frame.)

Please note that the print version of this manual is not widely available.

Contact

Address questions concerning information contained in this manual to Al Giles of the Traffic Operations Division, 512-416-3166.

Copyright Notice

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Published by the Traffic Operations Division (TRF).

Manual Notice 99-1

Purpose

To establish and revise procedures and requirements regarding the Texas Highway Traffic Safety Program.

Contents

This manual notice includes a complete revision of the subject volume. Major changes include:

- ◆ the removal of almost all references to FHWA
- ◆ the removal of references to SMS and PTS
- ◆ replacement of references to OMB Circular A-128 with references to OMB Circular A-133
- ◆ the addition of material related to incentive grants contained in TEA-21
- ◆ changes in the timing of the Highway Safety Planning process (proposal due dates, performance plan due date, etc.)
- ◆ the incorporation of review team recommendations in the HSP process (Chapter 2, Section 2)
- ◆ the removal of the Community Needs Assessment
- ◆ changes to the project proposal and review process, including the form, form instructions (now in Appendix B), score sheet, and scoring criteria
- ◆ the removal of all performance measure tables from Chapter 3, Section 2 (It is sufficient that they are in the Performance Plan and reported on in the Annual Report.)
- ◆ updates reflecting TxDOT organizational changes, including:
 - some position titles
 - Budget and Finance Division (BUD) changed to Finance Division (FIN)
- ◆ updates of project description and budget examples
- ◆ replacement of all references to FY9_ with FY__ to prepare for the turn of the century
- ◆ the addition of “useful life” tables (in Chapter 5) so that traffic safety related equipment can be removed from federal inventory more easily
- ◆ changes (in Chapter 5) reflecting the fact that the federal Grant Tracking System (GTS) has replaced the Funds Allocation Management System (FAMS)
- ◆ the updating of tables and the addition of language to accommodate the on-line version of the manual
- ◆ replacement of references to WordPerfect with references to MS Word or MS Excel
- ◆ the addition of references to available electronic versions of TS forms

-
- ◆ change of “Texas Uniform Grant and Contract Management Standards” to “Uniform Grant Management Standards”
 - ◆ change in the acronym FARS from “Fatal Accidents Reporting System” to “Fatality Analysis Reporting System.”

NOTE: Information regarding signature authority has not been updated because, as of this date, GSD has not published the necessary manual change notice. This update should appear as a short manual notice revision in about one month.

Supersedes

This revised edition of the *Highway Traffic Safety Volume* (dated 3/99) of the *Traffic Operations Manual* supersedes the previous version of this volume (dated 11/94) and the following associated Manual Notices: 94-1, 95-1, 96-1, 97-1, and 98-1.

Instructions

Remove and recycle the entire contents of older versions and replace with these pages.

Effective Date

March 1, 1999

Contact

Address questions concerning information contained in this Manual Notice to John McKay of the Traffic Operations Division, 512-416-3170 or fax 512-416-3349.

Signed

David T. Newbern, P.E.
Traffic Operations Division
February 22, 1999

Chapter 1

Introduction

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Section 1

Overview

Purpose of Manual

The purpose of this manual is to establish program and project management procedures for subgrants and contracts in support of the Texas Traffic Safety Program. This manual does not, however, address all Traffic Safety Program regulations in regard to program content or other technical criteria. Occasional references to other TxDOT functional manuals are also necessary.

The Traffic Operations Division will review this manual on **an annual basis** to ensure that procedures remain current and accurate. Revisions will be made as soon as possible to accommodate any changes in state or federal laws or regulations.

For additional information on the Traffic Safety Program see:
<<http://www.dot.state.tx.us/trafficsafety/default.htm>>

Electronic Documents and Forms

In keeping with TxDOT's overall move toward electronic documents and forms, the Texas Traffic Safety Program has developed this manual and related forms so that the appropriate information can be entered and submitted electronically. This will require the resolution of various computer and security issues.

Wherever this manual requires grant-related submissions of documents to TRF "in writing" or in "written" form, such submissions may also be made via e-mail or other electronic transmission at the discretion of TxDOT.

Availability of Manual

Online. This manual is available online through TxDOT's intranet at:
<<http://txdot-manuals/dynaweb/coltraff/tfc>>

and on the Internet at:
<<http://manuals.dot.state.tx.us/dynaweb/coltraff/tfc>>

Users of Manual

This manual is intended for use by TxDOT personnel, state and local government officials, subgrantees and contractors, researchers, and any others interested in procedures in support of the Texas Traffic Safety Program.

Mission Statement

The mission of TxDOT's Traffic Safety Program is to identify traffic safety problem areas and implement programs to reduce the number and severity of vehicular crashes through the statewide traffic safety program.

Program Goal and Objective

The goal of the Texas Traffic Safety Program is to use information, data, technology, resources, and skills to identify priority traffic safety issues, plan initiatives, generate coordinated action, and evaluate and communicate results.

The program objective is to operate the program in a manner that reduces crashes, injuries, deaths, and their related losses.

Background

The Texas Traffic Safety Program uses federal, state and local funds. Federal traffic safety funds are primarily administered and distributed to the states by the National Highway Traffic Safety Administration (NHTSA).

Organization

TxDOT is a decentralized organization operating through 25 district offices and a division support structure at the Austin headquarters offices. The Texas Traffic Safety Program is administered by the Traffic Safety Section of the Traffic Operations Division in Austin.

Within each district, the district engineer appoints a traffic safety specialist (TSS). These TSSs coordinate and manage the program at the local (district) level, with direction and guidance from the Traffic Operations Division. The Texas Transportation Commission renews this delegation of authority annually by the approval of the State Highway Safety Plan (HSP), which outlines the delegation of authority from the Traffic Operations Division to each district.

Responsibilities

The Traffic Operations Division (TRF) is responsible for coordinating and administering the traffic safety program. To carry out these responsibilities, TRF will:

- ◆ develop and administer the annual State Highway Safety Plan and Highway Safety Improvement Program
- ◆ manage traffic safety projects in federally designated priority program areas and in other areas as may be assigned or as determined by problem identification processes
- ◆ provide oversight to districts and assist them in the development and implementation of traffic safety projects at the local level
- ◆ develop statewide traffic safety policies and procedures using district, division, and other input
- ◆ communicate and coordinate activities with the districts
- ◆ provide state agency and federal liaison
- ◆ ensure compliance with state and federal regulations
- ◆ administer traffic safety evaluation and research
- ◆ provide legislative information on traffic safety issues
- ◆ review, approve, and execute grants, contracts, and subcontracts
- ◆ approve subcontracts or process them for federal approval
- ◆ provide operational oversight to assure conformity with program and project management policies and procedures
- ◆ monitor the activities, results, and expenditures of approved state agency grant agreements and interagency contracts
- ◆ implement and maintain an internal project monitoring system
- ◆ close out traffic safety project and program areas, as appropriate
- ◆ report to the governor's highway safety representative and federal oversight agencies on the status of traffic safety projects
- ◆ prepare and submit the Annual Report to the National Highway Traffic Safety Administration (NHTSA).

(continued...)

Responsibilities *(continued)*

The districts are responsible for planning and implementing local traffic safety projects and working with the Traffic Operations Division to ensure local participation in the statewide program. To carry out these responsibilities, the districts will:

- ◆ designate a district traffic safety specialist (functional classification: transportation funding/safety administrator) to coordinate district traffic safety activities
- ◆ assist in the development and submission of the State Highway Safety Plan (HSP)
- ◆ develop traffic safety agreements with local political subdivisions and highway safety improvement projects that correct or improve high hazard locations
- ◆ monitor the activities, results, and expenditures of approved local projects and highway safety improvement projects based on their agreements
- ◆ maintain an accurate listing of accountable equipment and property purchased with federal funds
- ◆ assist potential grant recipients in project proposal development
- ◆ negotiate and prepare grant agreements
- ◆ process, administer, and monitor the grants
- ◆ process and recommend for approval Requests for Reimbursement (RFR)
- ◆ review and approve performance reports
- ◆ close out grants at the local level once all activity has ended
- ◆ provide information regarding local activities as may be required or requested by the state or federal grantor agency
- ◆ assist in the development, implementation, and monitoring of statewide projects and activities, such as procedures development, needs assessments, and public education campaigns
- ◆ represent TxDOT at various state and local committee and task force meetings.

Titles and Office Designations

This manual uses the following titles and abbreviations to designate individuals and offices involved in the Traffic Safety Program:

| | | |
|-------------------------|---|--|
| Program Manager | — | TRF staff person responsible for managing grants and one or more program areas. |
| Project Manager | — | a TSS or other district traffic safety staff person responsible for managing local project grant agreements. |
| Project Director | — | a subgrantee or contract person responsible for the oversight and management of a project operating through a traffic safety grant agreement or interagency cooperation contract (IAC). |
| TxDOT | — | the Texas Department of Transportation (also referred to as “the department”). |
| TRF | — | the Traffic Operations Division of the Texas Department of Transportation. |
| TRF-TS | — | the Traffic Safety Section within the Traffic Operations Division. |
| TSS | — | traffic safety specialist, designated within a TxDOT district (for phone numbers, see http://www.dot.state.tx.us/trafficsafety/contact/contact.htm). |

Definition of Subgrantee

Unless otherwise indicated, all references to “grants” in this manual include both traffic safety grants and interagency cooperation contracts (IACs). Likewise, all references to “subgrantees” include recipients of both traffic safety grants and IACs.

Section 2

Federal Laws and Regulations

Background

The United States Congress authorizes traffic safety funds to be appropriated to the US Department of Transportation (US DOT), National Highway Traffic Safety Administration (NHTSA). NHTSA apportions and distributes these funds to the states. The states obligate these funds through the annual State Highway Safety Plan, which is subject to NHTSA review.

The Texas Traffic Safety Program is primarily governed by federal regulations issued by NHTSA.

The Highway Safety Act of 1966

The Texas Traffic Safety program operates under the provision of the Highway Safety Act of 1966, 23 USC 402, *et seq.*, specifically 402(b)(1).

Under Section 402, federal agencies are given considerable leeway to modify the Traffic Safety program as necessary. This authorization requires these programs to have certain features under the Highway Safety Plan before they are approved. These features are contained in the following federal regulations.

Applicable Federal Regulations

The following regulatory items govern the daily administration of traffic safety grants at the district and state level. Administrators of traffic safety grants should be familiar with and follow each cited title and rule to effectively design and manage programs. Thorough knowledge of these regulations will reduce a majority of grant questions before they become problems.

(continued...)

Applicable Federal Regulations (*continued*)

The following federal laws and regulations cover traffic safety grants:

Federal Laws Covering Traffic Safety Grants

| Document Title | Revisions as of Date |
|---|-----------------------------|
| “Highway Safety Grant Funding Policy for NHTSA/FHWA Field-Administered Grants” | 01/30/2001 |
| 49 CFR Part 18 — DOT Implementation of Common Grant Rule: “Uniform Administrative Requirements For Grants and Cooperative Agreements to State and Local Governments” (see the following discussion of “The Common Rule.”) | 10/1/1999 |
| 49 CFR Part 19 — “Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations” | 10/16/2001 |
| 23 U.S.C. — Section 154 Open Container Legislation | 7/22/1998 |
| 23 U.S.C. — Section 154 Open Container Regulation (23 CFR Part 1270) | 8/24/2000 |
| 23 U.S.C. — Section 157 Seat Belt Use Incentive Grant Legislation | 6/9/1998 |
| 23 U.S.C. — Section 157 Seat Belt Use Incentive Grant Regulation (23 CFR Part 1240) | 10/29/1998 |
| 23 U.S.C. — Section 163 0.08 BAC Grant Program Legislation | 10/23/2000 |
| 23 U.S.C. — Section 163 0.08 BAC Grant Program Regulation (23 CFR Part 1225) | 7/1/1999 |
| 23 U.S.C. — Section 164 Minimum Penalties for Repeat Offenders for DWI/DUI | 7/22/1998 |
| 23 U.S.C. — Section 164 Repeat Offender Regulation (23 CFR Part 1275) | 10/4/2000 |
| 23 U.S.C. — Section 402 Highway Safety Program Legislation | 6/9/1998 |
| 23 U.S.C. — Section 405 Occupant Protection (OP) Incentive Grant | 6/9/1998 |
| 23 U.S.C. — Section 405 OP Incentive Grant Criteria (23 CFR Part 1345) | 10/1/1998 |
| 23 U.S.C. — Section 410 Alcohol-Impaired Driving Countermeasures Legislation (pre-TEA21) | 11/28/1995 |
| 23 U.S.C. — Section 410 Alcohol-Impaired Driving Countermeasures Legislation (TEA21) | 6/9/1998 |
| 23 U.S.C. — Section 410 Alcohol-Impaired Driving Countermeasures Regulation (TEA21 Incentive Grant Criteria) (also 23 CFR Part 1313) | 7/28/2000 |
| 23 U.S.C. — Section 411 “State Highway Safety Data Improvement Grants” Legislation | 11/9/1998 |
| 23 U.S.C. — Section 411 “State Highway Safety Data Improvement Grants” Regulation (23 CFR Part 1335) | 9/11/2000 |
| 23 CFR Part 1200 — “Uniform Procedures for State Highway Safety Programs” | 8/27/1999 |
| 23 CFR Part 1205 — “Highway Safety Programs Determination of Effectiveness” | 3/2/2001 |
| 23 CFR Part 1206 — “Rules of Procedure for Invoking Sanctions Under the Highway Safety Act of 1966” | 6/6/1996 |
| 23 CFR Part 1250 — “Political Subdivision Participating in State Highway Safety Programs” (that is 40% [of Section 402 funding] to local jurisdictions) | 4/1/1994 |
| 23 CFR Part 1251 — “State Highway Safety Agency” | 4/1/1994 |
| 23 CFR Part 1340 — “Uniform Criteria for State Observational Surveys of Seat Belt Use” (23 U.S.C. Section 157 related) | 4/13/2000 |
| Section 2003(b) TEA-21 (Child Passenger Safety) Legislation | 6/9/2000 |
| Transportation Appropriations Act of FY01 — Public Law 106-346 Section 351 providing Sanctions if State’s fail to pass 0.08 BAC law | 10/23/2000 |
| State Certifications and Assurances Statements | January 2001 |
| NHTSA Order 462-6C — “Matching Rates for State and Community Highway Safety Programs | 11/30/1993 |

Applicable Federal Regulations (*continued*)

The following federal guidelines pertain to federal grants and contracts:

Federal Guidelines Regarding Federal Grants and Contracts

| Document Title | Revisions as of Date |
|---|-----------------------------|
| Sec. 154/164 Guidance — Concerning TEA-21 Transfer Funding programs | 3/31/2000 |
| Sec. 154/164 — Frequently asked questions and answers regarding Sec. 154/164 | July 2000 |
| Sec. 157 Incentive Fund Program Accounting Guidance | 1/22/1999 |
| Sec. 157 Innovative Announcement of Discretionary Grants to Support Innovative Seat Belt Projects | 6/1/2001 |
| Sec. 163 (.08) Funds Accounting Guidance — Amended | 11/20/1998 |
| NHTSA/FHWA RR Grade Crossing Guidance | 11/4/1994 |
| Sec. 402 Advertising Space Guidance from NHTSA | 11/3/2000 |
| Sec. 2003(b) Announcement on Child Passenger Protection Education Grants | 11/6/2000 |
| Program Guidelines — “Uniform Guidelines for State Highway Safety Programs” | 7/18/1995 |
| Lobbying Guidance — Anti-Lobbying Restrictions | 2/7/2000 |
| Lobbying Guidance — Lobbying Restrictions | 2/9/2000 |
| Lobbying Guidance — Impact of Recent Lobbying Restrictions on State Officials Who Receive NHTSA Funds | 2/25/2000 |

The Common Rule

The US DOT Common Rule is contained in Title 49, Code of Federal Regulations (CFR) Part 18, and is titled “Uniform Administrative Requirements for Grants and Cooperative Agreements with State and Local Governments.”

The Common Rule was developed to establish “consistency and uniformity among federal agencies in the implementation and management of grants and cooperative agreements with state, local, and federally recognized Indian tribal governments” (Office of Management and Budget [OMB] Circular A-102 [revised], 8/29/1997).

The Common Rule supersedes OMB Circular A-102 of 1981. The Common Rule applies to federal grant recipients (such as the State of Texas) and the sub-recipients of federally assisted grants (such as municipalities receiving traffic safety grants from the State of Texas). The State of Texas has adopted the Common Rule and it is included in the Texas Uniform Grant Management Standards (Texas Government Code, Chapter 783).

Other Applicable Office of Management and Budget Circulars

Office of Management and Budget (OMB) circulars are frequently used reference materials in administering grants. The following table lists OMB circulars applicable to the Texas Traffic Safety Program:

OMB Circulars Applicable to the Texas Traffic Safety Program

| Document Title | Revisions as of Date |
|---|-----------------------------|
| OMB Circular A-21 — “Cost Principles for Institutions of Higher Education” | 5/10/2004 |
| OMB Circular A-87 — “Cost Principles for State, Local, and Indian Tribal Governments” | 5/10/2004 |
| 49 CFR Part 19 — “Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals & Other Nonprofit Organizations” | 10/16/2001 |
| OMB Circular A-122 — “Cost Principles for Nonprofit Organizations” | 5/10/2004 |
| OMB Circular A-133 — “Audits of States, Local Governments, and Non-profit Organizations.” | 6/27/2003 |
| OMB Circular A-110 — “Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations.” | 9/30/1999 |

Documents Available

The foregoing federal regulations, rules, and other cited procedural documents are available in the *Highway Safety Grant Management Manual*, which is available on the Internet at: http://www.nhtsa.dot.gov/nhtsa/whatsup/tea21/GrantMan/HTML/00_Manl_Contents1_01.html.

Section 3

State Laws and Regulations

General

The laws and regulations of the State of Texas and Texas Department of Transportation (TxDOT) policy also govern the Traffic Safety Program. On the state level, the Texas Traffic Safety Act of 1967 authorizes the program. The program is administered under the rules specified in Title 43, Texas Administrative Code, §§25.901 – 25.913.

The Texas Traffic Safety Act of 1967

Chapter 723, Texas Transportation Code, “The Traffic Safety Act,” declares it to be a vital government purpose and function of the state and its legal and political subdivisions to establish, develop, and maintain a program of traffic safety in Texas. Section 723.032 authorizes TxDOT to enter into grants and contracts to carry out a duty or activity that is part of the statewide Traffic Safety Program.

Uniform Grant Management Standards

The aforementioned provisions of the Texas Transportation Code, which are contained in the Texas Government Code, Chapter 783, act as the corresponding state equivalent of the federal Common Rule. Since states are allowed to use their own management systems if they are at least as restrictive as the requirement in the Common Rule, this management structure incorporates existing federal standards for grant management (OMB Circular A-87).

Although the states are given the right to use their own systems to manage programs, the US Department of Transportation provides the grant funds and therefore determines what type of programs are eligible for funding.

Governor’s Highway Safety Representative

The Federal Highway Safety Act of 1966 makes the governor of Texas responsible for preparing and administering a statewide Traffic Safety Program designed to reduce traffic crashes and the resulting property damage, injuries, and fatalities. The governor has named the executive director of the Texas Department of Transportation to act as his or her representative in the Traffic Safety Program.

Governor's Executive Orders

The following governor's executive orders also regulate the Texas Traffic Safety Program:

- ◆ Executive Order establishing the Office of Traffic Safety (July 24, 1969)
- ◆ Executive Order D.B. 28 (May 5, 1976)
- ◆ Executive Order W.P.C. (August 29, 1979).

Intellectual Property

TxDOT's policies and procedures relating to intellectual property are contained in the **Texas Transportation Code, §201.205; Title 43, Texas Administrative Code, §§22.20–22; and the *Legal Manual*, Chapter 1, accessible online only through TxDOT's network.**

The Texas Traffic Safety Program Grant Agreement **General Terms and Conditions** (described in Chapter 4 of this manual) also covers intellectual property (see Article 20).

Section 4

Signature Authority

Introduction

Signature authority for traffic safety grants and contracts, assurances, certifications, and other documents is delegated to various levels within TxDOT. Chapter 2 of the *Contract Management Manual* describes signature authority for the Texas Traffic Safety Program. (Note: The *Contract Management Manual* is accessible online only through the TxDOT network).

Signature Authority

The following table lists signature authority related to the traffic safety program:

Signature Authority for Traffic Safety Program Documents

| Document | Signature Authority |
|---|--|
| Highway Safety Plan | Approved by TxDOT Commission; Executive Director signs Minute Order |
| Certifications and Assurances of the Highway Safety Plan | Division Director, Traffic Operations (TRF) |
| Highway Safety Program Cost Summary (HS Form 217) | Executive Director or Division Director, Traffic Operations |
| Federal Cooperative Agreements | Division Director, Traffic Operations |
| National Highway Traffic Safety Administration Agreements | Division Director, Traffic Operations |
| Federal Grant Applications | Division Director, Traffic Operations |
| Interagency Cooperation Contracts (for amounts less than \$50,000) | Division Director, Traffic Operations |
| Interagency Cooperation Contracts (for amounts of \$50,000 or more) | Director, Office of General Counsel — Contract Services Section |
| Traffic Safety Program Grant Agreements and Amendments (any amount) | Division Director, Traffic Operations |
| Traffic Safety Program Grant Agreements and Amendments less than \$100,000 (local projects) | District Engineer |
| State Vouchers for Federal Reimbursement | Grant Accountant, Finance Division |
| Project Celebration Agreements | District Engineer |
| Request to NHTSA to Purchase Equipment (greater than \$5,000) with Federal Funds | Director, Traffic Safety Section, Traffic Operations Division (TRF-TS) |

Further Delegation of Signature Authority

Unless prohibited in the delegation, the person with authority to sign a specific document may further delegate to appropriate employees as follows:

1. Give written notification to the employee, describing the specific grant or document and the extent of the signature authority and responsibility.
2. Send a copy of the delegating memo to the appropriate office as identified in the following table.

Office to Receive Copy of Delegating Memo

| If the delegation involves... | Then send the memo to... |
|---|---|
| Any grant | Office of General Counsel — Contract Services Section (OGC-CSS) |
| Any purchase | Purchasing Section, General Services Division (GSD) |
| Voucher Batch Cover or Invoice Approval | Finance Division (FIN) |
| Other official document | Responsible district, division, or office |

In the absence of the Traffic Operations Division director, signature authority is delegated to the following individuals in the order noted:

1. the TRF deputy director
2. the TRF Traffic Safety Section director
3. other TRF section directors.

For further information on this issue, see Chapter 2 of the *Contract Management Manual*.

The district engineer, division director, or office director may submit a consolidated listing of employees to whom he or she is delegating. Although the administering division may not require signature cards, they should be submitted with the delegations. If there is a change in the name or functional title of the person receiving the delegation or if authority to sign the grant will no longer be delegated, then the delegation should be revised in writing and a copy of the revised delegation and signatures should be sent to the appropriate office.

Specific Authority to Contract

Specific authority to contract derives from Government Code, Title 7, “Intergovernmental Relations,” Chapter 771, “Interagency Cooperation Contract,” § 771.003. “Authority to Contract; Exceptions.” For more information on “Authority to Contract,” see <http://crossroads/org/CSO/statutes.htm> (accessible only within the TxDOT network).

Chapter 2

Planning

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Section 1

Overview

Background

Federal grant involvement in traffic safety dates from the passage of the National Highway Safety Act of 1966. Texas passed a companion act, the Traffic Safety Act of 1967.

The Traffic Safety Program became an integral part of the Texas Department of Transportation in 1979. At that time, districts assumed responsibility for local projects.

While the districts are still responsible for managing local projects, responsibility for the overall Traffic Safety Program resides with the Traffic Operations Division's Traffic Safety Section (TRF-TS). (For more details on specific division and district responsibilities, see the subheading "Responsibilities" in Chapter 1, Section 1.) The TxDOT executive director is the designated governor's highway safety representative.

Planning Overview

This chapter describes the traffic safety program planning process with local projects at the agency level and statewide level.

Local jurisdictions (cities and counties) work with district traffic safety project managers to identify traffic safety problems, conduct needs assessments, and develop proposals.

Community developed proposals are forwarded through the district traffic safety specialist to TRF, where the proposals are reviewed alongside statewide proposals submitted directly to TRF-TS. TRF-TS organizes proposal review teams to evaluate all the proposals for possible inclusion in the annual Highway Safety Plan (HSP)

Review teams evaluate the needs of various communities and statewide concerns, determining the quality of traffic safety problem identification, the solution proposed, and proposed budget. Approved proposals are incorporated into the annual HSP.

Section 2

State Highway Safety Plan

Introduction

The Highway Safety Plan (HSP) is developed annually by the Traffic Operations Division’s Traffic Safety Section (TRF-TS). The HSP is intergovernmental in nature, functioning, either directly or indirectly, through grant agreements, contracts, service purchase orders, requisitions, and work orders.

State and local sources analyze data to identify traffic safety problems by identifying specific causes of vehicular traffic crashes (see Section 3 of this chapter). They then submit proposals to TRF-TS for grants to address the problems (see Section 5 of this chapter).

TRF-TS processes grant agreements and contracts for local jurisdictions, other state agencies, educational institutions, non-profit organizations, and private contractors. TRF-TS develops the HSP using those proposals approved for funding. TRF-TS then submits the annual HSP to the Texas Transportation Commission (TTC) for approval. After TTC approval, an approved project list is issued to the district traffic safety specialists for local distribution to the subgrantees, and TRF issues the list to all statewide subgrantees.

Note: Unless otherwise indicated, all references to “grants” include both traffic safety grants and interagency cooperation contracts (IACs). Likewise, all references to “subgrantees” include recipients of both traffic safety grants and IACs.

Program Areas

The HSP is divided into 14 program areas, as follows:

Highway Safety Program Areas

| Program Area # / Title (NHTSA Accounting Code) | |
|--|----------------------------------|
| 01 | Planning and Administration (PA) |
| 02 | Alcohol (AL) |
| 03 | Emergency Medical Services (EM) |
| 04 | Motorcycle Safety (MC) |
| 05 | Occupant Protection (OP) |
| 06 | Pedestrian & Bicycle Safety (PS) |
| 07 | Police Traffic Services (PT) |
| 08 | Speed Control (SC) |
| 09 | Traffic Records (TR) |
| 10 | Driver Education (DE) |
| 11 | Railroad-Highway Crossings (RH) |
| 12 | Roadway Safety (RS) |
| 13 | Safe Communities (SA) |
| 14 | School Bus Safety (SB) |

(continued...)

Program Areas *(continued)*

Note: Several of the program areas have been designated as “priority program areas” by federal regulation. TxDOT has designated additional priority program areas as eligible for funding, based on needs assessments and National Highway Traffic Safety Administration (NHTSA) approval.

Program Funding

Funding of the project within the 14 program areas comes from state and federal (NHTSA) sources, and from local cost sharing by subgrantees.

Development Process

The Highway Safety Planning process consists of six stages:

1. Planning to select or review program strategies and performance goals and measures
2. Problem identification
3. Issuance of request for proposals
4. Internal coordination
5. Review, comment, and approval
6. Implementation

Explanations of each of these stages follow under separate subheadings.

Planning, Problem Identification, and Request for Proposals (Stages 1, 2, & 3)

Planning and Problem Identification or Request for Proposals, the first two stages of the HSP process, include the steps shown in the following table.

Note: Dates shown are approximate, and deadlines may vary from year to year.

(1) Planning, (2) Problem Identification, and (3) Request for Proposal Process for HSP Development

| Step | Responsible Party | Action | Approx. Date |
|------|----------------------|--|--------------|
| 1 | TRF | Hosts a strategic planning meeting every 2 to 3 years to review performance goals and strategies for the Performance Plan. | June–July |
| 2 | TxDOT | Develops and submits annual Performance Plan, HS-217, and Certifications and Assurances to NHTSA. | August |
| 3 | TRF-TS | Announces Highway Safety Planning process, posts it on the TxDOT web site, and publishes it in the Texas Register. | October |
| 4 | TRF-TS and districts | Perform statewide and local problem identification. | Oct.–Dec. |
| 5 | TRF-TS and districts | Contact state and local government agencies regarding project ideas and proposals for the traffic safety program. | Oct.–Dec. |

See Section 3 of this chapter for more information on “Problem Identification.”

Internal Coordination (Stage 4)

Internal Coordination, the third stage of the HSP process, includes the steps shown in the following table.

Note: Dates shown are approximate, and deadlines may vary from year to year.

(4) Internal Coordination Process for HSP Development

| Step | Responsible Party | Action | Approx. Date |
|------|------------------------|---|--------------|
| 1 | Local & state agencies | Submit project proposals to TxDOT. | January |
| 2 | TRF-TS | Collects project proposals. | February |
| 3 | TRF-TS and districts | Review and score all project proposals. | February |
| 4 | TRF-TS | Shares proposal scores with agencies. | March |

Local community-based proposals are normally submitted to the district traffic safety specialist. State agencies and other organizations also submit their project proposals to TRF-TS. All project proposals are submitted to a review and scoring team. When all projects have been scored, the results are presented to TRF for incorporation into a recommended project list. Based on this list, TRF-TS prepares the program area module narratives to include the project task descriptions for the HSP.

Review, Comment, and Approval (Stage 5)

Review, Comment, and Approval, the **fifth** stage of the HSP process, includes the steps shown in the following table.

Note: Dates shown are approximate, and deadlines may vary from year to year.

(5) Review, Comment, and Approval Process for HSP Development

| Step | Responsible Party | Action | Approx. Date |
|------|--------------------------------|---|--------------|
| 1 | TRF planner | Develops State HSP program area and task narratives. | March |
| 2 | TRF-TS | Develops first draft of HSP. | April |
| 3 | TRF-TS | Sends draft HSP to districts, divisions, and NHTSA. | April |
| 4 | Draft HSP recipients | Present review comments on draft HSP to TRF. | May |
| 5 | TRF-TS | Makes revisions and completes second draft of HSP. | May |
| 6 | TRF-TS | Submits HSP to director of Traffic Operations for approval. | June |
| 7 | Director of Traffic Operations | Submits draft HSP to the Texas Transportation Commission for approval. | June |
| 8 | TRF | Prepares final copy of HSP and Minute Order for Commission meeting. | June |
| 9 | Transportation Commission | Approves HSP. | June |
| 10 | TxDOT | Submits HSP to Texas Review and Comment System (TRACS). | July |

Normally the HSP is prepared and submitted to the Transportation Commission for approval in June. Upon approval and adoption it is submitted to the Governor's Office (Texas Review and Comment System) for review and comment. Then the HSP is forwarded to the National Highway Traffic Safety Administration (NHTSA) for review and comment.

Federal approval of the state's Highway Safety Program is in the form of a letter from NHTSA acknowledging the state's submission of a certification statement, the Performance Plan, and the planning document (HSP) that complies with all the requirements.

Implementation (Stage 6)

Implementation, the sixth stage of the HSP process, includes the steps shown in the following table.

Note: Dates shown are approximate, and deadlines may vary from year to year.

(6) HSP Implementation Process

| Step | Responsible Party | Result | Approx. Date |
|------|-------------------|--|--------------|
| 1 | TRF-TS | Sends approved project lists to districts and agencies. | July |
| 2 | TxDOT | Submits HSP to NHTSA for information. | August |
| 3 | TRF-TS | Sends HSP to districts, divisions, agencies, and others. | August |
| 4 | TRF-TS | Submits annual performance plan to NHTSA. | August |
| 5 | TxDOT | Processes and approves grant agreements and contracts. | September |
| 6 | TxDOT | Activates HSP and implements projects. | October 1 |

When the HSP has received commission approval, districts begin working with local jurisdictions to develop grant agreements for the approved projects. TRF program managers also begin similar activities with state-managed subgrantees.

All traffic safety grant agreements are then reviewed and processed for district or TRF approval or both. Projects can be activated only after federal funding approval for the state's Highway Safety Program has been received. This processing of over 200 project agreements usually requires several months. The ultimate goal is to have all of the agreements ready for activation on October 1st, the beginning of the federal fiscal year.

Program Administration Process

Texas joined a number of other states in a new process of administering its traffic safety program during FY97. This process replaces federal approval of the annual Highway Safety Plan (HSP) with a Performance Plan by which each state presents its own performance goals.

This process involves the preparation and submission to NHTSA of four components:

- ◆ a Highway Safety Plan (or, planning document) approved by the Texas Transportation Commission
- ◆ a certification statement
- ◆ a program cost summary
- ◆ a performance plan.

(continued...)

Program Administration Process (*continued*)

Highway Safety Plan (HSP). Prior to August 1st of each year, the state prepares a planning document describing how federal highway safety funds will be apportioned, consistent with the guidelines, national priority areas, and other Section 402 requirements. This document describes the projects and activities the state plans to implement to reach its goals. The HSP, as the state’s formal planning document, is approved by the Texas Transportation Commission. This document does not require NHTSA approval, but must be submitted along with the other two documents described here to NHTSA for review to ensure that the state’s Highway Safety Program is in compliance with the requirements of the Section 402 program.

Certification Statement. Also prior to September 1st, the state submits a certification statement to NHTSA. The certification statement, signed by the governor’s highway safety representative, **or designee**, provides formal assurances regarding the state’s compliance with applicable laws and regulations and with financial and programmatic requirements pertaining to the federal grant.

The Performance Plan. The Performance Plan lists the objectives and measurable highway safety goals based on problem identification. It includes performance measures for each goal to track progress, from a baseline, toward meeting the goal by the specified target date. The HSP and Performance Plan are the state’s planning, management, and grant delivery vehicles. The Performance Plan has three components — a process description, performance goals, and **an electronic HS Form 217 (submitted through the federal Grant Tracking System)** — explained in the following table.

Performance Plan Components

| Component | Explanation |
|--|---|
| Process Description | Briefly describes the process or processes used by the state to: <ul style="list-style-type: none"> ◆ identify its highway safety problems from available data sources ◆ establish its proposed performance goals and measures ◆ select and develop the programs and projects in its plan ◆ list the participants in the processes ◆ identify information and data sources used for problem identification |
| Performance Measures | Describes the state’s highway safety performance goals. The state will: <ul style="list-style-type: none"> ◆ establish its own performance goals, including target dates ◆ identify the performance measures it will use to track progress toward each goal from current, baseline status with regard to these measures. |
| HS Form 217 (electronic) , Highway Safety Program Cost Summary (described in Chapter 7, Section 3 of this manual) | Reflects the state’s proposed allocation of funds, including carry-forward funds, by program area, based on the state’s identified performance goals and planning document. |

Section 3

Problem Identification and Community Assessment

What Is Problem Identification?

Problem identification and assessment is the discovery of where, when, how, and why crashes occur. Also of major importance is the identification of the causes of crashes and collisions.

Purpose of Problem Identification

The purpose of problem identification and assessment is:

- ◆ to understand the crash problem and causation factors
- ◆ to develop effective countermeasures to reduce or eliminate the problem
- ◆ to design evaluation mechanisms to measure changes in problem severity
- ◆ to manage influences (for example, using statistical crash data to highlight a particular problem area in order to obtain the necessary support for instituting an effective countermeasure in a jurisdiction).

General Problem Identification Procedure

Using the sources of information and the analytical processes described later in this section, **TRF-TS** systematically analyzes data to determine whether a proposed project is the best alternative among the available options. Conclusions must:

- ◆ support the available data
- ◆ be site specific, whether that site is a county, city, or roadway section.

Typically, **TRF-TS** proceeds as follows with problem identification and analysis:

1. Identify evidence that a traffic safety problem exists.
2. Collect applicable data in the target jurisdiction.
3. Analyze the data to determine what factors or characteristics are overrepresented.
4. Is the problem of a magnitude that warrants action?
If yes, proceed to the following steps.
If no, consider possibility that initial indication may have been random.
5. Investigate all possible corrective actions.
6. Determine the best course of action.
7. Initiate corrective action.

Explanations of the requirements involved in these steps follow.

Data Collection and Analysis

Once a perceived problem is identified, data must be collected and analyzed (Steps 2 and 3 of the previous procedure). This process involves the following steps.

Collecting and Analyzing Data

| Step | Action | Notes: |
|------|---|---|
| 1 | Identification of data sources. | See “Data Sources” later in this section. |
| 2 | Data collection. | See “Data Sources” later in this section. |
| 3 | Determination of analysis strategy (how best to determine if a problem exists.) | See “Data Analysis and Interpretation” later in this section. |
| 4 | Data analysis. | See “Data Analysis and Interpretation” later in this section. |
| 5 | Display and reporting analysis results. | For example, a graph or chart may display the data overtime to show that the problem is either increasing or decreasing in frequency. |
| 6 | Identification of high-incidence crash locations. | Of all crash locations in a jurisdiction, are there any that appear more frequently than others? |
| 7 | Identification of overrepresented crash characteristics. | For example, youth with alcohol involvement. See “Data Elements” later in this section. |
| 8 | Analysis of support problems. (Who has the information you need? Will they share it? Is the data reliable?) | Attempt to solve data access problems by enlisting the support of agencies or offices that collect or possess the information you need. See “Data Sources” later in this section. |

Data Elements

Data elements fall into three general categories: people, vehicles, and roadway. These categories may be broken down into subgroups and assigned relevant characteristics, as shown in the following table.

Categories of Traffic Safety Data

| Data Category | Subgroups | Characteristics |
|---------------|---|---|
| People | drivers, occupants, pedestrians | age, sex, blood alcohol level, driver’s education experience and training |
| Vehicles | passenger cars, trucks, busses, motorcycles, bicycles, etc. | sedans, convertibles, anti-lock brakes |
| Roadway | interstate, primary, secondary | political subdivisions, light conditions, surface conditions |

Crash Specific Data

Crash specific data might include any of the following:

- ◆ type and severity of crash (fatal, pedestrian, etc.)
- ◆ location
- ◆ roadway characteristics
- ◆ violations
- ◆ time of day
- ◆ day of week and month
- ◆ type of vehicle
- ◆ direction of travel
- ◆ driver's age
- ◆ driver's sex
- ◆ weather conditions
- ◆ vehicle maneuver
- ◆ occupant protection usage
- ◆ alcohol or drug involvement
- ◆ emergency medical services (EMS) data
- ◆ investigating agency.

Data Sources

Data sources might include any of the following:

- ◆ Department of Public Safety
- ◆ local police department
- ◆ Texas Department of Transportation district or headquarters office
- ◆ State Department of Health or regional or local health agencies
- ◆ emergency medical service providers
- ◆ evaluations
- ◆ surveys
- ◆ national or statewide studies (such as Fatality Analysis Reporting System [FARS])
- ◆ local court system
- ◆ district traffic engineering and roadway analyses

(continued...)

Data Sources (*continued*)

- ◆ web-based software for conducting community assessments — specifically, a computerized method for analyzing traffic safety problems within a community and a set of plans for implementing proven programs that address the identified traffic safety problems.) (See “Web-based Tools for Identifying Resources” later in this section.)
- ◆ other sources (interest groups, task forces, school districts, colleges, hospitals, universities, insurance companies, etc.)

Data Analysis and Interpretation

Analysis means to divide a whole into its parts in order to discover the nature, function, and relationship of those parts.

Data subgroups should be reviewed to determine overrepresentation. Such overrepresented subgroups indicate highway safety problems. A good example of this would be the high percentage of teenager drivers involved in crashes versus the much lower percentage among all drivers.

Further analysis should focus on subgroup characteristics — for example, increased severity or any other factors available from the data.

Overrepresented factors can be determined by comparing the rate of crashes for a subgroup or characteristic within the jurisdiction to the same rate in a comparable or larger jurisdiction. The rate may be expressed either as a percentage or a ratio.

Percentage Example: If the percentage of adult vehicle occupants that do *not* use safety belts within a jurisdiction is greater than the statewide percentage, then that characteristic is overrepresented.

Ratio Example: Dividing nighttime (10 P.M. to 6 A.M.) crashes by the total number of crashes for the jurisdiction within a given timeframe produces a ratio, as follows:

$$\frac{\text{Night } F + A + B \text{ Crashes}}{\text{Total } F + A + B \text{ Crashes}}$$

Where:

F = fatality crashes

A = incapacitating injury crashes

B = non-incapacitating injury crashes

$Night$ = 10 P.M. to 6 A.M.

If that ratio is higher than the statewide ratio, a DWI problem may be indicated (since most nighttime crashes are DWI related).

Some Key Questions in Problem Identification

Asking the following questions may help with data analysis and ultimately problem identification.

Questions to Help with Data Analysis and Program Identification

| Question | Examples |
|--|---|
| Are high crash incidence locations identified? | specific road sections, highways, streets, and intersections |
| What appears to be the major crash causation? | Alcohol, other drugs, speed, other traffic violation, weather, road condition. |
| What characteristics are overrepresented or occur more frequently than would be expected in the crash picture? | Number of crashes involving 16- to 19-year-olds versus other age groups or number of alcohol crashes occurring on a particular roadway segment as compared with other segments. |
| Are there factors that increase crash severity which are or should be addressed? | Non-use of occupant protection devices (safety belts, motorcycle helmets, etc.). |

Problem Analysis

The following table shows an array of information that may be applied in the analysis of a crash problem.

| Information That May Be Applied to Problem Analysis | | |
|--|--|--|
| Causal Factors: | Crash Characteristics: | Factors Affecting Severity: |
| <ul style="list-style-type: none"> ◆ violation ◆ loss of control ◆ weather ◆ alcohol involvement ◆ roadway design | <ul style="list-style-type: none"> ◆ time of day ◆ day of week ◆ age of driver ◆ sex of driver | <ul style="list-style-type: none"> ◆ occupant protection non-use ◆ position in vehicle ◆ roadway elements (marking, guardrail, shoulders, surface, etc) |

Impediments to Effective Problem Identification

The following factors may impede effective problem identification:

- ◆ data access restrictions
- ◆ inability to link automated files
- ◆ lack of location-specific data
- ◆ poor data quality
- ◆ reporting threshold fluctuations (variations among jurisdictions in the minimum damage or **crash** severity they routinely report)
- ◆ insufficient data (property damage only, non-reportable crashes, near misses, bicycle crashes, etc.).

Planners should be alert to these possible impediments and make appropriate adjustments when they appear.

Example Problem

Applying the general procedure outlined earlier in this section, an actual problem might be identified and analyzed as follows.

| Example Problem Identification | | |
|--------------------------------|---|---|
| Step | Action | Example Events |
| 1 | Indication that traffic safety problem may exist. | A vehicle crash description in a local newspaper reported that two unrestrained infants were severely injured in the incident. |
| 2 | Collection of applicable data in the target jurisdiction. | The traffic safety specialist and a group of interested citizens conduct an observational survey of vehicles entering and departing a local shopping mall and find that only 63% of those transporting infant children were using child safety seats. A check with the local police department confirms that child passenger safety is not routinely enforced. |
| 3 | Data analysis reveals overrepresented factor. | Since the 63% usage rate falls well below the statewide average of 83.2%, an overrepresentation of non-usage has been identified. Thus the problem has been identified, but the reasons are not clear. |
| 4 | Determination that problem warrants action. | [same as above] |
| 5 | Investigation of all possible corrective actions. | Is the problem due to: <ul style="list-style-type: none"> ◆ ignorance of the law? ◆ the inability of the population to afford child safety seats? ◆ willful misconduct? ◆ lack of enforcement? The answers will reveal the best course of action. |
| 6 | Determination of best course of action. | The best possible course of action may be multi-faceted, incorporating two or more of the following: <ul style="list-style-type: none"> ◆ a strong public information and education campaign ◆ the establishment of a child safety seat distribution program ◆ an occupant protection STEP grant with the local enforcement agency ◆ an occupant protection violators training course ◆ training of the officers in occupant protection enforcement. |
| 7 | Initiation of corrective action. | [same as above] |

Traffic Safety Community Needs Assessment

A general traffic safety community needs assessment should be completed prior to the start of any new community-based project (such as driving while intoxicated [DWI], occupant protection [OP], or selective traffic enforcement programs [STEPS]) or any proposed safe communities traffic safety project.

Purpose of Community Needs Assessment

A comprehensive assessment enhances crash-related data and provides additional information regarding community resources (those a community already has and those a community is missing) and community attitudes toward a project. The assessment also is used to identify gaps, duplication, and potential solutions or countermeasures. Information gained in a thorough assessment makes it possible to develop an action plan that best meets the needs of the community. The assessment may also identify a shortage of certain resources or technical support that may be available through a traffic safety grant with federal or state funding. In this regard, information gathered during the needs assessment will be helpful when developing a project proposal. (See Section 5 of this chapter for a description of TxDOT Form 1851 — Project Proposal for Highway Safety Funding.)

A community needs assessment can provide opportunities beyond problem identification. A good assessment may also be used to gain commitment for a project with sources of potential funding, the community itself, and with a sponsoring agency. Besides assessing current resources, the process may also provide building blocks for self sufficiency and can be useful in addressing task forces, community officials, and traffic safety committees.

Baseline Data

Establishing baseline data is a fundamental part of community needs assessment and goal setting. Baseline data is defined as the set of data representing the most current 12 months (or a comparable period) of complete data available prior to the start of the first year of the project. For example, if the most recent data available for a first year project are through **December 31, 2003**, then the baseline year would be **January 1, 2003 through December 31, 2003** for a grant starting October 2002. Once the baseline is established, that figure will be used to compare subsequent years. Prior to the start of the grant, these data will be the baseline data for any subsequent year grants with the subgrantee.

If good information has been collected through recent grants, then that information could be used in the problem identification section of the proposal. However, the baseline data in the performance goals must be the data prior to the first year grant.

STEP Projects

The baseline number is critical in establishing the causes and numbers of fatalities, injuries, and crashes and the amount of property damage in a community. The baseline number for each measure in a proposed Selective Traffic Enforcement Program (STEP) must be filled in. The baseline year must be entered and the baseline numbers for each measure to be covered by a STEP must also be entered. The surveys and citation and crash data must be from the site location (city, county, roadway section, etc.) that the STEP will target.

(continued...)

STEP Projects (continued)

The process involves obtaining and analyzing historical motor vehicle traffic crash data relevant to the problem and proposed project to determine the who, what, when, where, how, and why of an existing problem. The district traffic safety specialist can provide the latest crash data for a community. Other pertinent data, such as safety belt use, may be included with the crash data. Sufficient data that are both local and as current as possible must be provided to justify the traffic safety problem. If more recent local data are available, the local data are preferable to the older state-provided data. Data older than calendar year 2001 are not acceptable, except as part of trend data. The source and date of the data and information should always be cited. Only data for citations other than STEP must be used to establish the baseline.

Documentation of Data. Some examples of verifiable, current, and applicable data sources include:

- ◆ your agency's crash data files
- ◆ hospital and emergency room reports
- ◆ Department of Public Safety (DPS)
- ◆ Texas Department of Transportation (TxDOT) *Texas Crashes and Casualties Report*
- ◆ state or local surveys or assessments (for example, TTI Safety Belt Survey for FY2004)
- ◆ the DPS *Motor Vehicle Traffic Accident* booklet for the most recent year.

Web-based Tools for Identifying Resources

On the Internet, there are web-based tools intended to give communities a means of identifying resources (assets) to address traffic safety problems (deficits).

It is important to identify:

- ◆ the best practices a community can access
- ◆ how the community will address problems that cause injury-producing traffic crashes
- ◆ how the community will implement strategies capable of addressing these challenges.

The web-based program, **Assessing Community Traffic Safety (ACTS)**, developed through a **Traffic Safety Program grant**, allows communities in each county to identify how many traffic safety assets (or best practices) they have to address key traffic safety deficits (or crash and safe driving problems). The software also contains short surveys used to gather information from individuals about their perceptions of the traffic safety assets and deficits in their community. The survey answers are typically entered on the web site and the data are summarized. This process assists in constructing a traffic safety action plan, including timelines.

(continued...)

Web-based Tools for Identifying Resources *(continued)*

The steps necessary to implement the community assessment process are:

1. Key community leaders form a coalition.
2. Coalition leadership asks community members to complete the survey.
3. Coalition meets to review the scores by focusing first on the deficits and deciding what deficits to address.
4. Coalition creates their Action Plan by completing the Action Plan at the bottom of each Asset Development Plan page.
5. Coalition implements the Action Plan and evaluates its effectiveness.

ACTS can be accessed through the Texas Townsafety Web site. The software is easy to use and informative in determining where communities should begin to address traffic safety problems.

What the Community Needs Assessment Should Cover

At the very least, a community needs assessment should be made in the areas of:

- ◆ school district or school board educational programs
- ◆ occupant protection and safety belt usage
- ◆ alcohol and other drug impaired driving programs
- ◆ enforcement activities (including traffic records)
- ◆ public information and education
- ◆ traffic engineering.

In each of these areas, the assessment should include:

- ◆ crash data
- ◆ traffic safety legislation and ordinances
- ◆ engineering and environmental issues and policies
- ◆ key community players
- ◆ highway safety supporters
- ◆ past and current projects and programs
- ◆ networks organizations, agencies, and volunteers
- ◆ resources available, including people, money, and contributions
- ◆ youth survey
- ◆ knowledge, skills, and attitudes of the community
- ◆ cost benefit analysis
- ◆ potential barriers, problems, or red flags
- ◆ past and present successes
- ◆ training needs.

Are DWI Issues Involved?

If the project is related to driving while intoxicated (DWI) issues, (for example, a DWI STEP or a community comprehensive anti-DWI project), then a detailed DWI needs assessment will be required.

The DWI needs assessment helps determine the nature and structure of a particular jurisdiction's impaired driving system. It involves an inventory of the various agencies or offices that are part of the system handling DWI offenders from pre-arrest through the judicial process to punishment, treatment, and rehabilitation. The assessment is lengthy and detailed, usually requiring two months or longer to complete.

The needs assessment should identify any weaknesses or inefficiencies within the system. A typical finding of DWI needs assessments is "lack of system coordination."

Form. Use the DWI Needs Assessment form (TxDOT Form 1844). Click on the form number to open an automated version of this form. The form may also be obtained from the Traffic Operations Division or by contacting any of TxDOT's district traffic safety specialists.

Identifying Areas of Need Related to DWI Issues

The following table shows countermeasure target values for the various components of the DWI offender handling system. Areas that need improvement can be identified by comparing the results for each of the sections in the DWI Needs Assessment form with the target values in the table.

DWI Countermeasure Target Values

| System Component | Measurement Method | Target Values |
|---------------------------------------|--|--|
| Enforcement | DWI arrests in jurisdiction | 1% of population — or — 2% of licensed drivers |
| Prosecution | DWI arrests with conviction | 90% |
| Adjudication | Average number of days from DWI arrest to case disposition | 60 or less |
| Sanctions | Minimum jail time of 48 hours on 2nd or subsequent DWI | 80% or more |
| Drivers License Suspensions | 1st offender DWI — 90 days | 80% or more |
| | Refusal or 2nd — 1 year | 80% or more |
| Fines & Fees for DWI Offenders | Percent of cost | 100% |
| Screening and Referral | Recommendations accepted by the courts | 80% or more |
| Public Information & Education (PI&E) | Public's perception of DWI arrest probability exceeds 50% | 60% or more by survey |

Section 4

Cost Assumption Plan

Introduction

National Highway Traffic Safety Administration (NHTSA) traffic safety funds are to be used to reduce the number of traffic crashes, injuries, and fatalities through a data-driven application of limited federal funds. Texas Traffic Safety Program project grant agreements supported with “non-dedicated” federal funds are limited to the length of the grant period and usually do not receive extended funding beyond three years. A majority of traffic safety grants are for a period of one year, with the need established annually.

If both TxDOT and the subgrantee agree that the project has demonstrated great merit or has potential long-range benefits, the subgrantee may apply for funding assistance beyond the three year limit. To ensure that projects continue beyond the availability of federal funding, each project is required to have a cost assumption plan (CAP), describing how the cost of the project will gradually be taken over by the subgrantee. Grant managers should explain and thoroughly discuss the CAP requirement with the potential subgrantee during project negotiations (See Chapter 4 of this manual.)

CAP Submission Requirements

Subgrantees who anticipate that their projects are likely to exceed the three-year limit must submit a CAP with their proposals for a second or subsequent year of funding and for all multi-year proposals.

Content of CAP

The CAP includes as a minimum the following information:

- ◆ a multi-year budget (schedule) showing when match increases will occur
- ◆ a narrative explaining the source or sources of the matching funds (state, local, private, etc.).

Allowable Matching (Cost Sharing)

In developing a CAP, the subgrantee can consider direct cash applications as well as in-kind contributions. In-kind contributions can represent the value of other resources directly applied to the project activities, such as equipment and personnel costs. Credit for such resources is limited to those costs normally allowable for funding under current NHTSA policy. In-kind contributions necessarily become part of the detailed project budget in order to be accountable as matching resources.

Concerning allowable matching (cost sharing), the Common Rule, §18.24, “Matching or cost sharing,” states that matching (cost sharing) requirements may be satisfied by either or both of the following:

- ◆ “[a]llowable costs incurred by the subgrantee ... under the ... agreement...”
(For example, the purchase of land or office furniture is not allowable; therefore, the purchase price of these items cannot be considered as a matching cost.)
- ◆ “[t]he value of third party in-kind contributions applicable to the period to which the cost sharing or matching applies.”

The same section of the Common Rule includes the following qualifications and exceptions:

- ◆ “Costs and third party in-kind contributions counting towards satisfying a cost sharing or matching requirement *must be verifiable from the records...* These records must show how the value placed on the ... in-kind contributions was derived.”
- ◆ “Third party in-kind contributions count towards satisfying a cost sharing or matching requirement *only* where, if the party receiving the contributions were to pay for them, the payments would be *allowable costs.*” *[emphasis added]*

Examples of Matching Costs. Examples of what might be considered as matching costs include:

- ◆ allowable costs that are reimbursed by the subgrantee, such as:
 - indirect costs, as supported by an approved indirect cost rate
 - donated staff time
 - vehicle use
- ◆ third-party in-kind contributions, such as:
 - volunteer time (see note below)
 - donated car safety seats
 - public service space or time.

Note: Donated time must be estimated at the going rate for that activity or function provided, not at the salary level of the staff member or volunteer. For example, a local doctor helps stuff envelopes announcing a car safety seat check-up. That time spent would be estimated at local hourly clerical rates. However, if the same doctor donates time and medical expertise during a health fair, that time can be estimated at the doctor’s going rate.

(continued...)

Allowable Matching (Cost Sharing) (continued)

TRF-TS distributes annually to all districts and subgrantees a listing of approved volunteer match rates that are to be used for that fiscal year's grants. Approved volunteer match rates are included for:

- ◆ child passenger safety (CPS) instructor technicians
- ◆ CPS technicians
- ◆ all other volunteers.

Other volunteers include those assisting traffic safety programs for bike, occupant protection, safe communities, alcohol and other drugs, and other general traffic safety activities. The rates are based on the Texas rate found on the Independent Sector website.

Note: CPS instructor technician and technician rates are based on the National SAFE KIDS match rates.

Schedule

The heart of the cost assumption plan is the schedule for phasing in funding from local or other sources and the phasing out of federal funding support from TxDOT. The schedule must show the federal-non-federal funding split for each year of the program.

Maximum Allowable Federal Support and Required Match

In order to preserve the seed-money concept, ensure that the matching requirements of federal 402 funds is met, and ensure subgrantee investment (*i.e.*, cost sharing) from the start of a project, the following is required for each 402-funded grant:

- ◆ A cost assumption plan must be submitted with a proposal request for funding for a second or subsequent year of funding and for all multi-year proposals.
- ◆ A minimum 10 percent match is required for the first year of a grant award.
- ◆ If a project extends beyond the third year, federal funding must not exceed 65 percent in the fourth year and 50 percent in the fifth and subsequent years.

Proposals that exceed the minimum match requirement will be appropriately credited during proposal review.

(continued...)

Maximum Allowable Federal Support and Required Match (*continued*)

The required matching schedule for 402-funded grants is as follows:

| Minimum Required Matching Fund Schedule by Project Year | | |
|--|--------------------------|----------------------------------|
| Project Year | Federal 402 Funds | Non-Federal (Match) Funds |
| 1 | 90% | 10% |
| 2 | 90% | 10% |
| 3 | 90% | 10% |
| 4 | 65% | 35% |
| 5 | 50% | 50% |
| Beyond 5 | 50% | 50% |

Example: Safety City wishes to request a fourth year of funding. The city can contribute a total of \$18,000 toward the project. Therefore, the most the city can request in federal funds is \$33,429 for a total of \$51,429 as follows:

$$\$18,000 (35\%) + \$33,429 (65\%) = \$51,429$$

Grants funded with monies other than federal 402 may be required to follow a schedule other than that described above, depending on NHTSA requirements.

Plan Approval

In addition to the matching requirement, any project being considered for extension beyond three years must:

- ◆ be based on exceptional project performance
- ◆ document a continued need for the project
- ◆ receive specific approval from TxDOT.

Form

The cost assumption plan (CAP) may be submitted on the standard form or in another format, provided it contains the necessary information. The standard CAP form is TxDOT Form 1845. Click on the form number to open an automated version of this form. The form may also be obtained from the Traffic Operations Division or by contacting any of TxDOT's district traffic safety specialists.

Instructions for completing Form 1845 are included in the form.

Section 5

Highway Safety Project Proposals

Introduction

State agencies and other organizations interested in traffic safety issues submit project proposals when requested by the Traffic Operations Division. These project proposals constitute the organizations' traffic safety intentions and are submitted for every program area, depending on the interests of the particular organization.

The Traffic Operations Division (TRF-TS) uses these highway safety project proposals in the development of the State Highway Safety Plan (HSP). Proposals must be received at TxDOT by the announced deadline.

Description and Content

Traffic safety project proposals are written documents in a specified format. The document contains three major parts: project administrative information, the project description, and budget information.

The project administrative information includes:

- ◆ project title
- ◆ strategy and goal of proposal
- ◆ proposing agency or organization identification
- ◆ contact person
- ◆ project period
- ◆ project year
- ◆ amount of federal funds requested and local match
- ◆ authentication for proposing agency.

The project description includes:

- ◆ a problem identification statement, including documentation of data
- ◆ a project plan, which includes:
 - the problem solution
 - project objective, performance measures, and targets
 - an action plan.

(continued...)

Description and Content (*continued*)

The budget information includes a breakdown of estimated costs. **Examples of information to be included in the budget are:**

- ◆ numbers of personnel and their pay rates
- ◆ type of fringe benefits
- ◆ means and length of travel
- ◆ equipment type, quantity, and cost
- ◆ types of supplies
- ◆ contracted services
- ◆ details of other miscellaneous cost, including a listing of public information and education (PI&E) materials (educational and promotional)
- ◆ indirect cost rate
- ◆ matching funds.

Forms 1851, 1851-LE, & 1852

Traffic safety project proposals must be submitted on **one of the following Proposal for Highway Safety Funding forms:**

- ◆ TxDOT Form 1851 — for projects *not* part of the Selective Traffic Enforcement Program (STEP)
- ◆ TxDOT Form 1851-LE — for STEP projects.

Both of these forms call for an “Action Plan” (TxDOT Form 1852 or another document in a similar format) to be attached. **Click on the form number to open an automated version of any of these forms.** The forms may also be obtained from the Traffic Operations Division or by contacting any of TxDOT’s district traffic safety specialists.

Note: The project budget should be submitted on the **applicable** Project Budget form known as **“Attachment E”** (see Chapter 4, **Section 4**, “Budget”).

Completing the Project Proposal

The person or persons completing the Project Proposal form (TxDOT Form 1851 or 1851-LE) should make sure each item is fully completed and all pertinent information and supporting documentation is included at the time of submission. Instructions and additional information to assist in completing the Project Proposal form are available through TxDOT's Traffic Safety Web site. This Web page may be reproduced and provided to prospective subgrantees along with TxDOT Forms 1851, 1851-LE, and 1852.

Project proposals should conform to the format of the form, as project scoring will follow the sequence of subject items.

Project proposals should be individually stapled and not spiral bound or placed in binders.

Completed project proposals should be submitted to the Texas Department of Transportation (TxDOT) as follows:

Where to Submit Completed Project Proposals

| If the project is... | Then submit the Project Proposal to... |
|--|---|
| local | the TxDOT district office marked for the attention of the traffic safety specialist (for list, see http://www.dot.state.tx.us/trafficsafety/contact/contact.htm). |
| not local (or if not clear whether it is local or not) | the TxDOT Austin Headquarters: Texas Department of Transportation Traffic Operations Division – TS 125 E. 11th Street Austin, Texas 78701-2483 |

Section 6

Project Selection

Introduction

The District traffic safety specialists (TSSs) and Traffic Operations Division (TRF) traffic safety program managers review each project proposal for applicability to Texas' traffic safety problems. A Traffic Safety Project Proposal Score Sheet is used to score each project against a number of selected criteria that are based on each element of the project proposal.

The TSSs may review local projects from their districts to determine if they are viable before submission to TRF-TS. These “local” projects are those that are primarily within each district. In some instances, however, a project may be active in more than one district. For example, corridor traffic safety projects covering more than one district's area may be managed by just one district TSS with the agreement of the other affected district TSSs.

Division-managed projects (those managed by TRF program managers) have broad impact across the state and potentially affect many districts. Examples of division-managed projects include statewide studies or surveys, training programs on roadway safety and for law enforcement, some public information and education projects, and school bus driver and EMS provider training.

A project proposal review team is convened to score all projects so that a consensus opinion can be reached on each project using score sheets and scoring criteria.

After scoring all the projects, the review team leaders turn their score sheet results into the planner, who places the projects on a draft proposed project list for further review and prioritization. Priorities are assigned based on point scores, rankings, and the estimated amount of federal dollars that will be available for the HSP for the coming fiscal year.

Project Scoring

Each year project selection teams score traffic safety projects according to the criteria described in this section. The project selection teams are composed of district project managers and division program managers.

The project selection teams use specific criteria to score each project proposal. The criteria are the same regardless of geographic coverage (local, multi-county, state, etc.).

A range of point values is assigned to most elements of the project proposal. A range of criteria responses is also provided to help the scorer determine the strength of the proposal. After initial scores are assigned, a “multiplier” is applied based on the relative importance of the criterion to the overall proposal. Thus a final score is awarded to each scoreable criterion.

Recommendation

After completing the score sheet, the scorer indicates the recommended funding for the project and provides a rationale statement if the recommended amount is lower than the amount requested in the proposal. In no case can an amount higher than that requested in the proposal be recommended.

Scoring Process and Criteria

Each project is evaluated based on the following criteria:

- ◆ Is a traffic safety problem identified and is the problem supported with current and applicable data?
- ◆ Is the solution directly related to the traffic safety problem identified?
- ◆ Are the objectives appropriate to the problem and solution and to the goal and strategy from the RFP?
- ◆ Do the performance goals follow the SMART principle (specific, measurable, action oriented, realistic, and “time-framed”)?
- ◆ Do the performance measures and targets provide measured progress toward the objectives?
- ◆ Is the Action Plan (Form 1852) included in the proposal?
- ◆ Does the budget contain two or more errors, one error, or is the budget accurate?
- ◆ Is the budget reasonable, and are costs eligible for funding?
- ◆ Does the budget include all required information for costs in all categories?
- ◆ Is the matching contribution above the required amount?

Target-of-Opportunity Projects

TRF-TS may recommend unanticipated or “target-of-opportunity” projects at any time. Such projects will require an amendment to the State Highway Safety Plan.

Chapter 3

Project Development

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Section 1

Overview

Influencing Factors

Each fiscal year at the beginning of the Highway Safety Plan development process, traffic safety planners consider a number of factors in determining project priorities and areas of emphasis. These factors are:

- ◆ federal legislation
- ◆ state statutes
- ◆ federal and national priorities and goals
- ◆ state and local problems.

Other influences can be federal and state legislative bodies, community-based organizations, local and national interest groups, and local governments. Projects can be proposed by members of any of these organizations, directly or indirectly. The key goal is to assure that all projects in the Texas Highway Safety Plan are data driven, and not solely responses to political or community pressures.

From time to time, Congress designates or earmarks federal highway safety funds for specific purposes and uses. Projects developed in response to these earmarked funds must be data driven as well, with the earmarked funds dedicated to the areas of the state with the greatest threat to public safety.

Highway Safety Program Areas

National priority areas are established in 23 CFR, Chapter 11, Section 1204.3. The national priority areas are also state priority areas and are included in the Texas Highway Safety Plan (HSP). With the addition of Commercial Vehicle Safety as a state priority area, the HSP typically addresses 14 program areas. These program areas then form the framework for providing detailed descriptions of the selected traffic safety projects. For a complete listing of the HSP program areas with their respective and applicable federal two- or three-letter alpha character accounting code designators, see “Program Areas” in Chapter 2, Section 2.

The following section lists the strategies, goals, and performance measures for each of the program areas.

Section 2

Program Area Strategies, Goals, and Performance Measures

Introduction

The Traffic Operations Division's Traffic Safety Section (TRF-TS) coordinates the development of priority traffic safety **strategies**, goals, and **objectives** for each program area using a strategic planning process. These **strategies and** goals are carefully identified through the problem identification process. State and local agencies as well as public and private organizations then develop projects that can support and implement those strategies, which are then included in the annual Highway Safety Plan.

Program area performance measures are identified for each goal and included in the annual performance plan. Program performance measures are changed and updated **with each revision of the strategic plan, or more often, if required.**

This section presents the overall state goal, followed by the **strategies**, goals, **and** program performance measures for each of the traffic safety program areas.

Overall State Goals

The overall state goal is to **reduce the number of motor vehicle crashes, injuries, and fatalities.**

Program Area Goals, Performance Measures, and Strategies

The **strategies**, goals, and performance measures for each of the program areas can be found in the Texas Highway Safety Performance Plan. The specific objectives for the current planning year and for four to six out-years are also included in the performance Plan. In addition, a chart entitled "Performance Goals, Strategies, Objectives, Measures, and Targets" provides the goals and strategies of the Texas Traffic Safety Program and includes the most current status of the objectives for the strategies and goals. This chart is available through TxDOT's Traffic Safety Web site.

Each project included in the annual HSP will address one or more of these goals or strategies. The most recent update of these goals and strategies occurred **in 2003.**

Section 3

Project Development Process

Introduction

Traffic safety projects are initiated as a result of several types of “needs,” including:

- ◆ statewide and local problem identification
- ◆ state agency initiative
- ◆ community initiative
- ◆ key events.

Proposals are sought annually from all interested parties for projects to be included in the following year’s Highway Safety Plan (HSP).

Proposals must include the most current data available to identify a traffic safety problem, a workable solution linked to the identified problem, and detailed action plans and budgets that demonstrate an understanding of the various issues to be resolved and a reasonable approach to resolving the identified problem. Projects must be closely related to problem identification results.

Proposals submitted in response to the annual call for proposals are evaluated by teams comprised of district traffic safety specialists and Traffic Operations Division staff members. The evaluations will be conducted on the basis of the threats identified in the problem identification, the reasonableness of the problem solution, and other factors pertinent to the resolution of the identified problem. If a problem and solution are considered worthy of inclusion in the HSP, but the budget is considered inappropriate, the negotiation for project budget development will occur prior to HSP development.

Once an agreement has been reached on the need for a project, including appropriate budgets and action plans, an organization or agency begins project development in earnest with the development of a grant agreement. The grant agreement outlines the specific components of a project, the final authorized budget, the specific performance measures and objectives of the project, and the commitment of responsibilities by the state and the subgrantee.

Grant Agreement Purpose

The purposes for developing formal grant agreements are to:

- ◆ produce a clearly defined problem statement
- ◆ produce a clearly specified work statement
- ◆ clearly define respective roles and responsibilities
- ◆ achieve understanding among all parties
- ◆ reach consensus
- ◆ ensure accountability

A grant agreement facilitates monitoring and oversight and, if used properly, can be used to redesign a project when necessary.

Development Process

The project development process consists of the following steps:

1. Problem identification (discussed in Chapter 2, Section 3)
2. Community needs assessment (discussed in Chapter 2, Section 3).
3. Countermeasure selection (discussed under following subheading).
4. Evaluation planning (discussed in Chapter 7, Section 2).
5. Project plan development (discussed in Chapter 4, Sections 2 and 3).
6. Negotiation (discussed in Chapter 4, Section 2).
7. Consensus (agreement between proposing agency and TxDOT on grant agreement content).
8. Approval (discussed in Chapter 4, Sections 7 and 8).
9. Implementation (project activation) (discussed under a separate subheading later in this section).

Countermeasure Selection

In selecting countermeasures, clearly identify both the target audience and the target area (see following examples).

Example Target Audiences and Target Areas

Target Audiences:

- ◆ impaired drivers
- ◆ speeding motorists
- ◆ unbuckled vehicle occupants.

Target Areas:

- ◆ a specific segment of roadway during nighttime, on weekends, or during daylight hours
- ◆ northeast quadrant of city
- ◆ jurisdiction-wide during daylight hours.

Countermeasures should be such that a “reasonably prudent mind” would believe that it would produce effective results.

Countermeasures should relate directly to the problem identification and community assessment addressed in the problem statement.

Implementation or Project Activation

Project implementation or activation includes the following:

- ◆ attending the grant delivery meeting
- ◆ organizing the workforce
- ◆ scheduling activities and work hours
- ◆ taking care of incidental paperwork and setting up records files
- ◆ getting to know accounting personnel who will be administering the grant-related finances
- ◆ obtaining copies of all forms needed in managing the grant
- ◆ becoming familiar with reporting requirements and due dates.

Grant Agreement Content

The key elements of a grant agreement are:

- ◆ problem identification, which includes:
 - crash data analysis
 - program and community needs assessment
 - problem statement
- ◆ objectives (applicable goals are normally listed in the HSP)
- ◆ performance measures
- ◆ tasks and activities
- ◆ milestones or action plan
- ◆ training needs
- ◆ evaluation plan
- ◆ budget
- ◆ reporting requirements
- ◆ financial planning (Cost Assumption Plan)
- ◆ boilerplate (general and special terms and conditions).

Summary

Proposed projects must support the goals and strategies established for the program areas in the HSP. Grant agreements *implement* the Highway Safety Plan (HSP). Chapter 4 of this manual details the specifics of developing grant agreement documents, specifically for the Texas Traffic Safety Program.

Section 4

Project Performance Measures and Standards

Performance Measures

Definition. A performance measure is a quantitative or qualitative indicator expressed in terms of a planned level of activity and directly aligned to objectives and goals of a project.

Performance measures provide the basis for determining the degree of achievement of established objectives. Acceptable activity levels or outputs must be established as part of the grant agreement.

Types of Performance Measures

Direct measures are preferred. Examples of direct measures include: number of crashes, citations, people trained, units purchased, etc.

Sometimes it is impossible to get direct measures. If such is the case, a proxy measure might be used.

Proxy measures are indicators that provide an indirect assessment of desired activity. An example would be a self-reporting survey conducted among a statistically valid sample of the population to determine behavioral change (recognition of public service announcements on television or radio, safety belt usage, drunk driving issues, etc.).

Performance Standards

Definition. A performance standard is a prescribed minimum or maximum level of activity.

There are many uncontrollable circumstances that may affect performance; therefore, measures and standards may be more appropriately used as guidelines to provide a degree of flexibility.

Each Selective Traffic Enforcement Program (STEP) grant agreement contains the following language regarding standards in Section III, Objectives:

Nothing in this agreement shall be interpreted as a requirement, formal or informal, that a police officer issue a specified or predetermined number of citations in pursuance of the Subgrantee's obligations hereunder.

Measurement Characteristics

The characteristics of a good performance measure or standard are that it is:

- ◆ quantifiable where possible
- ◆ directly linked to objectives
- ◆ accurate, clearly defined
- ◆ understandable
- ◆ objective
- ◆ practical.

TRF-TS uses a guideline called the SMART principle to assess performance goals and performance measures. SMART stands for:

- ◆ Specific
- ◆ Measurable
- ◆ Action-oriented
- ◆ Realistic
- ◆ Time-framed.

Summary

Performance measures and standards are defined in each grant agreement. These measures and standards provide guidelines to determine efficiency and effectiveness of projects. Project measures must be negotiated locally and must be acceptable to all project personnel.

Chapter 4

Grant and Contract Preparation and Execution

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Section 1 Overview

Introduction

After the Transportation Commission approves the Highway Safety Plan (HSP), the Traffic Operations Division's Traffic Safety Section (TRF-TS) sends the districts a list of projects authorized for funding in each district (the "approved project list") and a grant agreement format for each project. The grant preparation process begins at this time with project development negotiations.

This chapter covers the development, preparation, approval, and execution of grant agreements and interagency cooperation contracts (IACs). Amendments to grant agreements and IACs are also covered.

Grant Agreement

The Traffic Safety Program Grant Agreement is a legally binding document when fully executed by both parties. The Traffic Safety Program Grant Agreement consists of the document and all attachments, such as terms and conditions, the detailed project description, and the approved budget.

The grant agreement is typically used when the beneficiary of a project is a state agency other than TxDOT, a local jurisdiction (such as a city or county), or a non-governmental entity (such as the Texas Bicycle Coalition or the Texas District and County Attorneys Association). Any amendment to the grant agreement must be in writing and fully executed by all parties to the agreement in accordance with signature delegation authority.

Traffic safety grant agreements and amendments up to \$100,000 can be activated if approved by a district engineer or the Traffic Operations Division (TRF) director, who may delegate further according to TxDOT policy. A district engineer also recommends grant agreements and amendments of \$100,000 or greater prior to the final approval signature of the TRF division director or his or her designated alternate. An assistant executive director, the deputy executive director, or the executive director can approve grant agreements for any dollar amount. The TRF-TS section head can also approve a grant of any dollar amount in the absence of the assistant division director and division director.

When a district engineer approves a Traffic Safety Program grant agreement or amendment, TRF-TS must receive the original grant agreement or amendment within ten working days.

Form Available. The standard form is the Texas Traffic Safety Program Grant Agreement (TxDOT Form 2075). Click on the form number to open an automated version of this form. The form may also be obtained from the Traffic Operations Division or by contacting any of TxDOT's district traffic safety specialists. For details on preparing the form, see Section 5 of this chapter.

Interagency Cooperation Contract

An interagency cooperation contract (IAC) is an agreement between another state agency and TxDOT for the procurement of goods or services. The regulation governing use of the IACs is contained in **the following chapters of the** Texas Government Code:

- ◆ Chapter 771, “Interagency Cooperation Act”
- ◆ **Chapter 791, “Interlocal Cooperation Contracts.”**

In an IAC, the terminology identifying contract participants is different from that used in a grant agreement. TxDOT is called the “Receiving Agency” and the contractor is identified as the “Performing Agency.”

Another distinguishing feature between IACs and grant agreements is that if the dollar amount is less than \$50,000, the TRF director can sign it. If the dollar amount of the IAC is equal to or over \$50,000, the contract must be processed by the **Office of General Counsel’s Contract Services Section (CSS)** and signed by **CSS** or the assistant executive director, the deputy executive director, or the executive director.

Contract Document. The traffic Safety IAC document is not available on line and must be obtained from TRF staff. See Section 6 of this chapter for more details.

Process Overview

The following table lists the steps a typical grant agreement or contract follows from negotiation to execution. Also shown are the parties responsible for each step **of the process** and the section of this chapter explaining each step.

Grant and Contract Process Overview

| Step | Action | Responsible Parties |
|------|---|--|
| 1 | Project Development Negotiation | Subgrantee or performing agency and project director (see Section 2 of this chapter) |
| 2 | Grant or Interagency Cooperation Contract (IAC) Preparation | <ul style="list-style-type: none"> ◆ for grants, the subgrantee (see Sections 3, 4, and 5 of this chapter) ◆ for interagency cooperation contracts, the performing agency (see Sections 3, 4, and 6 of this chapter) |
| 3 | Technical Analysis | Project director (see Section 2 of this chapter) |
| 4 | Subgrantee or Performing Agency Approval | Subgrantee (see Section 7 of this chapter) |
| 5 | Review | Districts and the Traffic Operations Division (see Section 8 of this chapter) |
| 6 | TxDOT Approval | Districts, Traffic Operations Division, or the executive director or his or her designee (see Section 8 of this chapter) |
| 7 | Execution | All parties (see Section 10 of this chapter) |
| 8 | Amendment (if necessary) | All parties (see Section 11 of this chapter) |

Section 2

Development Process

Introduction

Districts negotiate with local governments and other entities to develop local projects. The Traffic Operations Division's staff initiates grant agreement and contract negotiations with state agencies and other organizations sponsoring approved projects with statewide impact.

Project development involves negotiation and preparation of the grant agreement or contract document. After preparation of the document, the project director subjects it to a technical analysis.

This section describes the grant agreement and contract development process and explains some of the associated factors and requirements. The preparation of the project description, the budget, and the grant agreement or contract document (which takes place during the development process) is described in following sections.

Negotiation

Negotiation allows the project director and the approved subgrantee to arrive at an understanding on the specific details of the project (such as budget detail amounts, STEP sites, resolution, etc.) so that agreement preparation can proceed. Negotiating involves discussion, clarification, or modifications to the proposed project. Items to be discussed during the negotiation phase include, but are not limited to, the following:

- ◆ problem identification (described in Chapter 2, Section 3)
- ◆ project description (described in Section 3 of this chapter)
- ◆ grant period (definition follows)
- ◆ frequency of Requests for Reimbursement (RFRs) and performance report submissions
- ◆ maximum amount eligible for reimbursement (not to exceed the amount shown on the Approved Project List)
- ◆ budget content (described in Section 4 of this chapter)
- ◆ cost assumption plan requirement (described in Chapter 2, Section 4).

Note: An awarding agency may review the adequacy of the financial management system of any applicant for financial assistance as part of the pre-award review or at any time subsequent to award.

Grant Period or Term of Contract

The grant period or term of contract is the time during which the subgrantee or performing agency may incur reimbursable costs to carry out the project. The grant period or term of contract should be long enough to allow the project to be completed. Traffic safety grant agreements are executed on October 1 (or upon approval, if after October 1). Project activity can begin and costs can be incurred on the day of grant execution.

Project Period

The grant agreement may include one or more projects to be completed. Thus, the grant period or term of contract may differ from the project period, or the two may coincide. If the two periods differ, the difference is to be identified in the project description and delineated in the Action Plan. The terms of the grant establish the grant period.

Multi-Year Agreements

Multiyear grant agreements are an option when authorized by TxDOT. The grant agreement period for most projects cannot exceed three years. Every multiyear grant must include a cost assumption plan and a provision specifying that payment is contingent upon the availability of federal funds.

Like any agreement, multiyear projects may be stopped or cancelled for cause or convenience, including termination for poor or non-performance. A letter to the subgrantee is required if funds are *not* available to continue the project. TRF will notify the subgrantee or district. When the district is notified, the district will in turn send a letter to the local subgrantee.

Grant Agreement and Contract Preparation

After negotiation, subgrantee personnel prepare the grant agreement document itself using the appropriate forms supplied by TxDOT. TxDOT provides assistance as necessary to complete document preparation.

Technical Analysis

After the subgrantee has prepared the grant agreement document, the project director will conduct a technical analysis to evaluate resource allocation and determine if the project is workable and the goals are achievable.

The following are some guiding questions for conducting a technical analysis:

- ◆ Has a traffic safety related problem been adequately identified and appropriately described in the problem statement?
- ◆ Do the objectives and performance measures directly address the identified problem?
- ◆ Are the objectives clearly stated and achievable?
 - Is a completion date indicated for each objective?
 - Is sufficient time allocated to achieve each objective?
- ◆ Will performance measures provide adequate evidence of project activity and accomplishment of objectives?
- ◆ Are personnel needs accurately identified? For example:
 - If a grant objective requires engineering studies, an engineer must be involved.
 - If an objective involves public information and education, does the subgrantee have the resources available to perform and meet it? Is the subgrantee aware of the TxDOT's traffic safety PI&E policies and are they able to meet the requirements?
 - If the objectives involve law enforcement, a sufficient number of appropriately trained officers must be available.
- ◆ Will any special equipment be needed? If so, will it be available for project implementation?
- ◆ Are there other considerations that might affect project performance? If so, are they adequately addressed?

Section 3 Project Description

Introduction

The project director and the subgrantee negotiate the content of the project description with TxDOT. The project description eventually becomes Attachment C to the grant agreement. For an interagency cooperation contract (IAC), Attachment A is the Project Description and Scope of Services, which must be incorporated into all IACs. For more information on IACs, see Section 6 of this chapter.

This section explains some of the considerations and requirements involved in preparing the project description.

Content

Typically, the project description for a non-law enforcement grant agreement contains the following sections:

- I. Objectives
- II. Performance Measures and Annual Targets
- III. Responsibilities of the Subgrantee or Performing Agency
- IV. Responsibilities of the Department or Receiving Agency
- V. Program Income

For law-enforcement (Selective Traffic Enforcement Program [STEP] grants), the project description contains the following sections:

- I. Baseline Information and Objectives
- II. Responsibilities of the Subgrantee
- III. Responsibilities of the Department
- IV. Action Plan or Plans (as applicable, identifies tasks needed to carry out the project) — TxDOT Form 1852 provides the Action Plan format.
- V. Operational Plan (a detailed project operational plan is required)

Performance Measures

When appropriate, the project description will identify *estimated* performance indicators or measures (quantities of work units). Performance measures may be shown as specific requirements, for example:

- ◆ “50 workshops”
- ◆ “100 hours.”

For some types of projects, however, the work unit must be specific, for example:

- ◆ “submit one report”
- ◆ “produce one public service announcement.”

Pro Forma Project Description

Some activities have multiple projects. For these activities the Traffic Operations Division's Traffic Safety (TRF-TS) has developed and distributed pro forma project descriptions and budget formats for use by subgrantees. Projects typically developed in this manner are:

- ◆ Speed STEP
- ◆ DWI STEP
- ◆ Occupant Protection STEP
- ◆ Intersection STEP

A subgrantee proposing one or more of the above listed projects may obtain the appropriate pro forma project description format from the table below and fill in the blanks with the appropriate information.

Pro Forma Project Description and Budget Forms for STEPs

| Form # | Form Name |
|----------|--|
| STEP_des | STEP Project Titles & Brief Project Descriptions |
| 2076-cmp | Attachment C – STEP – Comprehensive (Comp.) |
| 2076-dwi | Attachment C – STEP – DWI |
| 2076-itc | Attachment C – STEP – Intersection Traffic Control (ITC) |
| 2076-op | Attachment C – STEP – Occupant Protection (OP) |
| 2076-sp | Attachment C – STEP – Speed |
| 2076-cmv | Attachment C – STEP – Comp. Commercial Motor Vehicle (CMV) |
| 2077 | Attachment E – Traffic Safety Project Budget – General (for all except Law Enforcement/STEP) |
| 2077-LE | Attachment E – Traffic Safety Project Budget – Law Enforcement/STEP |
| 2109 | Attachment F – Operational Plan (for STEPs only) & Instructions |
| 2076-sw | Attachment C – Traffic Safety Project Description (for STEP Waves) |
| 2109-sw | Attachment F – Operational Plan & Instructions (for STEP Waves only) |

And to provide guidance for STEPs, the following samples are available:

| | |
|----------|--|
| 2076-sam | Attachment C, Project Description – Ima Sample |
| 2109-sam | Attachment F, Operational Plan – Ima Sample |

Operational Plan. For STEP projects only the Operational Plan (Attachment F — TxDOT Form 2109) must be completed as a component of the project description. Click on the form number to open an automated version of this form. The form may also be obtained from the Traffic Operations Division or by contacting any of TxDOT's district traffic safety specialists. Instructions are included with the form.

Forms for Non-Law Enforcement Grants

Project Description. The Traffic Safety Project Description for non-law enforcement grants (Attachment C) is TxDOT Form 2076. Click on the form number to open an automated version of this form. The form may also be obtained from the Traffic Operations Division or by contacting any of TxDOT's district traffic safety specialists.

Action Plans Also Needed. In addition to the narrative project description, action plans (Attachment D) must be completed for administrative and general grant requirements, public information and education (when appropriate), and all other performance goals.

Since there are a number of administrative activities common to all traffic safety grant agreements and contracts, an Administrative Action Plan will be provided with the project proposal package. This Action Plan will appear first in the list of Action Plans for the project and will be followed by others that are related to the projects performance goals. A blank Action Plan form (TxDOT Form 1852) will also be provided and can be used to create additional pages as required.

There is one additional action plan specific to a public information and education (PI&E) performance goal. If PI&E is part of the project being proposed, that particular action plan must be used.

For additional information on the Action Plan (TxDOT Form 1852), see Chapter 2, Section 5, of this manual. Click on the form number to open an automated version of this form. The form may also be obtained from the Traffic Operations Division or by contacting any of TxDOT's district traffic safety specialists.

Section 4

Budget

Introduction

The project director and the subgrantee negotiate the project budget with TxDOT during project development. The budget eventually becomes Attachment E to the grant agreement. For interagency cooperation contracts, the budget eventually becomes Attachment B, Estimated Budget.

Note: The Estimated Budget must be incorporated into all interagency cooperation contracts (IAC) as Attachment B. For more information on the IAC budget, See Section 6 of this chapter.

This section explains some of the considerations and requirements involved in preparing the budget.

Pro Forma Budget

As with the project description, activities having multiple projects can use a “pro forma” budget (see Section 3 of this chapter). Subgrantees may obtain the appropriate pro forma budget format and fill in the blanks with the appropriate information.

Forms Available

For non-law enforcement grants, use TxDOT Form 2077 — Traffic Safety Project Budget (Attachment E).

For law enforcement or STEP grants, use TxDOT Form 2077-LE — Traffic Safety Project Budget for Law Enforcement Projects (Attachment E).

Click on the form number to open an automated version of either of these forms. The forms may also be obtained from the Traffic Operations Division or by contacting any of TxDOT’s district traffic safety specialists.

Note: For more information on the IAC budget, See Section 6 of this chapter.

Method of Payment

The method of payment is a negotiated item, within the constraints of federal guidelines. No reimbursement is allowed before work has been performed or costs have been incurred.

Subgrantees may be reimbursed on the basis of actual cost, cost per unit, specific rates, fixed costs, or a combination of these. Explanations of these methods of payment follow.

(continued...)

Method of Payment (continued)

Actual Cost. Actual cost agreements authorize TxDOT to reimburse the subgrantee for all costs incurred under the project, subject to cost principles included in OMB Circular A-87, “Cost Principles for State and Local Governments.” Traffic safety grants are limited to amounts and items authorized in the project budget. Adjustments between cost categories within the budget of up to five percent of the total reimbursable budget are allowed without requiring an amendment.

Cost Per Unit of Work. Some agreements are reimbursed on the basis of units of work performed. This method of payment uses a negotiated per-unit cost, with each component documented and approved in a detailed cost proposal. This method of payment eliminates the need to document each element included in the Request for Reimbursement, requiring instead that the *performance* of work be documented. However, the negotiated rate must be based on documented actual costs and experience in performing the prescribed task.

EXAMPLES:

- ◆ \$100 per person trained
- ◆ \$40 per car seat distributed

Specific Rates. Grants may authorize payment on the basis of specific rates. This method uses a composite of all or selected costs.

EXAMPLES:

- ◆ Salary: \$50 per hour
- ◆ Travel and per diem: \$121 per day, \$0.405 per mile

Fixed Cost. The grant may authorize payment of an agreed upon fixed amount not subject to modification. Payments are made periodically at agreed upon intervals or once, upon completion of the project. If this method is used, there must be a detailed and thorough cost analysis made during the negotiating process.

Travel and Per Diem. TxDOT reimbursement for airfare, car rental, per diem, and other travel costs will be based on the subgrantee’s travel policy, but reimbursement of travel costs cannot exceed established state rates, unless negotiated in the grant agreement.

Operational Vehicle Cost Rate. An “Other Direct Cost” for non-personal vehicle usage will be reimbursed according to the subgrantee’s rate, not to exceed the state vehicle mileage rate. The subgrantee must provide documentation verifying its average cost per mile to operate patrol or fleet vehicles prior to being reimbursed for vehicle miles travelled. These evidences must be available for audit if requested by state or federal officials. The following table shows an example of how an average cost per vehicle mile can be calculated.

(continued...)

Method of Payment (continued)

Example of Operational Cost Per Vehicle Mile

| Type of Cost Incurred | Amount | Subtotal |
|--|----------|----------|
| 1. Vehicle Cost base amount | \$16,000 | - |
| Equipment (radio, light bar, siren, speaker, etc.) | 3,500 | |
| Vehicle preparation (equipment installation, decals, etc.) | 500 | |
| 2. Sum of vehicle & installed equipment | | 20,000 |
| 3. Annual depreciation | | |
| a. Vehicle, 2 years straight line | 8,000 | |
| b. Equipment, 5 years straight line | 700 | |
| 4. Total annual depreciation cost | | 8,700 |
| 5. Annual liability insurance | 1,700 | |
| 6. Annual maintenance costs (for FY2004 it was \$36,000 for 20 vehicles) = | 1,800 | |
| 7. Annual gasoline usage (44,000 miles @ 16 mpg average per vehicle @ \$1.98/gallon) = | 5,445 | |
| 8. Total insurance and maintenance costs/yr. | | 8,945 |
| 9. Indirect Costs (accts payable, payroll, fiscal dept., etc) @ 20% of direct costs (Block 4 + Block 8) × 0.20 = | 3,529 | |
| 10. Total per year cost of vehicle (Block 4 + Block 8 + Block 9) = | | 21,174 |
| 11. Average operational cost per vehicle mile (Block 10 ÷ 44,000 miles) = | | \$0.4812 |

Maximum Amount Eligible for Reimbursement

TxDOT policy requires all agreements to include a “maximum amount eligible for reimbursement.” This maximum amount is the grant reimbursable amount and is TxDOT’s share of the estimated project cost. The budget can specify that each line item is not to be exceeded, or the budget can specify that each line item is an estimate and that the actual cost will be paid. (A line item in the budget is the authorization for funds to be expended on the item.)

Profit Prohibited

Grants do not allow payment of any profit to the subgrantee. If the subgrantee subcontracts with a commercial (for profit) firm, the fee becomes an actual cost incurred by the subgrantee and is eligible for reimbursement if all other payment criteria meet the terms of the agreement.

Indirect costs (IDC) or facilities and administrative (F&A) costs are not considered profit and are eligible for reimbursement under certain circumstances. (See “Indirect Costs (Facilities and Administrative Costs)” later in this section.)

Reimbursement Policy

Capital advances are not allowed. Reimbursement will be made only for costs incurred during the grant period. The incurrence of cost depends on the accounting system used.

| When Cost is Incurred | |
|--|--|
| If... | Then cost is incurred when... |
| an <i>accrual</i> accounting system is used, | a recorded liability exists. (Examples include invoices, bills of lading, vouchers of individual travel performed, and cash receipts of expenses incurred. Advances for anticipated costs are prohibited.) |
| a <i>cash</i> accounting system is used, | a cash disbursement has been made. |

Project Budget

Each grant must have an approved project budget — which can be estimated or fixed, depending on the terms of the agreement. The proposed project budget should correspond to the grant period. Costs must be estimated as accurately as possible.

Budget Categories

The approved project budget should be as detailed as appropriate for fiscal control of the project, but great detail is not normally needed. Generally, the approved project budget will include only the following line items:

| Budget Category Line Items | | |
|-----------------------------------|------------------------|---|
| Category | Accounting Code | Line Item |
| Labor Costs | 100 | Salary and Wages |
| | 200 | Fringe Benefits |
| | 300 | Travel and Per Diem |
| Other Direct Costs | 400 | Equipment |
| | 500 | Supplies (postage, printing, office supplies, etc.) |
| | 600 | Contractual Services |
| | 700 | Other (miscellaneous) costs (specify) |
| Indirect or F&A Costs | 800 | (at specified and approved rate) |

Overtime Rate

The majority of projects involving increased enforcement of traffic laws rely on the payment of overtime hours for patrol officers. The overtime pay rate for officers is based on actual cost per employee in accordance with the subgrantee's policy for payroll and salary rate.

(continued...)

Overtime Rate *(continued)*

When a project includes overtime salary or wages, traffic safety funds can pay for the additional cost of fringe benefits directly associated with the overtime hours not covered by the employee's basic benefit package (an example of an eligible fringe benefit cost associated with overtime would be an employer's contribution to a retirement plan). The costs of fringe benefits are allowable to the extent that the benefits are reasonable and are required by law, employee agreement, or an established policy. If paid by the subgrantee on overtime grants, fringe benefits can also be used as local match. The traffic safety grant agreements allow several methods to include fringe benefits. Fringe benefits are defined as allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages. For information on fringe benefits, see OMB Circular A-87, Attachment B, 11.d., "Fringe Benefits."

Note: Because STEP grants rely on the payment of overtime hours for patrol officers to meet grant objectives, traffic safety grant agreements cannot pay for certain police officer training — such as Standardized Field Sobriety Testing (SFST), Drug recognition Expert (DRE), and Radar or Laser Training — through the STEP grants.

Detailed Costs

A detailed cost breakdown must be negotiated to justify proposed project costs. This detail is to be used as a negotiating tool but would rarely be suitable for use as the approved project budget.

Project Support

Any project support can be in the form of cash or in-kind contributions, which generally consist of the value of services, supplies, and nonexpendable personal property. This may also include program income, as long as specifically approved in advance by TxDOT (see Chapter 5, Section 5).

Criteria for determining the acceptability of cash and in-kind contributions are established in 49 CFR 18, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments." These criteria require the in-kind match to be:

- ◆ verifiable from the subgrantee's records
- ◆ not included as contributions for any other federally-assisted program
- ◆ necessary and reasonable for proper and efficient accomplishment of program objectives.

Other Criteria

Other criteria for the in-kind match require the local match to be:

- ◆ charges that would be allowable under OMB Circular A-87
- ◆ not paid by the federal government under another assistance agreement, unless authorized under the other agreement and the laws and regulations it is subject to
- ◆ provided for in the approved budget when required by the federal agency.

Cost Analysis

TxDOT will review all proposed costs to determine that they are necessary, reasonable, and in compliance with applicable cost principles. The Audit Office (AUD) is available to assist in the analysis if requested to do so.

Indirect Costs (Facilities and Administrative Costs)

Office of Management and Budget (OMB) Circular A-87, “Cost Principles for State and Local Governments,” describes indirect costs as those costs incurred for a common or joint purpose benefiting more than one cost objective and not readily assignable to the cost objectives. OMB Circular A-21, “Cost Principles for Educational Institutions” (8/29/97), uses the term “facilities and administrative” or F&A as an indirect cost equivalent.

Indirect costs (IDC) are typically based on the total federal amount of the grant less those items that do not require administrative overhead to manage, such as subcontracts or rental fees for leased equipment. For example:

Example: A proposing agency has an IDC or F&A rate of 10 percent. Of the proposed budget, \$30,000 is subcontracted. \$45,000 of labor and other direct costs is estimated. The 10 percent is applied only to the \$45,000 of direct cost, resulting in \$4,500 of indirect costs. Therefore the total estimated budget would be \$79,500, as shown below:

| | |
|--------------------------------------|--------------|
| Subcontract Cost | \$30,000 |
| Direct Cost (labor and other direct) | 45,000 |
| IDC/F&A (10% of direct cost) | <u>4,500</u> |
| Total: | \$79,500 |

Note: IDC and F&A are eligible for reimbursement only if they are included in the approved project budget, and the indirect cost rate or the allocation plan has been approved either:

- in a prior audit conducted by a private or public auditing agency *or*
- by the governmental unit’s cognizant agency.

Section 5

Grant Agreement Preparation Details

Introduction

This section provides information on some of the details needed to prepare the **Texas** Traffic Safety Program Grant Agreement document.

Form Available. The standard form is the **Texas** Traffic Safety Program Grant Agreement (TxDOT Form 2075). The form also includes **Attachment A — Mailing Addresses**. **Click on the form number to open an automated version of this form.** The form may also be obtained from the Traffic Operations Division or by contacting any of TxDOT's district traffic safety specialists.

Federal Pass-Through / State Grant Funds

The TRF-TE program manager uses the blanks in the upper left corner of page 1 to indicate whether grant funds are federal or state. The preparer will leave these spaces blank.

Miscellaneous Contract Number

TxDOT enters the miscellaneous contract number after the grant agreement has completed the internal review process. The preparer will leave this space blank.

Note: The miscellaneous contract number, once assigned, must be included on all correspondence and other documents relating to the project.

Charge Number for Payments

For state-managed projects, the Finance Division (FIN) assigns the ten-digit charge number. TRF-TS then enters the charge number after the grant agreement has completed the internal review process. For district-managed projects, the district must obtain the miscellaneous contract number and the charge number from FIN and enter them on the agreement. The preparer will leave the space for the charge number blank.

Note: The subgrantee **must** include the charge number on all Requests for Reimbursement.

Project Year

TxDOT enters the appropriate year of the the project. The preparer will leave the space for the project year blank.

Required Information

In preparing the grant document, the subgrantee **must** fill in the following information:

Required Information for Grant Document

| Blank on Document | Description of Information Needed |
|--|---|
| PIN Page 1, upper right corner | Payee Identification Number. The PIN is a 14 digit number assigned by the Comptroller of Public Accounts to the subgrantee agency. The last 3 digits of this number are the address code. The PIN appears in the upper right corner of the agreement. |
| Page 1, first paragraph | The full legal name of the subgrantee organization. (See “Legal Authority” following this table.) |
| Page 1, first paragraph, end of the second sentence. “The Subgrantee is designated as a(n) _____.” | The type of organization describing the subgrantee is needed to determine which cost principles to apply to this grant (see Article 2 of the grant document). |
| Page 1, end of “Authority” statement | Applicable HSP fiscal year. |
| Page 1, under “Project Title” | The title of the project. |
| Grant Period: | The proposed effective date for the grant period and the end date, which will normally be the last day of the federal fiscal year (September 30). |
| Maximum Amount Eligible for Reimbursement: | This is the TxDOT share of the Approved Project Budget and should match the amount shown in Attachment E . This amount cannot exceed the amount indicated in the TRF approved project list. |
| Attachments (page 1, bottom) | Attachment F — Operation Plan must be included for STEP grants. |
| Page 2. Legal name of subgrantee, signature, related information, attesting official, and resolution number (if applicable) | |

Legal Authority

For local grants, the agreement is made with the **unit of local government or political subdivision of the state**, not with an operating division or function **of the local governmental unit or political subdivision of the state**.

Examples:

| Incorrect | Correct |
|--------------------------|--------------------|
| Austin Police Department | The City of Austin |
| County Health Department | Travis County |

Likewise, for statewide grants, the agreement is made with the parent agency, not a bureau or division.

Examples:

| Incorrect | Correct |
|-------------------------------------|--|
| Emergency Medical Services Division | Texas Department of State Health Services |
| DPS Motorcycle Safety Bureau | Texas Department of Public Safety |

Attachments

Attachments referenced in the grant agreement must be properly labeled and attached. A document that is incorporated into the agreement by reference must be identified and retained in an accessible location. Merely attaching a document does not necessarily make it a part of the agreement. If an attached document is treated as material to the agreement, it must be referenced and incorporated.

Grant Agreement General Terms and Conditions

The Grant Agreement General Terms and Conditions is Attachment B of all grant agreements. It provides the terms and conditions governing the grant and certifies that a subgrantee will comply with the applicable regulations, policies, guidelines, and requirements, including 49 CFR 18 and OMB Circular A-87 or OMB Circulars A-110 and A-21 or OMB Circulars A-110 and A-122, as they relate to the application, acceptance, and use of federal or state funds for the project. This attachment further explains other federal and state acts and laws that a subgrantee must adhere to with the awarding of federal and state moneys for grant expenditure.

Note: Subgrantees are required to become familiar with the contents of the Grant Agreement General Terms and Conditions, because failure to do so will not excuse nonperformance or noncompliance.

Form Available. The Grant Agreement General Terms and Conditions (TxDOT Form 1854). Click on the form number to open an automated version of this form. The form may also be obtained from the Traffic Operations Division or by contacting any of TxDOT's district traffic safety specialists.

Disadvantaged Business Enterprises and Historically Underutilized Businesses

When possible, the Texas Traffic Safety Program will seek disadvantaged business enterprise (DBE) and historically underutilized business (HUB) participation through contracts and subcontracts for the purchase of goods or services. This is one of the reasons that the call for traffic safety project proposals is published annually in the Texas Register.

Subcontracts

Article 14, "Subcontracts," of the Texas Traffic Safety Program Grant Agreement Terms and Conditions, states:

- ◆ A subgrantee shall not enter into any subcontract without prior written concurrence with the subcontract by TxDOT.
- ◆ Subcontracts shall contain all required provisions of the grant agreement terms and conditions.
- ◆ No subcontract will relieve the subgrantee of its responsibilities under the grant agreement.

(continued...)

Subcontracts *(continued)*

Subcontracts can be between governmental agencies as well as with non-government entities for professional services. OMB Circular A-87, C. 7., states that “costs of the grantee department are allowable subject to such prior authorization as may be required by the federal grantor agency.” NHTSA South Central Region has delegated this authority to TxDOT based on both of the following:

- ◆ Texas’ policies and procedures (*Manual of Procedures, Equipment and Procurement Division and Safety Operations Grant Agreement Routing and Review Procedures*) regarding the procurement of such services
- ◆ the notation and listing in the Highway Safety Plan of project or grant agreements that include professional services contracts.

NHTSA’s Funding Policy for Field-Administrated Grants states:

Costs are allowable for highway safety consultant services from universities, public agencies, non-government organizations and individuals for State or local highway safety support services or products consistent with the applicable OMB Circular, provided applicable state procurement procedures are followed and the State’s official contract and procurement manual is maintained in the State’s Highway Safety Office.

Subcontract Agreement Forms

A standard format has been created to ease the subgrantee’s administrative burden of preparing subcontract agreements and to ensure the agreements contain all required provisions of traffic safety grants. Therefore, it is recommended that the Texas Traffic Safety Subcontract Agreement Packet be used as a subcontract agreement to ensure uniformity in interpretation of necessary information. The Texas Traffic Safety Subcontract Agreement Packet contains:

- ◆ TxDOT Form 2081 — Texas Traffic Safety Subcontract Agreement
- ◆ TxDOT Form 2081a — Texas Traffic Safety Program Subcontract General Terms and Conditions (Attachment A)
- ◆ TxDOT Form 2081b — Traffic Safety Program Subcontractor Budget (Attachment B).

To open the automated versions of each of these forms, click on the form number above. The forms may also be obtained from the Traffic Operations Division or by contacting any of TxDOT’s district traffic safety specialists.

Section 6

Interagency Cooperation Contract Preparation Details

Introduction

This section provides information on some of the details needed to prepare an interagency cooperation contract (IAC) document.

The IAC is used in lieu of a grant agreement when the project involves TxDOT's purchase of goods or services from another state agency. As indicated in the preceding section, grant agreements involve the pass-through of federal funds for the benefit of the recipient agency for conducting a particular traffic safety activity.

Contract Document. The Traffic Safety IAC document is not available on line. TRF-TS will forward the IAC packet to the subgrantee for preparation once it is determined that an IAC will be used. Instructions for completing the IAC follow.

Expenditure

Because TxDOT is purchasing goods or services, the IAC is a direct expenditure of funds rather than a "pass-through" of federal funds as with a grant agreement.

Contract Number

The Traffic Operations Division (TRF) obtains a miscellaneous contract number from the Finance Division (FIN) and enters it on the IAC face page after the contract has completed the internal review and approval process. The performing agency will leave this space blank. The contract number, once assigned, must be included on all correspondence and other documents relating to the project.

Charge Number

TRF also obtains a ten-digit charge number from FIN, and enters it under the contract number. The charge number is made up from the fiscal year, a numerical program area and sub-area designator, a task indicator, a numerical indicator for fund source, and a sequence code. A typical charge number looks like this: (06)08-02-C1-AA. The performing agency should include the charge number on all Requests for Reimbursement.

Required Information

In preparing the IAC document, the performing agency will fill in the information described in the following table.

Information Required for Interagency Contract Document

| Blank on Document | Information Needed |
|---|--|
| I. CONTRACTING PARTIES | The Receiving Agency: Texas Department of Transportation. The Performing Agency: The full legal name of the contractor organization and the organization’s payee identification number (PIN) should be entered here on the IAC. |
| II. STATEMENT OF SERVICES TO BE PERFORMED | The performing agency will undertake and carry out services described in Attachment A, “Scope of Services” (or “Project Description”). |
| III. CONTRACT PAYMENT | The total amount of this contract shall not exceed \$ _____ and shall conform to the provisions of Attachment B, Estimated Budget. Payments shall be billed _____. |
| IV. TERM OF CONTRACT | Payment under this contract beyond the end of the current fiscal biennium is subject to availability of appropriated funds. If funds are not appropriated, this contract will be terminated immediately with no liability to TxDOT. This contract begins when fully executed by both parties and terminates on _____. |
| V. THE AGREEING PARTIES | The agreeing parties do hereby certify that: <ul style="list-style-type: none"> ◆ the services specified above are necessary and essential for activities that are properly within the statutory functions and programs of the affected agencies of state government ◆ the proposed arrangements serve the interest of the efficient and economical administration of the state government ◆ the services, supplies, or materials agreed upon are not required by Article XVI, Section 21 of the Constitution of Texas to be supplied under contract given to the lower responsible bidder. |
| VI. LEGAL AUTHORITY | Receiving Agency further certifies that it has the authority to request the above services by authority granted in [cite the statute, constitutional, or special provision of the appropriations bill]. Performing Agency further certifies that it has the authority to perform the services by authority granted in [cite the statute, constitutional, or special provision of the appropriations bill]. |
| Signature Blocks | Complete as indicated with legal name of the performing agency, signature of person authorized to sign for the performing agency, title, and date. |

The IAC Contents

The IAC consists of the IAC document and Attachments A, B, and C. Attachment A is the Project Description/Scope of Services and must be used with the IAC. Attachment B is the IAC Estimated Budget and must also be included with the IAC.

The IAC General Terms and Conditions (Attachment C) must be included as the final component of the IAC. Contractors are required to become familiar with the contents of the IAC General Terms and Conditions, because failure to do so will not excuse nonperformance or noncompliance.

Note: An IAC is comprised of IAC attachments A, B, and C; therefore, an IAC is not considered complete until Attachments A, B, and C are completed and included with the IAC document.

Obtaining the Attachments. Attachments A, B, and C are included in the IAC packet and are not available on line. TRF-TS will forward the IAC packet to the subgrantee for preparation once it is determined that an IAC will be used.

See also Section 7 of this chapter for additional certifications for educational institutions.

Transmittal Form

The Interagency Contract / Amendment Transmittal Form is used for sending the IAC from the office where it was processed or originated (be it a district, division, or office) to the Office of General Counsel's Contract Services Section (CSS) for review and further processing for administrative approval and signature. This one-page form is self explanatory, and a copy is provided with the IAC packet.

Note: IACs less than \$50,000 can be signed by the TRF director and do not require processing by CSS. So, in these instances, there is no need to submit the Interagency Contract / Amendment Transmittal Form.

Section 7

Subgrantee or Contractor Approval

Introduction

A grant agreement must be approved and executed in accordance with subgrantee procedures. This may involve placement on the agenda for a city council meeting, the county commissioners' court, or a state agency's director, board, or commission. Scheduling time frames vary from agency to agency.

Some local governments require agenda items to be heard at three consecutive meetings, which adds significantly to the time required for grant approval.

Scheduling requirements must be considered in the approval process to stay on a project schedule so that it can be activated on time.

Local Resolutions and Ordinances

A local government will issue one and possibly two resolutions during the life of the project. The first resolution authorizes the local government to file the application. If the application is selected for funding, another resolution is issued to authorize signing the grant agreement and to designate an officer (usually the mayor, city manager, or county judge) to execute the agreement. Figure 4-1 shows an example resolution.

Note: Local governments should be encouraged to issue one resolution combining the authority to submit the application and the authority to execute the grant agreement.

Some local governments have enacted an authorizing ordinance wherein an officer is designated as having authority to execute any agreement on behalf of the local government.

A copy of the authorizing resolution **or ordinance** must accompany the grant agreement **in order to** verify the authority of the local government to enter into the agreement.

(continued...)

Local Resolutions and Ordinances *(continued)*

S A M P L E

**RESOLUTION AUTHORIZING THE
TEXAS TRAFFIC SAFETY PROGRAM
GRANT APPLICATION AND AGREEMENT**

WHEREAS, the <INSERT NAME OF JURISDICTION> recognizes that the establishment, development, and maintenance of a program of traffic safety in the State is a vital government purpose and function of the State and its legal and political subdivisions; and,

WHEREAS, a traffic safety grant will provide benefits to the community in the form of a reduction in the number of crashes and the resulting loss of lives and property damage; and

WHEREAS, funds have been established and are available from the Texas Department of Transportation for grants to local governments for traffic safety projects;

NOW, THEREFORE, BE IT RESOLVED that the <INSERT NAME OF GOVERNING BODY OF THE LOCAL JURISDICTION> authorizes the submission of an application to the Texas Department of Transportation for a Traffic Safety Grant and, if the project is selected for funding, the <INSERT NAME OF OFFICIAL> of <INSERT NAME OF LOCAL JURISDICTION> is hereby authorized and empowered to execute in the name of the <INSERT NAME OF JURISDICTION> all necessary applications, contracts, and agreements to implement and carry out the purposes specified in this resolution.

THE FOREGOING RESOLUTION was passed by the <INSERT NAME OF GOVERNING BODY OF THE JURISDICTION> this _____ day of _____, <YEAR>.

SIGNED _____

<NAME AND TITLE OF OFFICIAL AUTHORIZED TO SIGN>

DATE _____

ATTEST _____

Figure 4-1. Example local government resolution.

Designation of Authority

Within 30 days after a grant agreement is signed, the subgrantee signing official must send a letter to TRF designating other persons, by position title, who will be authorized to sign project related documents (for example, performance reports, cost assumption plans, applications for project extension, and Requests for Reimbursement [RFR]).

Note: It is recommended that the signature authority letter be routed with the grant document and both be signed simultaneously by the appropriate official. Figure 4-2 shows an example letter of signature authority delegation.

<LETTERHEAD STATIONERY>

<DATE>

Traffic Operations Division – Traffic Safety Section
Texas Department of Transportation
125 East 11th Street
Austin TX 78701-2483

Attention: Program Director

Subject: Signature Authority Letter for Agreement between Texas Department of Transportation (TxDOT) and <SUBGRANTEE>

Ref: TxDOT Grant/Contract No.: _____
Charge No.: _____
Project Title: _____

Dear <PROJECT DIRECTOR>:

This letter authorizes the following individuals to sign the appropriate agreement-related documents for the above referenced FY<YEAR> award.

| Document Description | Authorized Individual |
|--|-----------------------|
| Grant/Contract Agreements and Amendments | |
| Requests for Reimbursement (RFR) | |
| Subcontracts Approval | |
| Performance Reports | |
| Annual Evaluation Report (AER) | |

If you have any questions or need additional information, please contact <NAME & PHONE NUMBER>.

Sincerely,

<NAME>
Project Director

Copies to:

Figure 4-2. Example letter delegating signature authority.

Note: In accordance with good accounting practices, the person signing the RFR should *not* receive monetary payment under the grant. If this is necessary, then the RFR must be co-signed by a person of equal or higher authority.

Educational Institutions

OMB Circular A-21, “Cost Principles for Institutions of Higher Education” (10/27/98), requires that educational institutions provide a “Certificate of Facilities and Administrative Costs” (F&A) for federally funded projects. In addition, OMB Circular A-21 requires the following:

To assure that expenditures for sponsored agreements are proper and in accordance with the agreement documents and approved project budgets, the annual and final fiscal reports or vouchers requesting payment under the agreements will include a *certification*, signed by an authorized official of the university, which reads essentially as follows:

“I certify that all expenditures reported (or payment requested) are for appropriate purposes and in accordance with the provisions of the application and award documents.”

General detail on these two requirements is contained in OMB Circular A-21.

Section 8

TxDOT Approval

Introduction

Once the subgrantee has signed the grant document, TxDOT begins the approval process. The process consists of a review, the approval signature, and subsequent processing.

TxDOT Review

When the TxDOT signatory executes a grant agreement by signing it, he or she is certifying that the agreement:

- ◆ is legal and payable
- ◆ includes all required and applicable provisions
- ◆ complies with all applicable federal, state, and TxDOT regulations and laws
- ◆ has received federal approval when such approval is required
- ◆ has been budgeted with available funds
- ◆ has been authorized by the Transportation Commission as part of the Highway Safety Plan.

Therefore, before approval, project directors will review all grant agreements for form and content, applicable provisions, eligibility of costs, consistency, and accuracy.

Note: If the prospective subgrantee is a first-time, non-governmental subgrantee to be provided traffic safety funding or if the subgrantee is unfamiliar with handling federal grant funds, then it will be necessary to request a pre-negotiation or pre-award audit in accordance with OMB Circular A-133 or 49 CFR Part 19. This audit can be requested in writing to TxDOT's Audit Office. The project director should follow and complete a grant or IAC review checklist for each grant submitted for approval.

Form Available. The Checklist for Traffic Safety Grant Review form (TxDOT Form 1857) is available online. Click on the form number to open an automated version of this form. The form may also be obtained from the Traffic Operations Division or by contacting any of TxDOT's district traffic safety specialists.

When Problems Are Found

If the district or TRF detects problems with a grant agreement or IAC, the agreement or IAC is returned for resolution of the problems before signing.

Changes During Review and Approval

A change made during the approval process could jeopardize the mutual agreement unless all parties acknowledge and accept the change. Therefore, any proposed change must be discussed with all parties *before* the change is made.

If the proposed change is one that changes the maximum amount payable, the description of the project, or another significant element of the project, the agreement is to be returned to the subgrantee for resolution. If the proposed change is minor (that is, does not increase the maximum amount payable or alter the description of the project or another significant element of the project), then the change is made and initialed *only by the signatories* to the grant or IAC or otherwise acknowledged in writing by each party to the agreement before work begins.

Ideally, this acknowledgement will be approved prior to the grant delivery meeting. For local grants, after it is signed, the acknowledgement is returned to the district, which retains a copy in district files and forwards the original to TRF. For state projects, the Traffic Safety Section (TRF-TS) handles this task.

TxDOT Signature Authority

For information on TxDOT signature authority, see Chapter 1, Section 4, of this manual. Also Chapter 2 of the TxDOT *Contract Management Manual* describes signature authority for the Texas Traffic Safety Program. (Note: The *Contract Management Manual* is accessible online only through the TxDOT network).

Additional Copies

TRF will provide a copy of approved agreements to the Finance Division (FIN).

Originals

Normally one original agreement document is prepared and kept in the TxDOT file of record. If a subgrantee requests multiple copies with original signatures, this request should be honored. A copy of the agreement with *original* signatures is called a “counterpart.”

While it is acceptable to reproduce signed or unsigned grant agreements, signatures must be original on the file of record copy. Grant agreements submitted for TxDOT approval without original signatures will not be processed.

Section 9

Miscellaneous Contract Summary Form

Purpose

The Miscellaneous Contract Summary Form (MCSF) is used to input contract records into the Miscellaneous Contract Information System (MCIS) for tracking payments. The MCIS assists districts and divisions in payment processing by providing centralized information readily available to ensure that any billing statement for work covered by a contract is correct, due, and payable as stated in the certification.

The form is required for all Texas traffic safety agreements and contracts. The district or division that manages the agreement or contract obtains the control number from the TRF-TS contract log and prepares the form and enters the form information into Segment 41 to set up the contract into the MCIS. A copy of the MCSF must be included with the grant agreement and sent to TRF-TS.

Note: This form is only used by TxDOT personnel.

Obtaining the Form

The MCSF is TxDOT Form 1722. Click on the form number to open an automated version of this form (accessible only within the TxDOT network). The form may also be obtained from the Traffic Operations Division or by contacting any of TxDOT's district traffic safety specialists.

Filling Out the Form

The following subheadings in this section describe the information required for each field of the MCSF.

Checkboxes for “Initial,” “Amendment,” and “Correction”

Check one of the three boxes at the top according to the following:

| If... | Then Check... |
|--|---------------|
| This is an original set up of the grant | Initial |
| This is a grant amendment or supplemental agreement that changes the information on file | Amendment |
| This is a correction or update of information on the MCIS record that does not require a written supplement (amendment) to the original grant. | Correction |

Data Blocks

In the table across the top of the form, fill out the data blocks as follows:

| Data Block | Explanation and What to Enter | |
|------------------------------|--|-------------------------|
| SEG ID | FIMS Segment ID. Must be "41" | |
| TR ID | Transaction Identifier. Enter one of the following: | |
| | For... | Enter... |
| | an initial MCSF | 01 |
| | an amendment or correction MCSF | 02 |
| | a deletion | 99 on a correction MCSF |
| DIST/DIV/OFF | Enter "58" — the two-digit identifier for the responsible division for Traffic Safety grants. (This entry represents the first two digits of the 10-digit miscellaneous contract number.) | |
| MISC CONTRACT NUMBER | Enter the remaining eight digits (after the "58") of the miscellaneous contract number assigned by the Finance Division (FIN). | |
| VENDOR IDENTIFICATION NUMBER | Vendor ID of subgrantee. This is the fourteen digit PIN number provided by the subgrantee and should be included on the face page of the grant. If subgrantee does not have a vendor ID, it may be obtained from the Comptroller of Public Accounts. This number must also be set in TxDOT's Universal Vendor System (UVD) before any payments can be processed. | |
| AMOUNT | Enter the total amount of the grant that will be paid to the subgrantee. If this MCSF is an amendment or correction submitted to change the original amount, indicate the amount of the change only. | |
| SIGN | Used on correcting entries of a TR ID 02/20 for reducing the "Contract Amount." Only a minus sign (-) may be entered. | |
| A/E | Ignore this block. | |
| EXP. DATE | Expiration date of the grant. On multi-year grants, this is the end date of the agreement. | |
| CAT | Category. For traffic safety grants, always enter "1Z" (but check Code Chart 59 to be certain) | |
| MGR. NO. | Manager number. Since all traffic safety grants belong to the Traffic Operations Division's Traffic Safety Section, the number entered here will be for the program manager in TRF-TS. District personnel completing this form should contact TRF-TS for this number. | |
| RET. % | Retainage percent. Since there is no provision for retainage in traffic safety grants, the entry for this block will always be "00." | |
| TYPE | Contract type. No entry is required in this block. | |
| OTHER DIST/DIV/OFF | Leave this block empty. | |
| STATUS | Mark changes of status from "Active" to "Closed" or "X" for completed. | |
| AMENDMENT NO. | Number amendments sequentially. | |

Data Fields

Enter the following information in the following fields:

| Data Field | Enter |
|-----------------------|---|
| Other Contract Number | charge number. |
| Contractor | name of the subgrantee as shown on the agreement. |
| Start Date | date the subgrantee is authorized to begin work, if different from the date of the grant execution. |

Unneeded Data

For traffic safety grants, no entries are necessary from the “Scope of Work” field down through the “Segment-Detail” field.

“Prepared by” and “Date”

Enter the name of the person preparing the form. This person attests to its accuracy. Enter the date the form was prepared. A phone number for the person responsible for preparing the form should also be included.

Processing

Submit the original completed MCSF to the district accounting office. The district accounting office will enter the appropriate data and forward the form to TRF. TRF will file this copy with the original copy of the grant.

When corrections or updates are needed (for amendments or supplemental agreements), an MCSF should be completed and filed in the TRF’s file of record. Submit an MCSF to the district accounting office for data entry. A formal written contract amendment document executed by all parties must also be completed (see Section 11 of this chapter).

Section 10

Execution and Delivery

Day of Execution

Traffic safety grant agreements are executed on October 1st (or upon approval, if after October 1st). Project activity can begin and costs can be incurred on the day of grant execution.

Grant Delivery Meeting

On the day of execution, or as soon as possible thereafter, the project or program manager should schedule a grant delivery meeting with the subgrantee to review and discuss the terms of the agreement.

The grant delivery meeting should be designed to meet the requirements of the subgrantee and TxDOT. For example, a subgrantee entering into its first agreement with TxDOT will require a thorough orientation of the agenda items identified later in this section. If the subgrantee has had many grants with TxDOT and has demonstrated good overall project performance, the delivery meeting could be abbreviated.

Meeting Participants

Subgrantee participants at the grant delivery meeting should include:

- ◆ the project director
- ◆ the fiscal officer and accounting staff persons responsible for preparing the Request for Reimbursement (RFR)
- ◆ subcontractors (when appropriate)
- ◆ other staff that will participate in project activity, especially those who will be responsible for completing reports and preparing RFRs.

TxDOT staff attending may include:

- ◆ project manager or program manager
- ◆ fiscal staff
- ◆ auditors.

Meeting Agenda

Basic items that need to be covered and explained in detail to the subgrantee staff include:

- ◆ what is expected of the subgrantee, including:
 - preparation and submission of the RFR
 - preparation and submission of the performance report (including underruns and overruns) and the administrative evaluation report (AER)
- ◆ what is expected from TxDOT personnel
- ◆ how the project **will** be monitored
- ◆ what costs will be eligible for reimbursement by TxDOT
- ◆ documentation required for expenditures
- ◆ project objectives
- ◆ evaluation of project results
- ◆ grant contents
- ◆ audit requirements, records retention
- ◆ other, as dictated by the nature of the grant.

A supply of current TxDOT forms that the subgrantee will need during the course of the project should be presented and discussed at the delivery meeting.

Points of contact should be established (telephone numbers, fax numbers) at the meeting.

It might be advisable to find out what word processing capability the subgrantee has. Since many of the documents and forms are generated in MS Word, it may be possible to provide them on computer diskettes, if the subgrantee has the capability to use them.

Record of Meeting

The project or program manager **is required to** make a record of the meeting by completing the Grant/Contract Delivery Meeting form (TxDOT Form 1764). **Click on the form number to open an automated version of this form.** The form may also be obtained from the Traffic Operations Division or by contacting any of TxDOT's district traffic safety specialists.

Section 11

Grant Agreement and Contract Amendment

Introduction

During the active period of a project, conditions may **change that** require that the original grant agreement be amended.

If both parties consent to altering the project in some way, then a formal grant agreement or IAC amendment document must be executed to effect the change.

Some reasons for amending the grant agreement or IAC might include:

- ◆ adding or deleting a performance goal
- ◆ increasing or decreasing the budgeted amount
- ◆ moving budget cost items from one cost category to another
- ◆ adding, deleting, or changing performance **measures**
- ◆ changing the project begin or ending date
- ◆ changing, adding, or deleting listed objectives of the Action Plan.

Amendments are also executed to authorize a material change in other terms and conditions.

Note: **A written** amendment must be **fully executed by all parties** before the **changes are** implemented.

Note: **All amendments to a grant agreement or IAC must be fully executed at least 30 days prior to the end of the grant or contract.**

Amendment Process

Amendments are approved the same way as the original agreement. Either the division or district coordinates the preparation and execution. If the agreement is for a local project under \$100,000, the district engineer (DE) signs the amendment; if the amount is \$100,000 or more, the DE recommends approval to the Traffic Operations Division (TRF).

The TRF director executes the amendment on behalf of TxDOT, unless the amendment is to an IAC of \$50,000 or more, in which case the amendment must be processed through the **Office of General Counsel's** Contract Services **Section (CSS)** and signed by the **CSS** director.

Note: If the amendment is to an IAC that was initially less than \$50,000 but increases it to \$50,000 or more **as a result of the amendment**, then the amendment must be processed through **CSS**.

Budget Amendments

No changes to a subgrantee's budget are allowed without a budget amendment approved by TRF. Therefore, no changes **may** be made to the approved total budget amounts (that is, line item cost categories and accounting codes) in the RFR until *after* a budget amendment as been approved, except as noted under the following subheading.

Allowable Cost Overruns

Subgrantees may overrun a budget category (see “Budget Categories” in Section 4 of this chapter) without a budget amendment, as long as the overrun does not *exceed 5 percent* of the maximum amount eligible for reimbursement *and provided* there is a commensurate underrun elsewhere in the budget. The maximum amount eligible for reimbursement under the approved budget must not be exceeded without an approved budget amendment. Subgrantees must notify the district (for district-managed projects) and TRF-TS of such cost overruns and related underruns. This notification must be in the form of an attachment to the RFR that covers the period of the changes and must also explain the reasons for the changes.

Example: A subgrantee is projecting an overrun of \$200 in Travel and Per Diem (accounting code 300 of the Labor category). The total reimbursable amount in the approved budget is \$4,000. Since the projected \$200 overrun is exactly five percent of \$4,000, it meets the allowable overrun policy requirements, provided there is an underrun of at least \$200 in another budget category (such as Other Direct Costs).

For STEP grants only, subgrantees are not allowed to use underrun funds from the TxDOT amount of Salaries, subcategory A, “Enforcement,” or B, “PI&E Activities,” to exceed the TxDOT amount listed in subcategory C, “Other.” Also, subgrantees are not allowed to use underrun funds from the TxDOT amount of Salaries, subcategories A, “Enforcement,” or C, “Other,” to exceed the TxDOT amount listed in subcategory B, “PI&E Activities.” The TxDOT amount for subcategory B, “PI&E Activities,” or C, “Other,” can only be exceeded within the 5 percent flexibility, with underrun funds from budget categories II or III.

Suspension of Time

When a grant agreement includes a defined project period with an established completion date, there can be no suspension of time. Work can be suspended, if necessary, but time charges cannot.

The agreement expires on the specified date unless a prior amendment is executed.

Note: If a local government needs additional time to complete the project because of delays associated with any suspension of work, an amendment to extend the project period must be executed *before* the original grant end date is reached *and* if the project is included in the new HSP.

Amendment Document

The amendment document is usually short and typically addresses only what will be changed. The forms used are:

- ◆ Traffic Safety Grant Agreement Amendment (TxDOT Form 2078)
- ◆ TxDOT Interagency Contract Amendment.

The Traffic Safety Grant Agreement Amendment is available online. Simply click on the form number above to open an automated version of the form. The form may also be obtained from the Traffic Operations Division or by contacting any of TxDOT's district traffic safety specialists.

The TxDOT Interagency Contract Amendment is not available online and must be obtained from TRF-TS.

Completing the Grant Agreement Amendment

The Traffic Safety Grant Agreement Amendment (TxDOT Form 2078) is self-explanatory and easy to complete. The form requires information on the miscellaneous contract number, charge number, PIN, the date the original agreement was executed (October 1st or when signed by TxDOT, whichever occurred last), and the name of the project. An amendment number must also be included in the space provided — use “1” for the first amendment, “2” for the second, etc. Check the appropriate boxes for all applicable revisions to the original grant (Revised Grant Period, Revised Action Plan, etc.) and provide a brief description of the necessary revisions. Attach any revised grant attachments to the amendment document as necessary.

Amendment Processing

A formal amendment will follow the same approval processing procedures as the original agreement. The same signature authority that applies for the original agreement also applies for any amendment to that agreement (see Chapter 1, Section 4, “Signature Authority”). As with the original grant agreement, the amendment becomes effective when signed by the appropriate authority.

Note: For IACs of \$50,000 or more, the amendment will be processed through the Office of General Counsel's Contract Services Section (CSS) and signed by the CSO office director.

Amendment Filing

When the amendment is fully executed and filed with TRF-TS, TRF-TS will distribute it to all recipients of the original agreement. The document should be filed with the original agreement.

Chapter 5

Program and Project Administration

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Section 1

Overview

Introduction

This chapter contains sections on a wide range of procedures, most of which are administrative in nature, for specific methods involved in the management of the State's Traffic Safety Program.

Some of the sections contained in this chapter pertain to subgrantees — some only to project directors, some only to particular TxDOT divisions, and some to all involved in the Traffic Safety Program. **Note that** Sections 10 through 12 do not directly apply to subgrantees, although this information may be useful to subgrantees in considering the time necessary to complete the processes.

Therefore, Request for Reimbursement (RFR) procedures are divided into two sections. Section 3 provides the procedures for subgrantee and contractor submittal, while Section 4 contains the **TxDOT** RFR processing information.

Section 2

Grant Management and Administration

Introduction

The Texas Department of Transportation (TxDOT) employee responsible for the day-to-day oversight of a grant, at either the district or division level, is called the project manager (for district-managed projects) or program manager (for state-managed projects). The project manager or program manager is responsible for tasks associated with grant agreement preparation, execution, or administration. Failure to perform these tasks correctly can result in significant grant management and payment problems.

Cost Eligibility

If a subgrantee begins work before the grant agreement is fully executed, the subgrantee does so at its own cost. Costs incurred before the grant agreement is signed by TxDOT are not eligible for reimbursement.

Costs incurred after the grant agreement expires are also not eligible for reimbursement.

Amendments

If the cost, complexity, or scope of work authorized in the grant must be revised after the grant agreement is signed, then a written amendment must be executed to authorize the change. The project manager, program manager, or the subgrantee must prepare the amendment. If additional tasks or costs are authorized in the amendment, the subgrantee must not begin work on the additional tasks or incur the additional costs until the amendment is fully executed. (See Chapter 4, Sections 9 and 11, for more details on amendments.)

An amendment cannot be used to authorize new or different work not related to the scope of the grant being amended.

Subgrantees must have any amendments to a grant or contract executed 30 days prior to the end of the grant. Any proposed amendments should be discussed with TRF prior to submission.

Note: When an amendment is needed, sufficient time (a minimum of two weeks) should be allowed for proper review and execution by TxDOT.

Amendments must be signed by the parties who signed the original grant agreement unless approval authority has been specifically retained or delegated to someone else in accordance with TxDOT policy.

Other Grant Administration Tasks

Project managers or program managers will monitor **and evaluate** the subgrantee's performance. Monitoring can be accomplished by site visits, telephone contact, or written reports from the subgrantee. (See Chapter 6 for specific details regarding monitoring.)

Project managers or program managers will expedite Requests for Reimbursement (RFR) processing without unnecessary delays.

The project manager or program manager will *not*:

- ◆ impose any task upon the subgrantee or permit any substitute activity not specifically provided for in the grant agreement
- ◆ give direction to the subgrantee or to employees of the subgrantee, except as provided in this document
- ◆ approve expenses for activities that do not meet project performance specifications contained in the grant agreement
- ◆ authorize expenditure of funds except in accordance with the specific terms of the grant agreement
- ◆ offer advice to the subgrantee that may adversely affect project performance, compromise TxDOT's rights, or provide the basis of a claim against TxDOT that may affect any pending or future determination of fault or negligence
- ◆ authorize or agree to any change in the grant agreement, standard provisions, certifications, project period, delivery schedule, maximum amount eligible for reimbursement, or other terms and conditions of the grant agreement, unless such change is specifically authorized in the grant agreement
- ◆ promise or infer that a future grant or extension of a grant for another year is approved prior to TRF approval.

Section 3

Submitting Requests for Reimbursement

Introduction

Subgrantees and performing agencies use “Requests for Reimbursement” (RFR) to “bill” TxDOT for costs incurred under the terms of grant agreements and interagency contracts. This section explains the requirements and procedures associated with the submission of an RFR.

Reimbursement Conditions

Reimbursement of costs under a traffic safety grant is contingent upon the following conditions:

- ◆ the availability of appropriated funds
- ◆ actual costs having been incurred (services provided, hours worked, etc.) in accordance with the approved project budget
- ◆ compliance with the cost principles established in the OMB circulars referenced in the grant agreement or contract.

Documentation

The Traffic Safety Program requires the subgrantee to maintain complete documentation of claims in the form of source documents in support of amounts claimed. Source documents include time sheets, invoices, and other records of costs incurred.

The source documentation need not accompany the request for payment, unless there is a demonstrated need for the requirement. A summary or recap of costs by budget line item is sufficient for the Request for Reimbursement. These costs must be listed on the appropriate Outlay Detail forms (see “Summary of Documentation” later in this section).

Advances Prohibited

Payment will not be made before costs are incurred (when a recorded liability exists or a cash disbursement has been made). (See “Reimbursement Policy” in Chapter 4, Section 4.)

Submission

Subgrantees submit reimbursement claims using a Traffic Safety Request for Reimbursement (RFR) form, TxDOT Form 1858. RFRs must be submitted monthly or quarterly (as designated in the grant agreement Attachment D — Action Plan) within 30 days after the end of the billing cycle.

Note: Subgrantees must submit the final RFR within 45 days of the end of the grant period.

Obtaining the 1858 RFR Form

The Traffic Safety Request for Reimbursement form (TxDOT Form 1858) is available online. Click on the form number to open an automated version of this form. The form may also be obtained from the Traffic Operations Division or by contacting any of TxDOT's district traffic safety specialists.

Using the 1858 RFR Form

The Traffic Safety Request for Reimbursement form contains 16 numbered “blocks” for entering information, data, and signatures. Subgrantees fill out Blocks 1 through 11 and 13 through 16 as per the following instructions. Block 12 is completed by appropriate TxDOT personnel.

Block 1 — Project Title: Enter the project title. (examples: STEP-Speed, STEP-DWI, Safe Communities, STEP WAVE, etc.)

Block 2 — Charge Number: Enter the project charge number (also found in the upper right corner on the first page of the agreement). Figure 5-1 explains the format for the charge numbers.

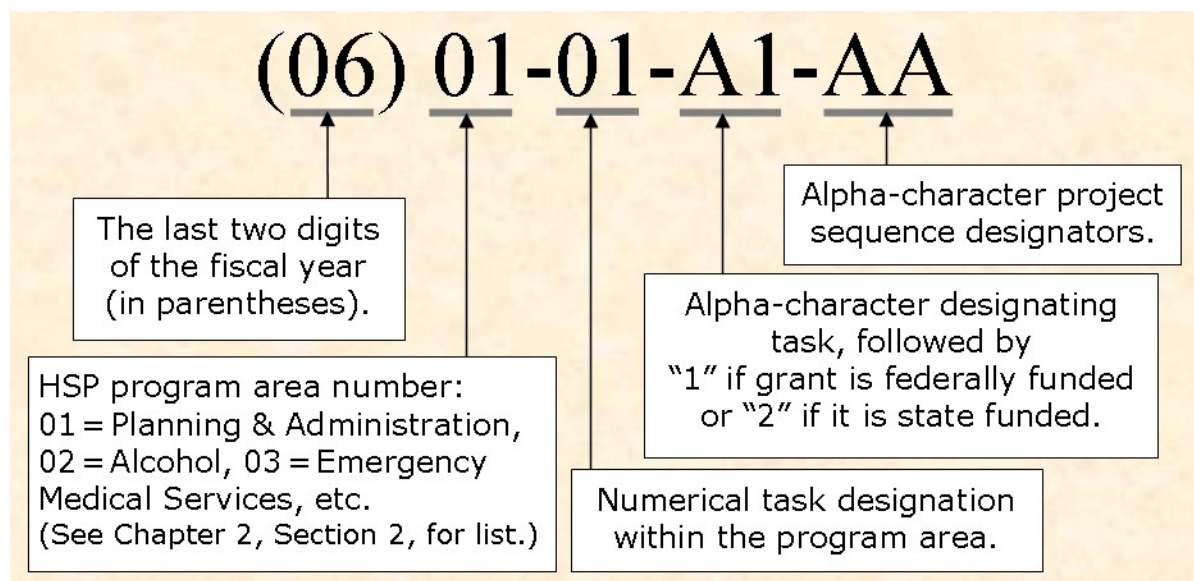


Figure 5-1. Anatomy of a project charge number. “AA” in this example indicates that this project is the first in its series.

(continued...)

Using the 1858 RFR Form *(continued)*

Block 3 — Misc. Contract Number: Enter the TxDOT miscellaneous contract number assigned to the grant agreement (found in the upper right corner on the first page of the agreement). The format for the number is 58YXX plus unique five alpha-numeric characters. The first two characters are always 58. The third character is the last digit of the grant fiscal year (example: 6 for FY06 grants). The next two characters are always XX. The next character is alpha, and the last four characters are numbers unique to the agreement.

Block 4 — Type of Payment Requested: Enter a check for either “Partial,” with the appropriate sequence number designated if additional RFRs will be submitted, or “Final” if no more RFRs will follow.

Block 5 — Time Period of This Request: Enter the dates corresponding to the appropriate month or quarter. This information should also correspond to the information provided in Block 4. For example, if Block 4 indicates “Partial” (sequence) No.1 for a subgrantee submitting monthly RFRs, the dates entered in Block 5 should indicate “October 1 to October 31.” The first RFR for a subgrantee submitting quarterly RFRs would indicate “October 1 to December 31.”

Note: Only *one* RFR should be submitted for any given month or quarter. Costs incurred in a month or quarter for which an RFR has been previously submitted, but for some reason omitted from the RFR covering that period, may be added to the next RFR after the discovery of the omission. The subgrantee must not submit an RFR with monthly or quarterly dates in Block 5 that have been indicated on a previous RFR. Such requests will be treated as duplicates and will not be paid. RFRs marked “Final” may include requests for payment of any eligible cost that has *not* been previously paid.

Block 6 — Subgrantee: Enter the official name and mailing address of the subgrantee or recipient organization as shown in the grant agreement or contract. The Finance Division (FIN) will mail the state warrant to this address.

Block 7 — Phone: Enter the telephone number and fax number of the project director or other responsible representative of the subgrantee organization who can answer any questions regarding the RFR.

Block 8 — Payee Identification Number (PIN): Enter the correct payee identification number (PIN) assigned to the subgrantee. This is a 14 digit number assigned by the Comptroller of Public Accounts; part of it is the federal tax number. The last three digits of this number are the address code. An error in this number may cause an incorrect state warrant to be issued or mailed to the wrong address. The PIN also appears in the upper right corner of the agreement.

(continued...)

Using the 1858 RFR Form (*continued*)

Block 9 — Reimbursement Requested: Verify that all information in Block 9 is correct and that all figures are within the grant agreement’s approved budget. In each column for which a cost category is shown, the correct accounting code should appear below the corresponding cost category (i.e., Salaries/Wages-100, Travel-300, Other Direct Cost-700, etc). The allocation of costs should be reflected in the TxDOT share and the subgrantee share (“Other/Local” and “Program Income”) for Blocks 9 and 13 through 16. Any cost sharing between TxDOT and the subgrantee is defined in the grant budget (Attachment E, Approved Project Budget).

Amount Now Requested: Amount now requested for this reporting period, based on actual expenses, whether state or federal. Entries in “Other/Local” or “Program Income” will show matching funds.

Block 10 — Certification: Initials of project director responsible for the oversight and management of the project, indicating that it has been found to be accurate, the date of the review and the name and title of the project director.

Block 11 — Certification: Original signature (at least on the first copy of the RFR) in the space provided. The signature must be that of the person authorized to sign on behalf of the subgrantee. (In accordance with good fiscal practices, the person signing the RFR should not receive monetary payment under the grant. If this is necessary, then the RFR must be co-signed by a person of equal or higher authority.) The typed or printed name and title of the signatory should appear in the space provided, along with the date the RFR was signed by the subgrantee.

Block 12 — Certification: Original signature of the traffic safety specialist (for district-managed projects) or TxDOT program manager (for state-managed projects) with overall responsibility for this grant. The typed or printed name and title of the signatory should appear in the space provided, along with the date the RFR was signed.

Block 13 — Total Budget Amount: The total amount as approved in the grant Attachment E, Approved Project Budget, for each cost category and total. These amounts will be the same for each RFR submitted, unless an Approved Project Budget Amendment (revision) has been authorized in writing by a TxDOT official designated to sign Traffic Safety Program grants (see “Accounting for Program Income” following these block description).

Block 14 — Amount Previously Requested: Amounts previously requested for each cost category and total by subgrantee and TxDOT shares.

Block 15 — Total Outlays to Date: The total outlays to date by the subgrantee and TxDOT share. This will be the sum of the amounts shown on Blocks 9 and 14.

Block 16 — Balance of Budget: The resulting amounts calculated by subtracting the amounts in Block 15 from 13.

Accounting for Program Income

For projects that accumulate program income (PI), Blocks 9 and 13 through 16 on RFR Form 1858 each contain a line entry titled “Prog. Inc.” The following table explains how to use these lines to account for PI.

Accounting for Program Income on the RFR (TxDOT Form 1858)

| For Block | Enter the Following on the “Prog. Inc.” Line |
|-----------|--|
| 9 | The amount of PI expended, by cost category. |
| 13 | The previously accumulated PI under the cost category where it was expended. Support this by evidence recorded on Form 18.303pir, “Program Income Received.” |
| 14 | The amount of PI previously expended, by cost category. |
| 15 | Expended program income. Support this by evidence on Form 18.303pid, “Program Income Disbursed.” |
| 16 | Remaining PI balances by cost category whenever Block 15 is subtracted from Block 13 (budget). |

For a more detailed discussion of program income, see Section 5 of this chapter.

Summary of Documentation

With each RFR, the subgrantee must submit a summary or list of documentation to support program expenditures by cost category (sometimes called an “outlay detail”). The listing must show invoice number and amounts, time worked, trips, etc. Each item must be clearly identified and all extensions and totals verified as correct.

The information shown on the outlay detail forms should be detailed enough so that a project or program manager performing a monitoring visit can select and review designated documents to verify that subgrantee source documentation exists to support all claims (see Section 3 of this chapter).

There are 9 different Outlay Detail forms for each of the cost outlay categories shown in the following table.

| Outlay Detail Forms | |
|--|-------------------|
| Cost Outlay Category | TxDOT Form Number |
| Personnel and Fringe Benefits (100, 200) | 18.303a |
| Travel (300) | 18.303b |
| Contractual (600) | 18.303c |
| Supplies (500) | 18.303d |
| Equipment (400) | 18.303e |
| Other Direct (700) | 18.303f |
| Indirect Costs (800) | 18.303g |
| Program Income Received | 18.303pir |
| Program Income Distributed | 18.303pid |

Automated versions of these forms are available. Click on the form number to open an automated version of any of these forms. The forms may also be obtained from the Traffic Operations Division or by contacting any of TxDOT’s district traffic safety specialists.

Direct Deposit

Local subgrantees should be encouraged to use the direct deposit system whereby payments are directly deposited to the subgrantee's bank account using electronic transfer.

To initiate the direct deposit of traffic safety grant reimbursements, a subgrantee must complete the Direct Deposit Authorization Form (TxDOT Form 1783, DHT #143306). In Section 2 (Payee Identification) of this form, the Mail Code should already be filled in; if not, the numbers "601" should be used. This helps the Finance Division (FIN) identify payments made to projects in the Highway Safety Plan. The subgrantee's finance or accounting office should complete Section 4 of the form. With appropriate security access to the Direct Deposit System (DDS) through CICS, a TxDOT employee can input the necessary information to obtain a direct deposit mail code for a subgrantee. When the form has been completed, the subgrantee should send it to the local traffic safety specialist (for district-managed projects) or the program manager (for state-managed projects), who will, in turn, send it to FIN for processing to the State Comptroller's Office.

Section 4

RFR Review and Processing

Introduction

The project manager or program manager (or other person designated by the project manager or program manager) reviews and verifies Requests for Reimbursement (RFRs). After review and verification, the Finance Division (FIN) conducts a review of the RFR and, upon finding the RFR accurate and appropriate, pays the subgrantee. This section explains RFR review and processing.

Note: It is imperative that districts and the Traffic Operations Division assign a high priority to RFRs in order for TxDOT to make payments in a timely manner.

Note: RFRs will not be approved for payment without receipt of a Performance Report for the corresponding period. Final RFRs will not be approved for payment without the receipt of the Final Performance Report and Administrative Evaluation report (AER). See Chapter 6, Section 5, for information on performance reporting.

Process Overview

Flow charts showing the RFR review process for local and state projects are shown in Figure 5-2 and Figure 5-3 respectively.

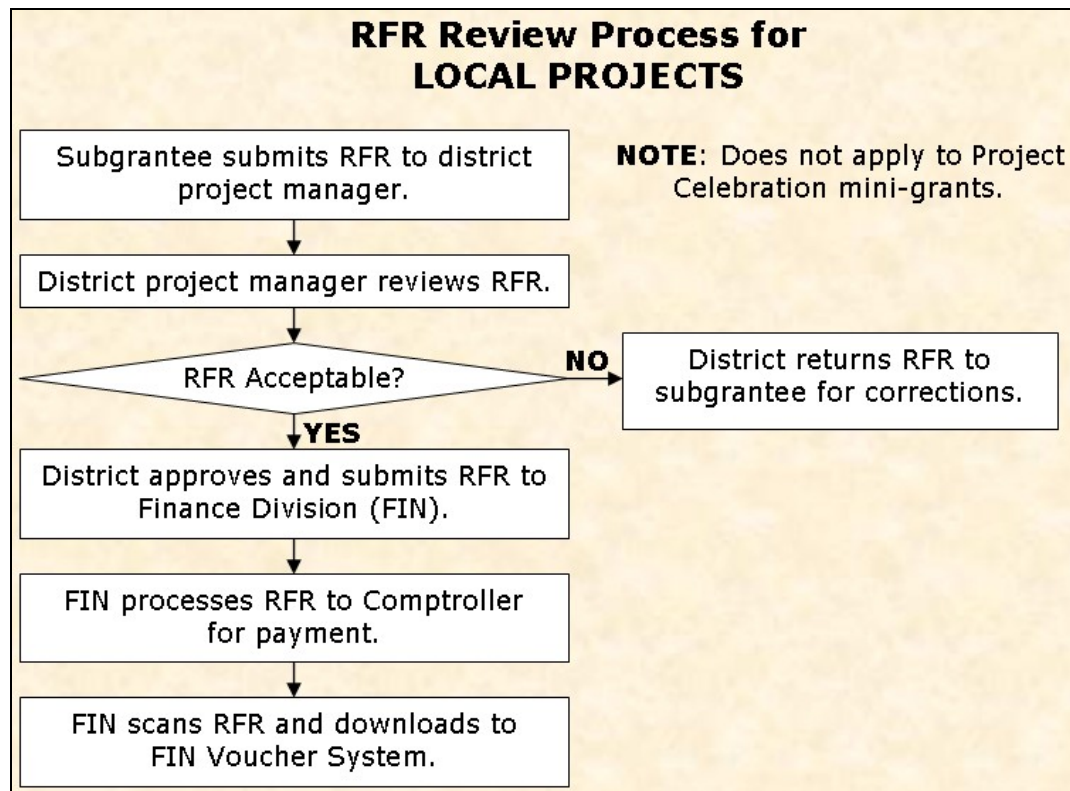


Figure 5-2. Local Project RFR review process.

(continued...)

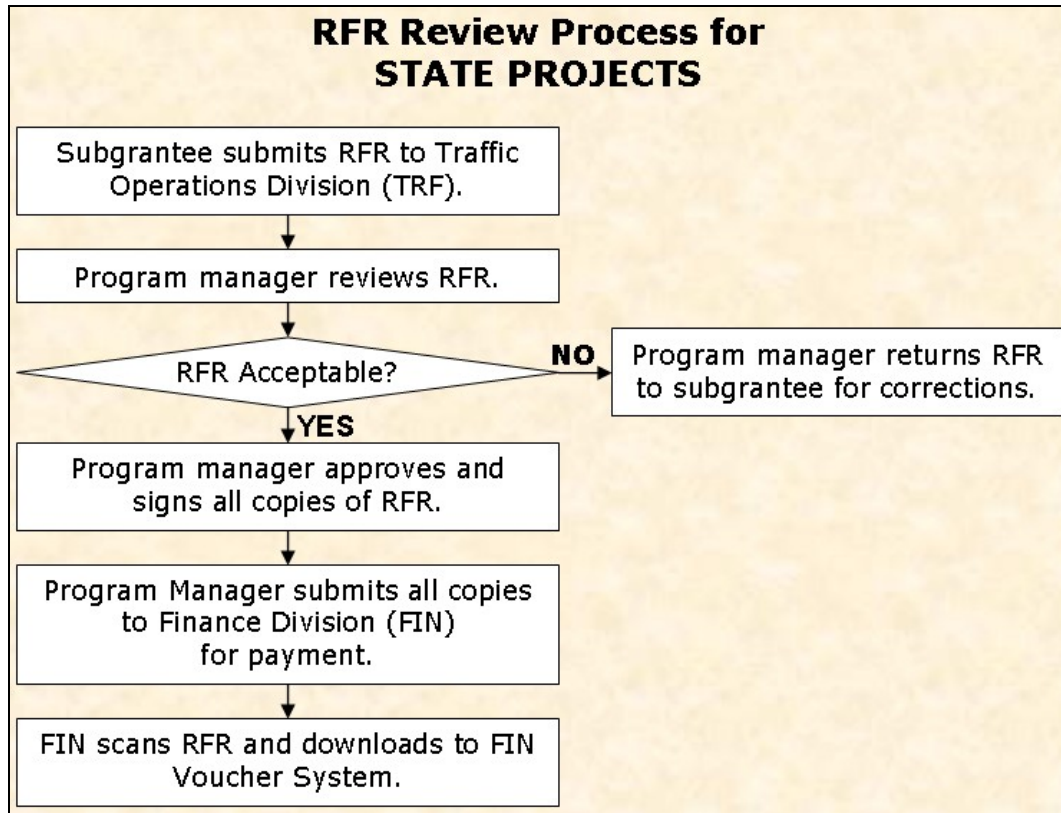
Process Overview (continued)

Figure 5-3. State project RFR review process.

Review

In reviewing the RFR, the project manager or program manager (or other person designated by the project manager or program manager) will verify that:

- ◆ all entries, extensions, and attachments are correct
- ◆ each item is clearly identified.

The project manager or program manager must not approve an RFR unless summaries of documentation have been submitted.

If the review reveals minor errors, the project manager or program manager may make corrections to the RFR. Such corrections should only be made *after* consulting with and obtaining concurrence from the person signing the RFR on behalf of the subgrantee. The person making the change should initial each correction. Note that *no hand corrections may be made to Block 9 of the RFR.* Any substantial errors detected by the project manager or program manager (or other reviewer) should either:

- ◆ be returned to the subgrantee for correction *or*
- ◆ the subgrantee should be notified that an appropriate adjustment should be made to the next RFR or the amended final RFR.

(continued...)

Review (continued)

If an error is detected after the RFR has been processed, the project manager or program manager will prepare a memo or letter (as appropriate) requesting the subgrantee to make an adjustment on the next RFR. If the final RFR has been processed, the subgrantee would have to issue a refund check to TxDOT if they were overpaid. If underpaid, the subgrantee would be asked in writing to submit a revised final RFR.

RFR Checklist

Program and project managers must complete the Checklist for Traffic Safety RFR review (TxDOT Form 1867) when processing an RFR. The checklist is very useful for identifying errors and omissions before approving RFRs for payment. The completed RFR checklist must be submitted to TRF-TS and a copy retained at the district. Click on the form number to open an automated version of this form.

Coding Information

Upon completion of the review, FIN completes the coding information in the shaded box marked “For TxDOT Use Only” in the upper right corner of the RFR form. The following information is to be completed:

Detail. The detail is the same as the last nine characters of the charge number in the upper right corner of the grant agreement. For example, charge number (06) 01-01-A1-AA becomes Detail Number 60101A1AA.

Object. The expenditure object is a code number determined as shown in the following table.

Expenditure Object Codes

| If the subgrantee is a... | Then enter code... |
|---|---------------------------|
| college or university (does <i>not</i> apply to interagency cooperation [IACs] contracts) <i>and</i> the funds are to be deposited to a local account | 381 |
| county | 383 |
| city | 384 |
| community action group (example: Safe Kids Coalition) | 386 |

Note: If the subgrantee is a contractor and does not qualify as one of the types of organizations listed in this table, additional expenditure object codes can be found in FIN’s Code Chart 10, available at: http://crossroads/org/fin/Instr_Ref/CodeCharts/ccindex.htm (accessible only through the TxDOT network).

FY. FIN determines this code based on the date they receive the RFR for processing.

Approval for Payment

After reviewing and verifying the RFR, the appropriate TxDOT official will complete and sign the “Certification.” Who the appropriate official will be, depends on how the grant is managed.

Who Signs the RFR Certification?

| If the grant is managed by... | Then... |
|--|--|
| the Traffic Operations Division’s Traffic Safety Section | the designated program manager for that project may sign the RFR certification. |
| the district | the person designated by the district to sign Traffic Safety Program RFRs will sign the certification. |

After the certification signature, the RFR is ready to be submitted to the Finance Division (FIN) for processing.

Submission to Finance Division

Both district and Traffic Operations Division (TRF-TS) project and program managers submit approved and certified RFRs to the Finance Division (FIN).

Note: Do not submit the performance Report, Annex Report, or other performance information or documentation to FIN.

All RFRs submitted must include one original copy of the RFR with all documentation summary sheets attached and two copies of the RFR (without backup documentation).

Note: All district- and division-managed subgrantees should put the original copy of the RFR (TxDOT Form 1858) and related attachments as the top, first copy when submitting to FIN and TRF-TS.

Interagency Cooperation Contracts

Interagency Cooperation Contract (IAC) contract payments follow the general procedures and requirements as described for Requests for Reimbursements (RFRs). The IAC subgrantee must complete the “Traffic Safety Request for Reimbursement” form (TxDOT Form 1858) in accordance with the information included in Section 3 of this chapter.

Professional Services and Consultant Contracts

Professional services and consultant contracts include services such as engineering, management, architectural, computer, educational, financial, accounting, and various other services. These services are governed by Texas Government Code, Chapter 2254.

The subgrantee should provide an invoice or list detailing those specific items identified in the contract. An invoice or list, electronically or manually prepared, is normally sufficient documentation.

The person responsible for payment verification must obtain additional documentation, such as a bar graph, only when the contract specifically requires the additional documentation.

Actual subgrantee source documents, such as time reports, are not required for verifying costs identified on the invoice or detailed list. Prior to processing the final payment, an audit is conducted to verify the accuracy of these documents and determine their compliance with the contract. Therefore, the verification of costs for processing payments of this type of contract require less documentation.

Payments for Project Celebration mini-grants use the Billing Statement (TxDOT Form 132) instead of the RFR. For instructions on using the form, see the Financial Management Policy Manual. TRF provides guidance on when to use form 132 for these exceptional payments.

Finance Division Review

FIN reviews RFRs to assure that they meet the requirements for payment processing.

FIN may correct minor errors. FIN forwards a copy of any such corrections to the district project manager or the TRF-TS program manager involved. All changes will be reflected in the FIN voucher system.

Questions and Assistance

Questions concerning the information to be verified or whether specific information on the RFR is correct may be directed to TRF-TS.

Section 5

Program Income

Introduction

Traffic safety grants are intended to provide financial start-up for projects so that they can become self-sustaining. In order to do this, some projects conduct activities that bring in money to cover present and future costs. When projects earn money for their services or products, they may be earning program income. This section explains what program income is and how to account for it.

Definition

As defined in 23 CFR, Part 1200 for State Highway Safety Programs, program income means gross income earned by the subgrantee from grant-supported activities. Such earnings may include but are not limited to:

- ◆ income from service fees
- ◆ sale of commodities fabricated under the grant
- ◆ usage or rental fees of property acquired with grant funds
- ◆ conference or training registration fees when subgrantee is the host agency.

Exceptions

Income received from the following are exempt from the requirements set forth in this section:

- ◆ royalties as a result of copyrights or patents produced under the grant or other agreement (unless the grant agreement provides otherwise)
- ◆ rebates, credits, discounts, or refunds
- ◆ special assessments, levies, or fines.

Program Income as Project Match

Program-generated income can be used as project match, provided it is specifically approved in advance by TxDOT, included in the grant budget, and thoroughly documented.

Requirements

TxDOT must approve a project's request to earn program income. There must be an indication in the Highway Safety Plan that the specific project will generate program income. This is included in the narrative portion of the project description. There also must be a clause in the grant stating that the project will earn program income and will expend it to fulfill the objectives of the grant. Recommended language **for grants generating program income** is as follows:

All program income earned during the grant period shall be retained by the subgrantee and, in accordance with the grant or other agreement, shall be added to federal funds committed to the project and be used to further eligible program objectives.

Program income that remains unexpended after the grant ends shall continue to be committed to the original grant objectives.

Disposition

Any program income earned during the grant period will be retained by the subgrantee and added to funds committed to the project and used to further eligible program objectives. This may be accomplished either by:

- ◆ deducting the program income from the total project costs for the purpose of determining the net costs on which the state or federal share of costs will be based *or*
- ◆ using the program income to continue the project after the end of the project period, as long as the objectives and scope of the project are continued.

Reporting Income Received

Subgrantees must record the receipt of revenues (program income) as a part of grant project transactions in accordance with the grant agreement. Program income should be recorded on the Report of Program Income Received form (TxDOT Form 18.303pir) and submitted with the Request for Reimbursement on Form 1858.

Click on the form number to open an automated version of Form 18.303pir. The form may also be obtained from the Traffic Operations Division or by contacting any of TxDOT's district traffic safety specialists.

Reporting Income Disbursed

Subgrantees must also record and report the expenditure and disbursement of program income revenues as a part of grant project transactions in accordance with the grant agreement. Program income expenses should be recorded on the Report of Program Income Disbursed form (TxDOT Form 18.303pid) and submitted with the Request for Reimbursement on Form 1858.

Click on the form number to open an automated version of Form 18.303pid. The form may also be obtained from the Traffic Operations Division or by contacting any of TxDOT's district traffic safety specialists.

Section 6

File Maintenance

Introduction

Sound fiscal and program management of the Texas Traffic Safety Program can be verified through the development and maintenance of complete, accurate and accurate files. This section provides detailed procedures on the basic file content and responsibilities for maintaining files from project initiation through activation, closeout, audit, and final storage.

On-line File Maintenance System

Starting in FY2006 TRF-TS will use an on-line directory to maintain the files of record for the Traffic Safety Program. TRF-TS will develop on-line folders that mirror the existing paper files and reduce the need for manual paper files. Any file-of-record-required documents (with the exception of the executed grants and requests for reimbursements) will be submitted to TRF-TS electronically. All TRF-TS documents will remain the same, with only necessary changes to facilitate the use of on-line documents. This change is being put into effect as an initial component of the “e-grants” solution currently being developed for the Traffic safety program.

All folders and documents will be accessible as “read-only” by traffic safety specialists, program managers, and other Traffic Safety staff. Only the file administrator will have “write” access to the folders and files.

Any documents required to be included in the file of record must be sent to the TRF-TS filing e-mail address: trf_tsgrants@dot.state.tx.us. Note that hard copy documents, including e-mail correspondence, received by TRF-TS will be scanned and saved as PDF files.

Note: Program managers and district traffic safety specialists must ensure that all required grant documents are submitted and can be subsequently located in the electronic file of record.

Background

The on-line folders will house the official records of the administration of TRF-TS funds. These files document that proper management and accounting methods were used to allocate and disburse public funds to an approved project of work. The proper and careful management of these files and the documents they contain help to ensure that:

- ◆ the project is established and the subgrantee is selected in a competitive, equitable, and legal manner
- ◆ appropriate management of the project occurs during implementation, including proper disbursement of funds for approved and incurred costs
- ◆ the project is adequately monitored and evaluated to ensure the effective use of funds
- ◆ documents are readily available to state and federal auditors, reviewers, and managers to verify completed work, legitimate expenditures, and adequate oversight.

File of Record

The TxDOT Traffic Operations Division (TRF), located at TxDOT's Riverside Annex in Austin, Texas, is the record keeper for the State and Community Highway Safety Grant Program. Within TRF the Traffic Safety Section holds all traffic safety program area files.

File of Record Content

The contents of the file of record will vary, depending on the type of agreement. The file of record will include any or all of the following:

- ◆ signed project proposal
- ◆ technical/cost analysis
- ◆ pre-award cost evaluation
- ◆ original signed agreements and any amendments
- ◆ documents referenced in the agreement (official resolutions or proclamations of local governing bodies, letter indicating the delegation of signature authority for various project related reports, RFRs, etc.)
- ◆ correspondence
- ◆ Requests for Reimbursement (RFR) with all supporting documentation
- ◆ Performance Reports with all supporting documentation
- ◆ monitoring reports
- ◆ pre-approvals
- ◆ equipment inventories
- ◆ project accomplishments
- ◆ data collections trainings conducted
- ◆ other supporting documentation.

Managing File Contents

In the file of record, each project file will contain the original document or reference to the document that verifies those legal and administrative actions necessary for the award, implementation, monitoring, and evaluation of each project.

File Security

All file information is a matter of public record. However, proper file management precludes public access to the files, which may include information of a sensitive nature such as personnel salaries, budget information, and internal correspondence. Access to the file of record will therefore generally be limited to those governmental officials with responsibility for the submission, operation, and close-out of the projects. These officials will include project managers and program managers, program planners and administrators, and auditors.

File Retention

All contract and grant agreement records **must** be retained for 4 years **from the date of final payment, until completion of audits, or until pending litigation has been fully resolved, whichever occurs last.** A clause to this effect will be included in each traffic safety grant agreement and contract. The term “records” is explained to include: all books, documents, papers, accounting records, and other evidence pertaining to costs incurred and work performed.

Section 7

Training

Introduction

Traffic safety personnel have a continuing need to improve their management and technical capabilities through training and professional development. The Traffic Operations Division's Traffic Safety Section (TRF-TS) has taken the lead in establishing and coordinating a system of professional development for persons involved in traffic safety. Emphasis is placed on locating or developing training that will enhance the knowledge and skills of TxDOT staff and project personnel.

TxDOT provides opportunities for staff and project personnel to participate in various TxDOT management and other training programs. TRF-TS develops and coordinates training for traffic safety staff based on an annual training-needs survey. The cornerstone of this training is the Project Management Course, which is conducted at least once each year. Other TxDOT Training will be provided through workshops and other modes in an effort to make training readily available to all and to limit costs. In addition, the National Highway Traffic Safety Administration (NHTSA) has developed a series of training courses to support traffic safety efforts around the country.

Traffic safety training:

- ◆ transfers important knowledge, skills, and expertise to police, prosecutors, and other traffic safety professionals
- ◆ provides traffic safety professionals with essential information and tools
- ◆ promotes the enforcement of occupant protection, impaired driving, and other traffic safety laws
- ◆ facilitates communication and cooperation among diverse interests
- ◆ supports community efforts to make our streets and highways safer
- ◆ improves the quality and financial integrity of traffic safety programs and projects.

NHTSA offers a variety of professional development courses. For more information see: <<http://www.nhtsa.dot.gov/nhtsa/whatis/regions/training/Index.cfm>>.

For information on current relevant training opportunities offered through TxDOT, contact TRF-TS.

Summary

The success of traffic safety programs often depends on how well people are trained. TxDOT program and project managers and subgrantee project directors are strongly encouraged to attend the TxDOT Project Management Course within the first 6 months after program startup and once every 3 years thereafter. In addition to professional development training, other training is available to support program efforts. For more information on training opportunities, contact TRF-TS.

Section 8

Public Information and Education

Introduction

The role of public information & education (PI&E) is to make the public aware of traffic safety issues and practices and their benefits. PI&E activities support and complement the activities of other programs by:

- ◆ promoting compliance with laws and enhancing enforcement efforts
- ◆ building public support for programs
- ◆ informing motorists of safe driving habits.

Traffic safety projects can be enhanced through the effective use of PI&E.

This section describes the procedures and regulations (both state and federal) that affect the production and use of PI&E materials.

Definition of PI&E Materials

PI&E materials fall into two categories — educational and promotional. These items need to be listed separately in the grant agreement. They are defined as follows:

Educational — material that educates and informs an audience. These materials include items such as activity books, coloring books, brochures, posters, flyers, envelope stuffers, bumper stickers, etc.

Promotional — material that promotes, supports, or enhances efforts. These materials include key chains, on-board signs, mugs, pencils, magnets, litter bags, etc.

Note: Promotional items need to be listed as a line item in the budget of a grant, separate from educational material and should also be itemized in an attached detailed budget cost breakdown.

Production Approval Required

All *newly* developed PI&E materials using federal or non-district allotted state funds must be submitted to the Traffic Operations Division's Traffic Safety Section (TRF-TS) for written approval prior to final production. Materials developed and produced using district allotted state funding need only the approval of the district engineer. The district may submit proposed materials to TRF-TS for review and comment, if desired.

Reproduction of National Highway Traffic Safety Administration (NHTSA) or other federal government endorsed material already approved is permissible without TxDOT approval. The items must, however, be included in the grant agreement action plan and budget.

For more information, see the subheadings later in this section, titled: "Criteria for Production Approval," "Requesting Approval," and "Review and Approval."

Limitations on Purchase of Advertising

The limited purchase of media time or space (television and radio time, print and billboard space) for campaigns is permitted in extraordinary circumstances, with prior approval by NHTSA.

Costs associated with the planning, purchase, printing, and distribution of PI&E materials must be an integral part of an approved traffic safety activity or project.

Federally-funded public service announcements must be closed-captioned.

Ownership of Art Work

All finished or unfinished drawings, art work, designs, etc. prepared by a subgrantee **must** become the property of TxDOT upon request. This is a requirement in all grant agreements (Article 20 — Texas Traffic Safety Program Grant Agreement General Terms and Conditions).

Use of Promotional Items

Promotional items can be used for a project to enhance awareness of an issue and provide a reminder message for the recipient after the activity has been completed. When promotional items are included in a project's activities, a plan outlining the purpose of the items must be included in the grant or with the request for approval letter. The plan should include the following:

- ◆ activity
- ◆ promotional item type
- ◆ quantity
- ◆ cost
- ◆ targeted audience
- ◆ explanation of how the activity will help meet the objective of the project
- ◆ how the results of the activity will be used and reported.

Promotional items (pens, radios, highlighters, etc.) cannot be freely distributed to the public without any action on a recipient's part. Persons receiving promotional items must do something to receive them, such as attend a presentation, sign a pledge sheet, fill out a survey form, answer a traffic safety question, etc. The results of the interactive activity must be reported in the monthly or quarterly Performance Report.

Promotional items can only be distributed at activities where traffic safety is emphasized. These items cannot be used in "goody bags" for attendees at fairs or at booths where there is no interaction.

A list must be maintained in the TRF-TS file of record outlining the distribution of PI&E material, particularly federally funded promotional material. The list will include the items, quantity distributed, recipient, and the function. The list does not need to include individual names, only the size of the group that received items (for example, "200 students at Austin High School received 200 key chains and posters for attending a Safe Spring Break presentation"). For more information, see the subheading titled "Inventory Records" later in this section.

To assist with tracking the distribution of material, districts and subgrantees should use a form, such as the PI&E Material Distribution Form (TxDOT Form 1860) described later in this section under "Forms," to record the items given out.

Criteria for Production Approval

For a subgrantee to obtain TRF-TS approval for PI&E material, the following conditions must be met:

- ◆ The material must be an allowable cost item in the grant agreement budget.
- ◆ A plan outlining the use of the material must be included in the grant agreement or with the request for approval letter. The plan must include the item, purpose, quantity, cost, targeted audience, interactive activity (for promotional items), and how the results will be used and reported.
- ◆ The material must be relevant to the objectives stated in the agreement.
- ◆ The information must be accurate, current, and technically correct.
- ◆ The material design and message must be appropriate to the intended audience.
- ◆ The material must not conflict with Traffic Safety Program priorities, objectives, or directives.
- ◆ Dated material (material with a year or date printed on it) should be produced in a quantity appropriate to the size of the audience so it can be distributed within the dated time frame.
- ◆ The quantity must be cost effective and sufficient to meet the objectives stated in the grant agreement.
- ◆ The activity where the items will be distributed must be appropriate to the objective and the audience.
- ◆ Each item must display the *approved* “Save a Life”™ logo. Items that are too small for the logo must display one of the following credit lines (whichever is appropriate):
 - “In cooperation with the Texas Department of Transportation”
 - “Texas Department of Transportation.”

Note: Omission of the logo requires TRF-TS approval.

Requesting Approval

When federal or state grant funds are budgeted for PI&E, a plan will be included in the agreement or with the request for approval letter. This plan should be discussed during the negotiation phase of the grant proposal process. Requirements for the subgrantee should be reviewed, including policies, procedures, and reporting. When a material production request is developed, it should be done using the PI&E Material Approval Checklist — TxDOT Form 1890. [Click on the form number to open an automated version of this form.](#) The form may also be obtained from the Traffic Operations Division or by contacting any of TxDOT's district traffic safety specialists.

Statewide Subgrantee. Statewide subgrantees obtain approval for material production by submitting material art work (does not have to be in camera ready form), or a copy of the items to be reproduced to TRF-TS. The request must include the item, quantity, audience, purpose, and estimated cost. For promotional items, an interactive activity must be explained.

Local Subgrantee. Local subgrantees obtain approval for material production by submitting material art work (does not have to be in camera ready form), or a copy of the item to be reproduced, to the appropriate TxDOT district office. The request must include the item, quantity, audience, purpose and estimated cost. For promotional items, an interactive activity must be explained (see “Use of Promotional Items” earlier in this section). If the district approves, the district will submit the proposal to TRF-TS for review.

Review and Approval

When a material production request is received at TRF, the appropriate program manager reviews it using the PI&E Material Approval Checklist (TxDOT Form 1890) and recommends it for approval or disapproval to the section head of TRF-TS. Once approved by the TRF-TS section head or designee, the program manager will provide written notification to the district or subgrantee, as applicable. Upon receiving written approval, the subgrantee may proceed with production.

Once a subgrantee has produced and received an item, they must send one copy of the item to TRF-TS, unless otherwise requested.

Local Participation Important

Participation at the local level is important to the effectiveness of statewide campaigns. TRF-TS will develop a plan for conducting campaigns that includes the role of the districts and other local organizations.

Outside-of-TxDOT Participation

TxDOT should include other organizations in promotions and campaigns. These groups may include police departments, schools, non-profit groups, businesses, and subgrantees.

When other organizations receive material from TxDOT to conduct activities or participate in promotions, they will be required to fulfill obligations for maintaining distribution records and report such distribution to TxDOT and return any leftover materials. These requirements should be fully discussed with the organizations prior to conducting events.

Obtaining PI&E Material

Districts. TRF-TS will notify the districts each time **PI&E** material is produced. In the case of promotional items developed with federal or non-district allocated state funds, a detailed plan for distribution, including interactive activities, will be required. TRF-TS will strive to fulfill all reasonable requests.

TRF-TS **notification to** the districts will indicate:

- ◆ the item
- ◆ quantities
- ◆ expected delivery date.

Due to funding limitations, orders from the districts and statewide subgrantees may exceed the TRF-TS PI&E material inventory. In this event, TRF-TS will use the guidelines shown in the following table to distribute the materials.

PI&E Materials Distribution Guidelines

| District Size | Number of Districts | Population | Percent of Distribution |
|---------------|---------------------|-------------------|-------------------------|
| Small | 7 | 1 – 300,000 | 15% |
| Medium | 9 | 300,000 – 600,000 | 25% |
| Large | 9 | more than 600,000 | 35% |
| Division | n.a. | n.a. | 25% |

Example: The seven small districts are allocated 15% of the available materials. The 15% allocation is then divided by 7, the number of small districts, to determine the amount of materials each district will receive.

The 25% of available materials set aside for the division (TRF-TS) is used for TSS reorder requests, statewide projects, press kickoff events, other division requests, etc.

Outside Organizations. Outside organizations may receive material from TRF-TS to conduct their own activities or to enhance TRF-TS activities. To do so, the organization should contact either the district office or TRF-TS and fill out any required form. In receiving PI&E material, the organization must agree to track all material distributed and ensure that the items are used for the purposes intended.

District Inventory

Each district will be responsible for developing material inventory guidelines for all PI&E items. These guidelines should include coordination with other district employees who receive, store, maintain, or distribute items.

Receiving Materials

Upon receipt of PI&E material, districts will verify that:

- ◆ the quantity is correct as reported by source
- ◆ the vendor has met all packaging and shipping requirements
- ◆ items are in satisfactory condition and not damaged
- ◆ items have arrived when expected.

For items produced outside TxDOT, the district must fill out a receiving report and return it to the TRF-TS. Instructions for this will be sent out in the distribution and delivery notice. For material printed within TxDOT, no receiving report is required, but the district will verify the quantity received.

Inventory Records

Districts, subgrantees, and outside organizations will maintain records of all PI&E materials received and distributed. Subgrantees and outside organizations will turn such records over to TxDOT at the conclusion of the activity. The records will include:

- ◆ item received
- ◆ who received the items
- ◆ quantity distributed
- ◆ purpose or activity
- ◆ target audience
- ◆ interactive activity (for promotional items).

The PI&E Materials Distribution form (TxDOT Form 1860), described under the subheading “Forms” later in this section, is an integral part of the inventory.

This record should be maintained until the supply of the material is depleted and then kept in the permanent file at the TRF-TS office for four years after the project ends or until any disputes are resolved.

Requests to districts for PI&E materials should be in writing. Districts will keep such requests on file. Whenever possible, the district should also obtain a letter from the person receiving the items reporting on the use of the items.

Report on Activities

In some cases, such as statewide promotions or special activities, TRF-TS requires the district or outside organization requesting material to submit a Report on Activities (TxDOT Form 1862). This requirement will be delineated in the distribution notice sent to the district or organization. The report will include:

- ◆ the original quantity received by the district or organization
- ◆ activity or activities conducted
- ◆ how material was distributed
- ◆ audience reached
- ◆ any quantity remaining.

If a quantity remains, the Report on Activities must include a plan to use the items. TRF-TS must approve the plan before the remaining items can be used. This subsequent activity must be similar in scope to the original purpose and targeted audience. (Outside organizations whose plans are not approved must return the material to TRF-TS.) Any news clippings, photographs, etc., should also be included with the report.

When the district provides other groups material to participate in promotions, a Report on Activities identifying their efforts must be included. (See following subheading on “Forms.”) Districts must ensure that material provided to others is used for the purposes and audience intended.

TRF-TS may forward a compilation of the reports to the NHTSA Regional Office for review and further processing.

Forms

The following table explains various forms used for keeping records, fulfilling orders, and reporting on PI&E activities.

Forms Used for PI&E Activities

| Form Name | Purpose |
|---|---|
| Inventory Log Sheet (TxDOT Form 1859) (required) | Filled out by the district or subgrantee upon receipt of material by TRF-TS or a district. Allows for entries when material is distributed. |
| PI&E Material Distribution Form (TxDOT Form 1860) (recommended) | Used when quantities of 100 or more are distributed to individuals or organizations. |
| Pledges such as the Sober Road Trip Pledge Sign-Up (TxDOT Form 1861) (recommended) | Used when distributing promotional items at special events, such as spring break beach promotions, rest stops, health fest booths, etc. |
| Report on Activities (TxDOT Form 1862) (as required) | Filled out by subgrantees, districts, and outside organizations that receive material with the condition to report on the use of the items. |

(continued...)

Forms (*continued*)

Obtaining the Forms. Click on the form number to open an automated version of any of these forms. The forms may also be obtained from the Traffic Operations Division or by contacting any of TxDOT's district traffic safety specialists.

Professional Service Contracts and Subcontracts

Contracts and subcontracts for professional services must include information related to the issues raised in this section including material approval, distribution lists, and reporting on activities.

Sources for PI&E Material

There are several resources for obtaining PI&E material, including TRF-TS, district purchases or in-house productions, other state agencies, organizations, non-profit organizations, businesses, state subgrantees, or local organizations. Although distribution lists are only required for material received from the TRF-TS, it is advisable to maintain and track all material received, no matter the source.

PI&E Workgroup

A workgroup has been established, which is composed of division and district traffic safety specialists. The group meets at least annually, usually after the beginning of the fiscal year; conducts planning for statewide and district-managed grants; and provides recommendations regarding PI&E materials to TRF-TS.

Section 9

Travel for Subgrantees

Introduction

A project director or other person working under a grant sometimes has occasion to travel to gain knowledge of benefit to the grant. Such occasions may include attending a national or regional workshop or conference or obtaining special training relevant to the grant.

To be considered for inclusion and approval in a traffic safety grant, out-of-state travel must meet certain criteria. The grant agreement must also include provisions that allow the travel.

Once the trip is taken, there are requirements for requesting reimbursement for and reporting on the trip.

Criteria for Reimbursement

To qualify for approval and reimbursement, the travel must be:

- ◆ *necessary* to assist in the completion of project and program goals and objectives
- ◆ *specific* to the purpose of the project (for example, an anti-DWI conference for a community alcohol project)
- ◆ *appropriate* to the position and responsibility of the individual or individuals traveling (for example, community project director to community project seminar)
- ◆ *of direct benefit* to the state, with such benefit unavailable through other means (for example, travel for a national, one-of-a-kind event).

Grant Inclusion

For travel to be considered for approval, the grant must include the following:

Requirements for Approval of Travel under a Grant

| Requirement | Explanation |
|--|--|
| Sufficient Travel Funds. | The grant budget should contain funds for travel. A line item for out-of-state travel or specific trips is not required. However, an indication of specific trips is recommended when known at the time of grant negotiation and approval. |
| Sufficient funds in “other direct cost” category of budget to cover registration fee, if required. | If the conference or out-of-state event requires a registration fee, sufficient funds will need to be budgeted and included in the “other direct cost” category in the approved project budget. |
| Provisions for out-of-state travel. | The grant must contain a provision that allows for out-of-state travel upon TxDOT approval and requires this approval prior to travel and reimbursement. (See example following this table.) |

The provision for out-of-state travel could read as follows:

For out of state travel expenses to be reimbursable, the subgrantee must have obtained the **written** approval of the Department prior to the beginning of the trip.

Requesting Approval

Reimbursement for out-of-state travel expenses requires prior TRF approval of the trip. To request approval for out-of-state travel, a subgrantee must:

1. Ensure that the grant contains necessary provisions and that there are sufficient funds to cover the cost of the trip.
2. Submit a written request (e-mail or correspondence) for approval to the district project manager (for local subgrantees) or the statewide program manager (for statewide subgrantees). The request must include:
 - purpose of the trip
 - trip dates
 - location
 - registration fee (if applicable)
 - persons involved and the relationship of the individuals to the particular trip
 - estimated cost (travel, per diem, registration fee, etc.)
 - benefit to the grant.

Travel to attend in-state meetings or training does not require written authorization from TRF if the travel is included in the grant budget; however, the program or project manager should be notified by e-mail or correspondence prior to the trip. Following completion of the meeting or training attended, each attendee will fill out a Report of Meeting Attended and submit it to the project manager or program manager for the file of record.

The Report on Meeting Attended form (TxDOT Form 1864) is available on-line. Click on the form number to open an automated version of this form. The form may also be obtained from the Traffic Operations Division or by contacting any of TxDOT's district traffic safety specialists.

Out-of-State Travel Request Processing

A district project manager receiving an out-of-state travel request will forward it to the appropriate program manager within the Traffic Operations Division's Traffic Safety Section (TRF-TS).

Upon receiving a travel request in writing, TRF-TS will evaluate it and send a written response (e-mail or correspondence) approving or denying the trip, with explanation, to either the subgrantee (in the case of statewide grants) or the district project manager (in the case of local subgrantees).

For district-managed grants, the district project manager will forward TRF-TS's response to the subgrantee.

Requesting Reimbursement

To request travel reimbursement, the subgrantee must:

- ◆ include the cost of the trip in a monthly or quarterly Request for Reimbursement (RFR) (trip costs should be itemized on a Travel Annex Sheet)
- ◆ include a receipt for registration fee paid (if registration fee includes certain meals, then these meals should not be claimed again for reimbursement)
- ◆ submit a brief trip report with the RFR (the length and content will be determined by the type of trip involved).

Forms

The Report on Out-of-State Travel form (TxDOT Form 1863) and the Report on Meeting Attended form (TxDOT Form 1864), to be completed for in-state meetings and training, are available on-line. Click on the form number to open an automated version of either of these forms. The forms may also be obtained from the Traffic Operations Division or by contacting any of TxDOT's district traffic safety specialists.

Section 10

Property Management

Introduction

This section outlines the subgrantee's property management responsibilities for equipment and supplies purchased through the Texas Traffic Safety Program.

Subgrantees must establish and administer a system to procure, control, protect, preserve, use, maintain, and dispose of property furnished to them by TxDOT or purchased through a grant, subgrant, or other agreement in accordance with their own property management procedures, provided that the procedures are not in conflict with the standards contained in this section or federal property management standards, as appropriate.

Definitions

The following definitions apply in regard to property management:

Acquisition cost — the net invoice unit price of an item of purchased equipment, including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the property usable for the purpose for which it was acquired. Other charges such as the cost of installation, transportation, taxes, duty, or protective in-transit insurance, must be included or excluded from the unit acquisition cost in accordance with the subgrantee's regular accounting practices.

Controlled assets — assets that qualify as personal property but do not meet the equipment threshold of \$5,000 but must be secured and tracked due to the nature of the items. Currently Traffic Safety controlled inventory assets include, but may not be limited to:

- ◆ signs, portable message, trailer mounted
- ◆ trailers, up to 5400 lbs GVWR
- ◆ personal computers, regardless of cost
- ◆ intoxilyzers
- ◆ items valued from \$500 to \$4,999.99 in the following groups:
 - personal data assistants (PDAs) having a PJS code (Palm Pilot, etc.)
 - fax machines
 - stereo systems
 - cameras (video, still, movie, digital, etc.)
 - video recorders or players (television and DVD or video cassette recorder combinations), camcorders, videocassette recorders, and projectors
 - printers (laser, dot matrix, bubble jet, etc.)
 - traffic safety related costumes
 - safety belt rollover convincers
 - fatal vision equipment
 - portable breath testers
 - radars and lasers
 - CD duplicators
 - in-car video cameras

(continued...)

Definitions (continued)

Equipment — tangible, non-expendable, personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.

Excess property — property under the control of any federal awarding agency that is no longer required for the agency's needs or the discharge of its responsibilities, as determined by the head of the agency.

Exempt property — tangible personal property acquired in whole or in part with federal funds and where the federal awarding agency has statutory authority to vest title in the recipient without further obligation to the federal government. An example of exempt property authority is contained in the Federal Grant and Cooperative Agreement Act (31 U.S.C. 6306), for property acquired under an award to conduct basic or applied research by a non-profit institution of higher education or non-profit organization whose principal purpose is conducting scientific research.

Federally-owned personal property — property furnished by the federal government and whose title remains vested in the federal government. Federally-owned property does not include property purchased through Traffic Safety grants and agreements.

Note: Subgrantees must manage the equipment in accordance with federal agency rules and procedures, and submit an annual inventory listing federally-owned property in their custody to **the federal agency that furnished the property.**

Federal share (of real property, equipment, or supplies) — that percentage of the property's acquisition costs and any improvement expenditures paid with federal funds.

Major equipment — tangible, nonexpendable, personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit (as defined by the **National Highway Traffic Safety Administration** (NHTSA) memorandum titled, "Funding Policy for Field Administered Grants").

Personal property — property of any kind except real property. Personal property may be tangible (having physical existence) or intangible (having no physical existence), such as copyrights, patents, or securities.

Real property — land, including land improvements, structures, and appurtenances thereto, but excludes movable machinery and equipment.

Supplies — personal property **having a useful life of less than one year or an acquisition cost of less than \$5,000 per unit.**

Acquisition of Equipment

The Traffic Safety Program generally prohibits the acquisition of equipment (\$5,000 or greater). However, there are rare exceptions when the Traffic Operations Division's Traffic Safety Section (TRF-TS) may determine that a requested acquisition would benefit the program.

A major equipment purchase may occur only if both of the following conditions are met:

- ◆ the purchase is specifically authorized in the grant agreement *and*
- ◆ TxDOT and NHTSA have approved the purchase, determining it to be in the best interest of the program.

Before initiating the acquisition of equipment, the intended purchaser must obtain written notice from the TRF-TS director stating that both TxDOT and the NHTSA regional administrator have formally approved the equipment purchase. (This procedure is required by 23 CFR §1200.21(d) and "Highway Safety Funding Policy for NHTSA Field Administered Grants.") The approval may be part of the approval of the Performance Plan or part of a separate written request describing how the equipment would support the state's Highway Safety Program.

When making the equipment purchase, the purchaser should also obtain the expected service life and warranty of the equipment from the vendor or the manufacturer.

Property Procurement

The subgrantee's procurement of property under a grant will follow the same policies and procedures used for procurement **with** its non-federal funds, provided their procurement procedures conform to the standards specified in 49 CFR 18.36 (the Common Rule).

Any property purchased, regardless of the unit cost, must be specifically authorized in the grant agreement.

The NHTSA "Funding Policy for Field Administered Grants" memorandum states that costs for construction, rehabilitation, or remodeling of any buildings or structures or for purchase of office furnishings and fixtures *are unallowable*. The following are *some* examples of such unallowable items:

- | | | |
|-------------|------------------|---------------------------|
| ◆ desk | ◆ credenza | ◆ storage cabinet |
| ◆ chair | ◆ bookcase | ◆ portable partition |
| ◆ table | ◆ filing cabinet | ◆ picture or wall clock |
| ◆ shelving | ◆ floor covering | ◆ draperies & hardware |
| ◆ coat rack | ◆ office planter | ◆ fixed lighting or lamp. |

Notification of Property Purchase

When any personal property is purchased, TxDOT Form 18.303e, Outlay Detail – Equipment must be completed and submitted with the subgrantee’s monthly or quarterly Request for Reimbursement. Click on the form number to open an automated version of this form. The form may also be obtained from the Traffic Operations Division or by contacting any of TxDOT’s district traffic safety specialists.

Property Management Standards

Each subgrantee receiving traffic safety funds **for the purchase of property** must maintain written property management standards that comply with the requirements of 49 CFR Part 18, “Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments” (the Common Rule) or 49 CFR Part 19, “Uniform Administrative Requirements for Grants and Cooperative Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations” (OMB Circular A-110), as appropriate. The subgrantee’s written property management standards must ensure that:

- ◆ property records are maintained that include:
 - a description of the property
 - manufacturer’s serial number, model number, federal stock number, national stock number, or other identification number
 - inventory number
 - source of the property (including grant or agreement number)
 - indication of with whom title is vested (generally vests with the subgrantee)
 - acquisition date
 - percentage (at the end of the budget year) of federal participation in the cost of the project
 - location, use, and condition of the property and the date the information was reported
 - unit acquisition cost
 - ultimate disposition date (including date of disposal and sales price or the method used to determine current fair market value)
- ◆ a physical inventory of the property is taken and the results reconciled with the **subgrantee’s** property records on an annual basis (an employee other than the one to whom the equipment is assigned should take the physical inventory and record the physical count)
- ◆ an inventory control system is maintained to ensure adequate safeguards to prevent loss, damage, or theft of the property
- ◆ any loss, damage, or theft of the property is investigated

(continued...)

Property Management Standards *(continued)*

- ◆ maintenance procedures are adequate to keep the property in good condition
- ◆ proper sales procedures are established to ensure the highest return in the event the subgrantee is authorized or required to sell the property.

Note: Subgrantees should provide a copy of their inventory policies and procedures to the project manager (for district-managed projects) or the program manager (for state-managed projects).

Certification of Subgrantee Property

A database of all Texas Highway Safety Program equipment and controlled assets is maintained by TRF-TS. Entries of federally funded equipment and controlled assets are performed by the TRF-TS policy and procedures coordinator, based on the information submitted on the Equipment Outlay Detail sheets (TxDOT Form 18.303e). Inventory items are then grouped according to the agency in possession (for example, Texas Department of Public Safety, Texas Transportation Institute of TAMU, TxDOT, Austin District, etc.).

Once a year, the TRF-TS policy and procedures coordinator sends a Certification of Existence and Condition for Traffic Safety Program Inventory form (TxDOT Form 1865), listing all reported traffic safety personal property, to the agencies for completion and return. The form verifies the status regarding the property's condition, current and future usage for Traffic Safety activities, and date of the last physical inventory.

When the completed inventory certification forms are returned, TRF reviews them to verify that:

- ◆ the necessary information has been entered
- ◆ the forms are signed
- ◆ the property is in operating condition
- ◆ the property is being used for traffic safety activities.

TxDOT program and project directors physically verify the existence and traffic-safety use of each item. This verification is typically completed during on-site monitoring or when division staff visits a district to provide technical assistance.

Property Insurance

Subgrantees must, at a minimum, provide the equivalent insurance coverage for equipment acquired with federal funds as provided to property owned by the subgrantee.

Note: Federally-owned property need not be insured unless required by the terms and conditions of the award.

Tagging

Equipment and controlled assets, purchased in whole or in part with traffic safety funds, must be tagged to indicate the item was acquired with traffic safety funds. Traffic safety subgrantees are responsible for developing tagging procedures and for the purchase of tags. In addition, for cross-reference audit purposes, the ID tag number is to be noted on the invoice for each piece of equipment and controlled asset item.

Disposition

Upon completion or termination of a traffic safety grant or subgrant, or if it is determined by TRF-TS that equipment and supplies are no longer needed for the purpose for which **they were** acquired, the equipment and supplies will, at the option of TRF-TS, become the property of TRF-TS. Therefore, permission for disposition must be obtained from TRF before any action can be taken regarding the equipment. Some of the possible disposition actions include, but are not limited to:

- ◆ transfer from federal inventory to state inventory
- ◆ declaration of inoperability and relegation to salvage or sale at auction
- ◆ return to TRF-TS from subgrantee
- ◆ declaration that equipment is damaged beyond repair or salvage
- ◆ sale at auction and return of proceeds to TxDOT for reconciliation with federal funding.

Section 11

Financial Information Management System

Introduction

The Finance Division (FIN) plays an important role in Traffic Safety Program funds management. This section explains The Financial Information Management System (FIMS) used by FIN to track and manage the federal, state, and local funds expenditures in support of the traffic safety program. The system uses alpha-numeric designators to track subgrantee expenditures by task and sub-task, as listed in the Highway Safety Plan.

Financial Information Management System

The Financial Information Management System (FIMS) is TxDOT's official record where all obligations and expenditures are recorded. FIN is responsible for entering information into FIMS.

The *FIMS User Manual* contains complete instructions on using the system. This section provides specific information on Traffic Safety Program's relationship to FIMS.

FIMS requires that various data elements be coded for the authorization of expenditures to be accepted into the system.

Assignment of Charge Numbers and Contract Numbers

The Traffic Operations Division (TRF), the districts (for local projects), and FIN coordinate to assign charge numbers to grant agreements. TRF or the district contacts FIN, via phone, to request a charge number be assigned to an agreement according to the appropriate task and funding source of the Highway Safety Plan.

Subsequently, FIN assigns a miscellaneous contract number to the subgrantee.

These numbers are normally stored on a Microsoft Excel spreadsheet and maintained by FIN.

After the agreement has been approved, TRF or the district (as appropriate) sends FIN a file copy of the approved agreement including the detailed budget.

Section 12

Federal Payment Voucher Processing

Introduction

This section describes the procedures that the Finance Division (FIN) follows in its claim processes with the appropriate federal accounting center.

Requests For Reimbursement Review

FIN receives Requests for Reimbursement (RFRs) either directly from the district or from the Traffic Operations Division (TRF-TS).

FIN reviews all Traffic Safety Program RFRs and, if no errors are noted, process them by scanning the RFR and downloading it to the FIN voucher system.

If FIN finds an error, the RFR will be returned to the district or TRF-TS (as appropriate) for corrections and then resubmitted. (See Section 4 of this chapter for more information on RFR review and processing.)

Voucher Processing

RFRs are consolidated for voucher processing.

FIN codes the RFR by budget category and enters it into the Consumer Information Control System (CICS), the automated voucher processing system.

After the voucher has been accepted, and no errors are noted, it is processed through an overnight electronic activity called “backend acceptance.” The data is updated as an expenditure for that charge number.

At the same time, if any charge number has federal participation, then a federal accounts receivable record is also updated.

The voucher is then put on tape and sent to the Comptroller’s Office, where a warrant or direct deposit is issued and returned to TxDOT for distribution.

Electronic Transfer of Funds

After vouchers have been accepted and a sufficient amount of federal receivables have accrued, FIN submits, by facsimile, an advance request transaction to the NHTSA payment center in Atlanta, Georgia. For more information, see “Advance” in the *Grants Tracking System User Manual* (published by NHTSA)

About two days later, funds are electronically transferred from Washington to the Texas State Treasury.

The supporting documentation for an advance request transaction is the automated REC. 1501 report, generated from the Accounts Receivable segment in FIMS

The REC. 1501 is always verified for accuracy before the advance request transaction is submitted.

Grants Tracking System

The Grants Tracking System (GTS) is a Windows-based data base program developed by NHTSA to assist the states in the financial management of federal grants. GTS was designed primarily to automate the financial information process, produce the required federal financial documents at the program area level, and electronically transmit this information to NHTSA’s accounting department.

GTS handles five major types of automated transactions. Each **transaction** type depends on the order of completion, validity, and accuracy. These five transaction types are:

- ◆ Obligation Limitation
- ◆ Obligation Cost Summary
- ◆ Advance of Funds
- ◆ Advance Reduction
- ◆ Voucher.

Explanations of each of these transaction types follow.

Obligation Limitation Transaction

The Obligation Limitation establishes the amount of federal funds available for expenditure under NHTSA 402, 410 alcohol incentive, or other designated incentive grant funds. The amounts of these funds available for the Obligation Limitation are downloaded into GTS.

Obligation Cost Summary Transaction

The Obligation Cost Summary produces financial documents that obligate funds for the federal computerized accounting system. The overall process involves entering obligations for the current year and carry-forward funds into the GTS system. All entered information is verified and posted. After all posting has been processed, GTS automatically sends an electronic approved copy to the NHTSA Regional Office and to the Federal Accounting System.

Advance of Funds Transaction

The advance request transaction allows the state to request federal funds electronically and prior to submission of a voucher. Prior to requesting federal funds or an Advance Request, federal funds must be obligated.

Advance Reduction Transaction

Only states using the advance method of reimbursement with an outstanding advance balance can complete this transaction (Texas uses this method). Advance reduction transactions result when a state issues a check to NHTSA for either:

- ◆ reducing an outstanding advance balance *or*
- ◆ paying NHTSA an amount owed that resulted from an audit finding.

Paying an amount that resulted from an audit finding can also be accomplished through a Voucher Reduction transaction.

Voucher Transaction

Voucher transactions allow the state to process vouchers. Expenditures of funds must be vouchered at the same level that the funds were obligated — at the Program, Project, Task, or Sub-Task level.

Voucher reductions can also be entered just like a regular progress voucher, except that the amount entered will be a credit entry only.

Note: As of January 1999, the federal voucher is not able to be imported to the GTS. In order for the federal voucher to be entered into the GTS, FIN has to prepare a spreadsheet from the FIMS 1503 report. This spreadsheet shows current federal expenditures, state or local expenditures, and the required local benefit expenditures.

GTS Reports

A variety of GTS reports are available to streamline the states' fiscal management process and reduce the workload associated with meeting federal reporting requirements. These reports are:

HSP Transactions Report. This report itemizes all Highway Safety Program (HSP) transactions, provides detailed information on federal funds, and assists in determining data entry errors.

HSP Cost Summary Report. This report reflects detailed information by project, program area, specific funding sources sub-totaled by NHTSA 402 or 410, or other incentive funds. The format of this report replicates the HS-217 and shows the increase or decrease for each program area. This report can be printed in detail, showing each project or task, or summarized by program level amounts only.

HSP Approved Program Amounts Report. This report details the same information as the HSP Cost Summary report but does not report the decrease or increase for each program area.

Obligated Program Amounts Report. This report itemizes all detailed information by project, program area, NHTSA 402, 410, or other obligations. It also shows the amount of current and carry-forward funds.

Highway Safety Program Cost Summary. This report is strictly for Obligation purposes. The report format replicates the HS-217 and shows the increase or decrease for each program area. It can be printed in detail to reflect each project or task, or summarized to show program level amounts only.

Voucher Transactions Reports. This report details all voucher transactions.

Status of Obligations and Expenditures. This report is for information purposes only and shows the unobligated and unexpended amounts for each program area.

Status of Current and Carry Forward Funds. This reports separates the obligations, expenditures, and unexpended funds by current fiscal year and by carry-forward (from previous years). This report also shows federal share-to-local benefit, and state and local expenditures.

Audit Exceptions

If an audit exception in a closed-out fiscal year results in the subgrantee returning funds to TxDOT or TxDOT having to provide funds to the subgrantee, then these funds will be applied to the appropriate task and funding source for the current year.

Chapter 6

Monitoring

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Section 1

Overview

What Is Project Monitoring?

Traffic safety grant project monitoring is used by program and project managers and state and federal reviewers to track progress and achievement of project objectives and performance measures and compliance with procedures, laws, and regulations. Since the process is ongoing throughout the duration of the project, it serves as a management tool for project control. Project monitoring also presents a good opportunity for sharing information and assistance. Project monitoring includes a set of procedures and forms for project review and documentation.

Note: Unless otherwise indicated, all references to “grants” include both traffic safety grants and interagency cooperation contracts (IACs). Likewise, all references to “subgrantees” include recipients of both traffic safety grants and IACs.

Purpose

Monitoring and reporting program performance are both state and federal requirements of the Uniform Grant Management Standards, Subpart C, Section 40 (b)(2)(i-iii), available from the Governor’s Office State Grants Team, and the Common Rule (49 CFR 18.40), which is available in the US Department of Transportation (USDOT) Highway Safety Grant Management Manual. Monitoring is required in order to:

- ◆ assure compliance with state and federal requirements
- ◆ assure that objectives and performance measures are being achieved.

Project monitoring also serves as a management tool for:

- ◆ detecting and preventing problems
- ◆ helping identify changes needed
- ◆ identifying training or assistance needed
- ◆ providing data necessary for daily operations, planning, and evaluation
- ◆ identifying exemplary projects and best practices.

Types of Monitoring

Monitoring is formal and informal, financial and operational. The most common types of monitoring are:

- ◆ ongoing contact with the subgrantee through phone calls, e-mails, correspondence, and meetings
- ◆ on-site monitoring reviews of project operations, management, and financial records and systems
- ◆ review of project Performance Reports
- ◆ review and approval of Requests for Reimbursement (reimbursement is addressed in Chapter 5, Sections 3 and 4)
- ◆ desk review of other documents in the project-grant files for timely submission and completeness
- ◆ review of reports from the Traffic Safety Database
- ◆ monitoring of district and division traffic safety activities and grant management and oversight practices.

Major Elements of Monitoring

The following elements are important to consider when determining the appropriate level of monitoring:

- ◆ frequency of the monitoring
- ◆ items to cover
- ◆ procedures to follow
- ◆ persons to involve
- ◆ documentation to complete
- ◆ evidence of present or potential problems
- ◆ training and assistance provided.

Answering the questions of how often, who to involve, and how to monitor depends on the following criteria:

Monitoring Criteria (Risk Factors)

| Criteria | Explanation |
|---|---|
| The size and complexity of the project | The larger and more complex the project, the more frequent and formal the monitoring should be. |
| The capabilities and experience of the subgrantee, including relevant training attended | Lower capabilities and/or lack of experience of the subgrantee normally requires more frequent and formal monitoring. |
| Any indications of problems, lack of performance, or change in direction | The more problems and changes, the more frequent and formal monitoring should be. |

(continued...)

Major Elements of Monitoring *(continued)*

Note: The grant agreement should define how and how often this monitoring will occur.

Example 1 — Minimally Monitored Project: The Jovial School District has a \$300 mini-grant to conduct a Project Celebration. Monitoring may consist only of reviewing the activity report that describes the Project Celebration activities and reviewing and approving the reimbursement. Monitoring also might consist of attending part or all of the Project Celebration event to ensure that the event is alcohol and drug free with a strong emphasis on safety. This attendance would not be mandatory.

Example 2 — Project Needing Extensive Monitoring: The City of Sly has a \$200,000 grant to conduct a community traffic safety program. Previously, the city has had difficulty in meeting deadlines for Performance Reports. The first deliverable in the grant is the completion of an assessment and then developing a detailed plan for addressing the community's needs as identified in the assessment. The city has submitted a \$20,000 Request for Reimbursement (RFR), but submission of the assessment and plan is one month behind schedule. In such a case of obvious non-performance or lack of meaningful activity, payment of the RFR should be withheld pending receipt of the assessment and plan. This project should be closely monitored from the beginning. The city should be advised of its responsibilities for reporting and explaining any delays. An on-site monitoring visit should be conducted as soon as possible.

Section 2

Ongoing Monitoring

Introduction

Ongoing monitoring occurs in the ordinary course of operations and includes regular management and supervisory activities and other actions personnel take in performing their duties that assess the quality of internal controls and system performance.

Ongoing monitoring occurs every time a project manager (for district-managed projects) or program manager (for state-managed projects) holds a discussion or communicates with a subgrantee project director about the project and its performance.

Frequency

Ongoing monitoring can occur daily, weekly, or monthly. Weekly phone calls may be appropriate if there are problems. Monthly status meetings might be needed for complex projects or those with significant problems. Written correspondence, including e-mails, should address routine matters, unless problems are encountered. Quarterly review meetings between the subgrantee and the project or program manager are required.

The subgrantee's project director should monitor work under the grant agreement with sufficient frequency to be sure that the work is progressing according to the Action Plan and with sufficient frequency to quickly identify any major problems or variances from the plan. Careful monitoring of work is the best method of assuring compliance with the grant agreement and preventing disputes.

Items

Any item related to the progress and management of the grant might be covered in ongoing monitoring. Although usually limited to the progress of activities, ongoing monitoring should also cover the timely submission of complete and correct reports and required documentation, budget issues, overruns or underruns, problems encountered, procurement procedures, projected changes, the need for any amendments, best practices, etc.

Procedures

The project or program manager should routinely set aside time to call or meet with subgrantee personnel. The project or program manager should make a list of issues or questions to cover prior to the contact. The project or program manager should ensure that all issues are covered and that a deadline has been agreed upon to resolve any issues. Documentation of these contacts, such as notes or e-mails, should be kept in the files and made available for monitoring. Each grant agreement includes a provision that the subgrantee will arrange meetings with the project or program manager, at least quarterly, to present the status of activities, discuss problems, and present a schedule of activities for the following quarter's work.

Participants

Ongoing monitoring should involve grant personnel with management or oversight responsibility for the project. In addition to the project director, this would include a financial officer, possibly an agency grants manager, and any other key project personnel.

Each district has an internal review analyst (IRA) who works for the district engineer and is trained to monitor and audit grants. This person is an excellent resource who can assist the district project manager and provide guidance on laws, regulations, policies, and procedures.

Documentation

Originals of all checklists, reports, and correspondence are to be kept in the “file of record” of the Traffic Safety Section of the Traffic Operations Division. A note to the file should be provided to document meetings and discussions. This documentation becomes extremely important during the course of the project in case of changes in the project activities, budget, or grant personnel. The documentation is also extremely important at the end of the project, since it is used to evaluate project and subgrantee performance.

Section 3

Project On-Site Monitoring

Background

Calls, letters, and occasional meetings are generally not sufficient to adequately monitor a project. In most cases, a project manager (for district-managed projects) or program manager (for state-managed projects) will need to go on site to review project status, documents, and subgrantee grant management and financial records and systems. This type of in-depth review is often called “project on-site monitoring” because the project or program manager must actually go to the location of the project and the offices of the subgrantee to conduct this monitoring. On-site monitoring should involve all project personnel with management or oversight responsibility for the project, including a financial representative.

Frequency

On-site monitoring for new subgrantees of projects must be completed within the first quarter of the project. On-site monitoring for projects beyond the first year must be conducted at least once during the first three quarters of the fiscal year. Projects evidencing any problems might need on-site monitoring more than once during the fiscal year.

Items to Review

On-site monitoring includes all issues related to the effective and efficient operation of the project. The following, though not all-inclusive, are the most important items to review:

- ◆ progress toward achievement of objectives and performance measures
- ◆ adherence to the Action Plan
- ◆ timely submission of complete and correct reports, including required documentation
- ◆ status of expenditures as they relate to the budget, including any overruns or underruns
- ◆ accounting records
- ◆ personnel records and time sheets
- ◆ any necessary pre-approvals
- ◆ supporting documentation (signature authority letter, training documentation, verification of average cost per mile to operate patrol or fleet vehicles, etc.).

In addition, the project or program manager will normally inventory and inspect annually any equipment purchased or leased as part of the project and ensure that it is being used for the purpose for which it was bought or leased under the grant agreement or IAC.

Advance Preparation

Prior to the on-site monitoring, the project or program manager should:

1. Plan each on-site monitoring visit well in advance (preferably at least three to four weeks).
2. Refer the project director to the appropriate procedures (Section 3 of this chapter) and checklist.
3. Carefully review the grant agreement to determine which activities in the Action Plan should have been accomplished by the on-site monitoring date.
4. Note any special terms, conditions, or problems that need monitoring.
5. Review all correspondence, Performance Reports, and Requests for Reimbursement submitted prior to the visit.
6. Set up appointments with key project staff (management and fiscal).
7. Provide a list of the types of documents to be reviewed, including time sheets, purchase vouchers, and forms.
8. Note any items requiring follow-up from previous monitoring visit.

Review of Source Documents

During at least one on-site monitoring visit, the project or program manager will review source documents and evidence of task completion, depending upon the activities to be conducted and the types of costs involved in the project. Examples of source documents to be included in the financial review include:

Source Documents Reviewed During On-Site Monitoring

| Document Type | Notes |
|----------------------------|--|
| Requests for Reimbursement | Include any appropriate outlay detail forms or other supporting documentation. |
| Time sheets | Time sheets, pay records, payroll registers, and possibly personnel (salary rate) records must be reviewed to determine that salary and wage costs are fully supported. Time sheets must account for 100% of time, regardless of the amount charged to a grant. If only a percent of time is to be reimbursed, then the prorated amount must be correct. |
| Fringe benefits | If reimbursable, fringe benefits (such as health insurance, pension plan, etc.) must correspond to the amount or percent in the executed grant budget. |
| Travel costs | Only travel directly associated with the grant may be reimbursed. This might include, for example, travel to meetings called by TxDOT. |
| Invoices and payments | Only those costs in the approved budget may be reimbursed. Any payments must be directly attributable to the grant costs. |

In reviewing these documents, a sampling methodology may be used, either randomly or selectively (such as, every fifth voucher or every other time sheet). The purpose of the financial document review is to ensure that costs claimed reconcile with the approved grant budget and the documentation.

Review of Project Status

The project or program manager will review the status of project activities. Examples of evidence of progress toward task completion might include:

- ◆ attendance rosters for training projects or events
- ◆ the number of citations and warnings for enforcement projects
- ◆ newspaper clippings of events and public information activities
- ◆ written analyses and reports for data or problem identification projects
- ◆ survey or questionnaire results
- ◆ personnel training records.

Review of Budget Requirements

The project or program manager will review appropriate program and financial documents for adherence to budget requirements, including, but not limited to, determining whether:

- ◆ expenditures are on schedule
- ◆ costs are in the approved budget category or any subsequent amendment
- ◆ any necessary prior approvals for travel, equipment purchases, or changes have been obtained
- ◆ appropriate procedures have been followed for all expenditures
- ◆ appropriate supporting documentation, including those related to matching funds, is available and filed.

Direct Observations

Although not required, on-site monitoring could also include direct observation of activities performed. These might include attendance or participation in a:

- ◆ meeting, workshop or training course
- ◆ press conference or other media event
- ◆ presentation to a school, organization, or civic club
- ◆ task force or committee meeting
- ◆ shift of STEP enforcement.

Documentation

The project or program manager will complete all sections of the Traffic Safety On-Site Project Monitoring Checklist and Report (TxDOT Form 1869), sign it according to the instructions provided, and attach copies of all appropriate records and other documents reviewed during the visit. The subgrantee and the project or program manager will each retain a copy of the report. The original with attachments will be placed in the “file of record” of the Traffic Operations Division’s Traffic Safety Section.

Click on the form number to open an automated version of Form 1869. The form may also be obtained from the Traffic Operations Division or by contacting any of TxDOT’s district traffic safety specialists.

Section 4

District Compliance Monitoring

Background

It is TRF's responsibility to monitor each TxDOT district office that manages local, federally-funded projects in order to review compliance with TxDOT's established project management procedures and with other state and federal regulations and laws. Periodic district monitoring reviews help provide operational consistency. In addition to TxDOT's normal compliance audit and management review function, the Traffic Operations Division (TRF) assists districts with procedural compliance and provides appropriate assistance and training.

Frequency

To determine the need for and frequency of district compliance monitoring visits or other types of review, TRF uses a risk assessment process and the Grant Management Risk Assessment form (TxDOT Form 2122). This process and form focus on the following risk factors:

- ◆ the district's total number of grants
- ◆ the district's total dollar amount in grants
- ◆ time since last monitoring visit
- ◆ significant identified problems and actions taken to correct.

Identifying these risk factors allows the prioritization of districts representing the greatest need for compliance monitoring, which helps TRF better allocate its resources.

For districts with a large number of projects and identified problems, a compliance monitoring visit may be necessary every one or two years. Less frequent review may be indicated if compliance is considered satisfactory (see Section 6 of this chapter, "Resolution of Findings"); however, all districts will be reviewed at least every five years.

During the district compliance monitoring review, it is desirable for TRF to observe the district performing at least one or two project on-site monitoring visits. TRF will coordinate with the district to arrange these visits.

Form Available. Click on the form number to open an automated version of the Grant Management Risk Assessment form (Form 2122). The form may also be obtained from the Traffic Operations Division or by contacting any of TxDOT's district traffic safety specialists.

Items to be Reviewed

The following lists include the more important items and issues that should be reviewed by TRF and the districts. Reviews are not limited to these items.

At TRF the following should be reviewed:

- ◆ program area management (including project proposal review and selection, Request for Reimbursement (RFR) review and processing, Performance Report review and processing, program module project-by-project oversight)
- ◆ completeness and timeliness of report and document submission
- ◆ grant files maintenance
- ◆ backup documentation
- ◆ inventory records
- ◆ publications and audio-visual library maintenance
- ◆ previous year's Final Performance and Administrative Evaluation Report (AER)
- ◆ on-site monitoring of active projects
- ◆ professional development, training, and assistance needs
- ◆ exemplary projects and best practices (from contacts and reports).

At the districts the following should be reviewed:

- ◆ oversight of project management (including Performance Report and RFR review and processing)
- ◆ completeness and timeliness of report and document submission
- ◆ previous year's Final Performance Report and AERs
- ◆ grant file maintenance
- ◆ backup documentation
- ◆ current and planned district traffic safety activities
- ◆ on-site monitoring of active projects
- ◆ assistance and training needed or requested at the project level
- ◆ professional development, training, and assistance needs of district and project personnel
- ◆ exemplary projects and best practices (from contacts and reports).

Advance Preparation

Prior to each district compliance monitoring visit, the TRF compliance monitor will:

1. Schedule each visit at least one month in advance and send appropriate information, including a project status report for all current projects from the Traffic Safety Database, to the district.
2. Use the **Traffic Safety On-Site Project Monitoring Checklist and Report (TxDOT Form 1869)** in preparation for and in conducting the monitoring visit (see information following this list).
3. Review project Performance Reports, RFRs, Final Performance Report and AERs, project file folders, and other documents in the file of record to determine if there are any problem areas that need detailed scrutiny or questioning during the visit.
4. Complete the Preparing for Compliance Monitoring Visits: File Review Checklist for each project file reviewed.
Note: It is recommended that the review extend back at least one year.
5. Check the division inventory log to determine if it contains items purchased with federal funds that need to be verified.
6. Make travel arrangements and set up appointments with district personnel, who will set up all on-site monitoring visits of selected projects.
7. Provide the project manager (district traffic safety specialist) an outline of discussion topics, projects, and documents to be reviewed.
8. With the project and program manager, determine which projects will receive an on-site monitoring visit.
Note: Visits to several diverse types of projects are recommended. The project manager will set up the on-site monitoring visits.
9. Note any follow-up items from previous compliance monitoring visits, audits, or management reviews and any record of actions on these items.

Checklist Form Available. Click on the form number to open an automated version of the Traffic Safety On-Site Project Monitoring Checklist and Report (TxDOT Form 1869). The form may also be obtained from the Traffic Operations Division or by contacting any of TxDOT's district traffic safety specialists.

Review of Source Documents

When participating in an on-site monitoring visit or when reviewing an on-site monitoring visit report, the TRF compliance monitor may attach sample copies of documents reviewed to the report. See “Review of Source Documents” in Section 3 of this chapter for details on types of documents to be reviewed.

Review of Project Files

The compliance monitor will review the contents of grant files for selected projects managed by the district. Items to be reviewed include:

- ◆ copy of the signed grant agreement with all required attachments, any amendments, transmittal correspondence, and jurisdiction ordinance or resolution, if appropriate
- ◆ completed grant delivery form, on-site monitoring checklist and reports, project Performance Reports, and Requests for Reimbursement with appropriate documentation
- ◆ copies of all required documents, including signature authority letter, vehicle mileage reimbursement policy, and training documentation
- ◆ Cost Assumption Plan (submitted with proposal)
- ◆ routine correspondence and other records of communication between the project manager and the subgrantee organization.

Direct Observations

The TRF compliance monitor should directly observe the project or program manager in the performance of one or more on-site monitoring visits to ensure that the Traffic Safety On-Site Monitoring Checklist and Report and monitoring procedures listed in Section 3 of this chapter are followed correctly. Key project management and fiscal staff should both attend these meetings. If possible, project activity will also be observed, such as enforcement efforts, ongoing classroom or field training activity, or project personnel performing project-related activities. In addition, the compliance monitor will review the subsequent on-site monitoring reports for completeness.

Documentation

The TRF compliance monitor will complete a report of the monitoring visit covering each of the topics listed earlier under the subheading “Items To Be Reviewed.” The report should include the following:

- ◆ location visited
- ◆ dates of the visit
- ◆ participants contacted during the visit
- ◆ items covered or observed during the traffic safety operations review
- ◆ list of the items observed during the compliance review, including the project on-site monitoring visits performed by the project manager
- ◆ a descriptive report of any assistance or training requested, provided, or needed
- ◆ best practices identified
- ◆ detailed explanation of any problems or procedural non-compliance noted and recommendations for corrective actions
- ◆ proposed date for next monitoring review.

(continued...)

Documentation *(continued)*

When all information has been gathered and the report has been completed, it will be disseminated to the district office and any other appropriate personnel. An original will be placed in the TRF files for future reference. The district is expected to respond in writing within 30 business days to the items identified in the report, with specific actions to be taken and dates.

Section 5

Project Performance Reports

Introduction

Monitoring is also dependent upon the timely submission and careful review of each project Performance Report submitted by the subgrantee.

Content

As stipulated in the (Texas) Governor’s Office of Budget and Planning “Uniform Grant Management Standards,” Subpart C, Section 40(b)(2)(i–iii), Performance Reports will contain brief information on the following:

- ◆ “a comparison of actual accomplishments to the objectives established for the period. Where the output of the project can be quantified, a computation of the cost per unit of output may be required if that information will be useful.” (Performance Reports should correlate to the RFR for the same period. Project managers [for district-managed projects] and program managers [for state-managed projects] will compare the reports and the RFR to ensure that the level of project activity is consistent with the fund expenditure claimed in the corresponding RFR.)
- ◆ “the reason for slippage if established objectives were not met.”
- ◆ “additional pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.”

Frequency

For short-term projects, there may be only one report submitted by the subgrantee at the end of the project. For longer projects, the subgrantee will submit reports at least quarterly and preferably monthly. The frequency of the Performance Reports is established through negotiation between the subgrantee and the program or project manager.

However, under certain circumstances — provided for in the Uniform Grant Management Standards, Subpart C, Section 40(d)(1–2) and Article 7 of the Grant Agreement General Terms and Conditions — TxDOT must be informed as soon as the following types of conditions become known:

- ◆ problems, delays, or adverse conditions, including a change of project director or other changes in subgrantee personnel that materially affect the ability to meet the objective of the award. (This disclosure must include a statement of the action taken, or contemplated, and any assistance needed to resolve the situation.)

(continued...)

Frequency (*continued*)

- ◆ favorable developments or events that enable meeting time schedules and objectives sooner at less cost than anticipated or producing more beneficial results than originally planned.
- ◆ unfavorable developments or events that will prevent the meeting of time schedules and objectives.

Such circumstances would call for additional unscheduled project Performance Reports.

Documentation Requirements

All parts of the Performance Report form (TxDOT Form 1871) must be completed. Supplemental information and documentation may be submitted with the Performance Report. Instructions are included with the form. Click on the form number to open an automated version of this form. The form may also be obtained from the Traffic Operations Division or by contacting any of TxDOT's district traffic safety specialists.

Annex Report

The Annex Report form (TxDOT Form 1872) is specifically for documenting the enforcement activities and performance of Selective Traffic Enforcement Program (STEP) grants. The subgrantee must enter all Performance Report and Annex Report data into the Buckle Up Texas website at <http://www.buckleuptexas.com>.

Section 6

Resolution of Findings

Introduction

During the course of a project, circumstances may arise that accelerate project activities, delay the project, or are otherwise outside of the scope of the project. According to the Common Rule, Texas' *Uniform Grant Management Standards* and Article 7 of the Grant Agreement Terms and Conditions, the subgrantee must inform the grantor (TxDOT) of any events that may have “significant impact upon grant or subgrant activity” as soon as these become known. These conditions are defined under “Frequency” in Section 5 of this chapter.

Notification and resolution of adverse or favorable conditions, as appropriate, between a subgrantee and TxDOT, or TxDOT and the federal grantor agency (NHTSA), are described below.

An incomplete or incorrect Performance Report or RFR should be immediately returned to the project director for correction. Appropriate documentation of the nature of the problem should be included in the transmittal.

First-line Resolution — Minor Findings

The TxDOT project or program manager notifies the subgrantee's project director in writing upon any initial indication of minor discrepancies or errors in reporting, project implementation, or accounting.

Examples of minor discrepancies include:

- ◆ delays in activities that will not adversely affect the timely completion of the project
- ◆ typographical errors in an RFR that would not affect the amount reimbursed
- ◆ the omission of secondary performance data.

A notification of any finding must include the following information:

- ◆ a detailed description of the finding
- ◆ a description of any actions or options the subgrantee may make in response to the finding
- ◆ a date by which the subgrantee should have implemented the recommended action or advised the project or program manager of a proposed alternative, or both (under most circumstances, this date should be no more than 30 days after written notification by the project or program manager).

Copies of this correspondence, including copies of e-mail exchanges, are to be included in the file of record.

Resolution of Minor Findings: Options

Minor findings should be corrected before they become major problems. The following table shows examples of ways in which a project or program manager may resolve minor findings. Left undetected or unresolved, minor discrepancies may become major problems.

Resolution of Minor Findings

| Finding | Resolution |
|--------------------------------------|--|
| Minor typographical error in RFR | Make correction, initial, and copy appropriate parties. Do not use whiteout. |
| Unapproved or ineligible cost in RFR | Return report to subgrantee and ensure correction in subsequent RFR. |
| Delay in reporting | Provide written reminder of due dates; provide assistance. |
| Data omitted from reports | Return report to subgrantee and provide written reminder and explanation of purpose of data. |
| Delay in activity | Discuss delay with subgrantee's project director; ensure Action Plan is current. |

Second-line Resolution — More Serious Error or Discrepancy

Upon a repeated incidence of a finding or a more serious error or discrepancy, the project or program manager must provide a notice in writing to the subgrantee.

Examples of more serious errors or discrepancies include:

- ◆ an RFR for an unallowable item
- ◆ typographical or mathematical error that affects the amount of reimbursement
- ◆ omission of a significant amount or type of reporting information
- ◆ actions taken without prior approval when the grant stipulated prior approval
- ◆ significant delay in achievement of objectives and performance measures.

In addition to the information required for a first notification, this second-line notice would include any potential ramifications or imposed requirements. These, as defined in the *Uniform Grant Management Standards*, might range from temporary delays in reimbursement to cancellation of the grant agreement.

Resolution of Significant Findings

Significant findings are to be addressed immediately, with notification to the subgrantee. For local projects, such notification must come from the district engineer, or his or her designee. For state projects, such notification must come from the director of the Traffic Safety Section, or his or her designee.

Examples of significant findings include:

- ◆ delays that are likely to significantly impact successful implementation of the project
- ◆ discovery that an amendment was made in which the state-local share formula is inaccurate
- ◆ indication of fraud or other illegal activity associated with management or implementation of a project
- ◆ continuing delays or omissions in the submission of required documents
- ◆ consistent failure to abide by a provision in the grant agreement.

Notification is to be made to the subgrantee's signatory with single copies to:

- ◆ the appropriate federal grantor agency, if federally funded
- ◆ the project director
- ◆ the TxDOT signatory
- ◆ the file of record.

Resolution of Major, Significant Findings: Options

The following serious incidents provide examples of ways a project or program manager is to resolve significant findings:

Resolution of Major, Significant Findings

| Finding | Resolution |
|---|---|
| Significant delays due to unforeseen circumstances | Renegotiate Action Plan; ensure completion of project grant amendment, if necessary. |
| Failure to submit a Performance Report | Withhold RFRs until related Performance Report has been received. |
| Unapproved or ineligible costs (greater than \$250) | Return unapproved RFR for corrections or demand that the necessary correction or adjustment be made to subsequent RFR or final RFR. |
| Inability to complete necessary tasks | Cancel grant agreement, preferably on a mutual basis. |
| Illegal activity | Ensure investigation is being conducted; initiate "stop work" order if appropriate. |

Project Audit

If serious financial problems are identified, either TRF or the district office may request that TxDOT's Audit Office perform an audit.

Mediation or Cancellation

If actions are not taken to resolve findings, or if actions taken are not successful in resolving problems encountered, then the project is to be canceled. However, mediation by TxDOT may be initiated prior to cancellation in a final attempt to resolve differences and come to terms on actions needed. Mediation may be initiated by the subgrantee or an official of TxDOT, including the project or program manager, programs director or administrator, or traffic operations director in the district or division. Results of mediation are considered final for all parties. Work may continue at a reduced level during mediation if approved by TxDOT. If the grant agreement ends during mediation, a new grant is not to begin until the mediation has been successfully completed.

Right to Appeal

The subgrantee may appeal a decision made by TxDOT, according to the provisions of the grant agreement. This appeal does not apply to any situation that has gone into mediation.

Chapter 7

Evaluation

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Section 1

Overview

Background

Traffic safety efforts involve four basic steps:

1. problem identification
2. countermeasure development
3. countermeasure implementation
4. evaluation.

Project evaluation brings the traffic safety process full circle, **as** the results help managers determine whether or not any of the preceding steps need adjustments. For this reason, evaluation is an ongoing process in the management of the state's traffic safety program.

Note: Unless otherwise indicated, all references to “grants” include both traffic safety grants and interagency cooperation contracts (IACs). Likewise, all references to “subgrantees” include recipients of both traffic safety grants and IACs.

Purpose of Evaluation

Evaluation allows **all** involved to:

- ◆ assess project or program effectiveness
- ◆ improve countermeasures
- ◆ allocate scarce resources more efficiently.

Without evaluations, subgrantees, project directors, and program directors and managers could not know:

- ◆ when to make adjustments to countermeasures development or implementation
- ◆ if programs and individual projects are accomplishing their intended results
- ◆ if one program is more or less effective than another.

Why Evaluation is Sometimes Neglected

Evaluations are often neglected because they:

- ◆ **may be time consuming**
- ◆ do not by themselves enhance program or project effectiveness
- ◆ sometimes yield unwelcome or discouraging results.

Decision Outcomes

Using evaluation results, project and program managers arrive at one of three possible “decision outcomes”:

- ◆ to continue with the activity as it is
- ◆ to modify the activity to improve performance
- ◆ to cancel the activity for lack of progress or poor performance.

Section 2

Project Evaluation

Introduction

Project evaluation is an ongoing process conducted throughout the grant agreement period. This evaluation process is performed at different levels of administration. The following table shows the phases of project evaluation and who performs them.

Performance of Project Evaluation

| Type of Evaluation | Performed by |
|---|------------------------------|
| Periodic project monitoring (described later in this section) | project and program managers |
| Midyear review (described later in this section) | project and program managers |
| Review of Performance Reports | project and program managers |
| Final administrative evaluation | project and program managers |
| Annual report (covered in Section 3 of this chapter) | TRF-TS planner |

Periodic Project Monitoring

Data gathered through the project monitoring process (covered in Chapter 6 of this manual) is an important part of evaluation of the project.

Project performance reports and Requests for Reimbursements normally give an evaluator some sense of whether or not the project is proceeding according to the action plan in terms of activities reported and expenditures included. Anything that appears out of the ordinary can then be followed up with an on-site monitoring visit. (In addition, on-site monitoring visits provide an opportunity to determine progress and detect problems.) In this way, the evaluator might discover a minor problem early and recommend an early correction in activity or tighter fiscal control to avoid a major problem later.

In addition, the reports should also indicate whether substantial overruns or underruns are occurring, and if so, they should be explained in the report. In the event of substantial underruns, the program manager might recommend reallocation of these resources to other areas where additional funds can be better utilized. For overruns, the program manager should ensure that all costs are expended according to the approved budget and that the grant can sustain itself throughout the effective term period. Otherwise, an amendment to the grant may be required. Project and program managers should submit these recommendations to the TRF traffic safety director for approval prior to implementation.

Midyear Review

On an annual basis, TRF-TS produces the midyear review report compiled from information contained in the traffic safety database and provides it to the project and program managers to assist the status of their projects. The midyear review report provides information concerning whether or not documents have been submitted to TRF-TS, including:

- ◆ Performance Reports
- ◆ Requests for Reimbursements
- ◆ Monitoring Reports
- ◆ Cost Assumption Plans
- ◆ signatory authorizations
- ◆ project extensions
- ◆ grant delivery meetings

Program and project managers should use the information contained in the report as a guide to verify that the subgrantee is fulfilling its obligation to submit all applicable administrative documents that are outlined in the grant agreement.

Final Performance Report and Administrative Evaluation Report

Within 30 days of the end of the project period, the subgrantee is required to submit the Final Performance Report and Administrative Evaluation Report (AER) to the project or program manager. The AER must be submitted in electronic format. For Selective Traffic Enforcement Program (STEP) grants, the AER must be entered into the Buckle Up Texas website at <http://www.buckleuptexas.com>. This report is intended to be an overall, brief synopsis of the project performance for the year. **The AER:**

- ◆ tells whether or not the project objectives were met
- ◆ lists accomplishments (performance measures completed, targets achieved)
- ◆ relates any progress made toward self-sufficiency
- ◆ provides an accounting of any approved program income earned and expended
- ◆ reflects any exemplary performance or best practices.

Note: Documentation in support of an AER that cannot be submitted electronically should be submitted to the project or program manager with a hard copy of the AER.

The report is submitted on the Final Performance Report and Administration Evaluation Report form (TxDOT Form 1874). Click on the form number to open an automated version of this form. The form may also be obtained from the Traffic Operations Division or by contacting any of TxDOT's district traffic safety specialists.

After review by the project or program manager, AERs are submitted to TRF-TS for compilation and use in developing the annual report.

Final Requests for Reimbursement

Within 45 days of the end of the project, subgrantees must submit all final requests for reimbursement (RFR) to TxDOT. The final RFR is critical to the final closeout of the fiscal year budget, because it allows any residual monies to be carried forward to fund the next year's projects.

Section 3

Annual Report to NHTSA

Introduction

The Traffic Operations Division's Traffic Safety Section (TRF-TS) is responsible for submitting the annual report to the National Highway Traffic Safety Administration (NHTSA). The report describes the accomplishments of the Texas Highway Safety Program. The report is due within 90 days after the end of the federal fiscal year (December 31).

Report Contents

As prescribed in the "Uniform Procedures for State Highway Safety Programs," (23 CFR 1200.33), the annual report must include the following:

- a. The State's progress in meeting its highway safety goals, using performance measures identified in the Performance Plan. Both baseline and most current level of performance under each measure will be given for each goal.
- b. How the projects and activities funded during the fiscal year contributed to meeting the State's highway safety goals. Where data becomes available, a State should report progress from prior year projects that have contributed to meeting current State highway safety goals.

Based on the above federal requirements, the TRF-TS Annual Report to NHTSA consists of the Annual Evaluation Report (compiled by TRF-TS) and the Financial Obligation Closeout (compiled by the Finance Division (FIN) in coordination with TRF-TS). The TRF-TS Annual Report includes:

- ◆ a three- to five-page overview of statewide highway safety accomplishments
- ◆ a summary report by program area describing the results of the completed projects and including a synopsis of:
 - activities
 - costs and accomplishments
 - progress toward self-sufficiency
 - contributions of independent groups
 - any program income earned or used
- ◆ significant legislative and administrative accomplishments.

Final Administrative Evaluation

To satisfy NHTSA's requirement of accumulating data and submitting the annual report, TRF-TS compiles the information contained in the Final Performance and Administrative Evaluation Reports (AERs), program area summaries and analyses, year-end statistics, and other pertinent information at the end of each project and conducts a final administrative evaluation. The final administrative evaluation provides a judgment of value or worth based on:

- ◆ the measurement of actual tasks or activities compared with planned levels of performance of each program area project
- ◆ the listing of major accomplishments
- ◆ the steps taken towards self-sufficiency
- ◆ the assessment of unit cost and other aspects of operational efficiency.

The above information is included in the TRF-TS Annual Report submitted to NHTSA

Financial Obligation Closeout

The financial obligation closeout is a final accounting of expenditures. As required in the “Uniform Procedures for State Highway Safety Programs” (23 CFR 1200.22, 1200.23, and 1200.24), the financial obligation closeout will include:

- ◆ the final official voucher for total expenses incurred containing the following information for expenses claimed in each program area:
 - program area or project number
 - federal funds obligated
 - amount of federal funds allocated to local benefit
 - cumulative total cost to date
 - cumulative federal funds expended
 - previous amount claimed
 - amount claimed this period
 - special matching rate (if applicable)
- ◆ final Highway Safety Program Cost Summary, (NHTSA Form HS 217).

TRF-TS is responsible for completing NHTSA Form HS 217 or its electronic equivalent and submitting it to the appropriate signature authority for transmittal to NHTSA for approval.

Chapter 8

Program Closeout

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Section 1

Overview

Introduction

This chapter addresses the activities that occur after the cessation of project and program activity for a given fiscal year.

Project closeout activities begin when all required performance reports, the project administrative evaluation, and final RFRs have been received. When final claims are processed, the Finance Division's (FIN's) procedures for preparation of the submittal of the final federal reimbursement must be followed. Included in this process is the final determination of what program funds were actually expended and what the underrun amount is for carry forward to the next program year. Part of this process also involves the final determination of how much Section 402 funds were expended for local benefit (40 percent minimum required) and that the state and local match to the program net or exceeded the minimum required 20 percent.

Section 2

Project Closeout and Final Federal Reimbursement

Final Federal Voucher

TxDOT has until December 31 to turn in the Annual Report to NHTSA, which includes closing out the fiscal portion of the program. Final Requests for Reimbursement (RFRs) are due from subgrantees no later than 45 days after the end of the fiscal year. Between the RFR due date and the December 1, TRF and districts process the RFRs to FIN. FIN sets a date each year when final RFRs are due to FIN.

Note: RFRs received after the deadline cannot be processed and approved for payment. FIN requires about 2 weeks to process RFRs and complete the final voucher.

Federal law also requires that the final voucher's local benefit must equal at least 40 percent of total funds expended to date, less certain set aside funds, and also that the state and local funds match at least 20 percent of the total (federal, state, and local) program.

Final vouchers are submitted to NHTSA in the same manner as progress vouchers except that they are routed through the Traffic Operations Division (TRF) so that the final Highway Safety Program Cost Summary form (HS Form 217) can be reconciled with the REC.1503. Within four to six weeks following the end of the calendar year, TRF issues an addendum to the Annual Report (AR) showing reconciliation with the final HS Form 217 and the REC.1503.

Closeouts

After the final voucher has been submitted, FIN closes out each project number for that fiscal year. After the closeout is completed, the automated accounting system does not allow an expenditure to be charged.

Section 3

Single Audit Procedures

Introduction

The single audit concept provides that recipients of federal funds use their own procedures to arrange for independent audits that are to be made on an organization-wide basis, rather than on a grant or project basis. If this organization-wide audit complies with the specific requirements of OMB Circular A-133, then no additional audit requirements are normally imposed and all grantor agencies will rely on such audits.

The state and TxDOT have subscribed to the spirit and principles of the single audit concept. Therefore, the audit work of others will be relied on to the extent indicated by prudent judgment. Acceptance will be on the basis of written notice or other valid document, wherein, the validity of the audit work involved is reasonably assured.

Background

The basic directive pertaining to the audit of state and local governments, institutions of higher education, and other non-profit organizations is the Office of Management and Budget (OMB) revised Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Circular A-133 implements the Single Audit Act amendments of 1996 and provides uniform single audit requirements for all non-federal grantees including state and local governments, colleges and universities, hospitals, and other non-profit organizations. This Circular, which was issued June 30, 1997, applies to audits of fiscal years beginning after June 30, 1996, and supersedes prior versions of Circular A-133, as well as rescinding Circular A-128, "Audits of State and Local Governments."

Responsibilities

TxDOT, through the Audit Office (AUD), is responsible for:

- ◆ determining if the federal funds are pass-through funds or expenditures
- ◆ determining whether the subgrantee spent federal pass-through funds in accordance with applicable laws or regulations
- ◆ obtaining copies of single audit reports from subgrantees in accordance with the guidelines established under OMB Circular A-133
- ◆ insuring that single audit reports:
 - meet the minimum *Reporting Standards for Financial Audits* as outlined in Chapter 5 of the 1988 Revision of the Government Auditing Standards as issued by the Comptroller General of the United States
 - meet the requirements of the Statement on Auditing Standards No. 63 issued by the American Institute of Certified Public Accountants for *Compliance Auditing Applicable to Governmental Entities and Other Recipients of Governmental Financial Assistance*
 - are obtained and reviewed within 30 days of receipt in AUD
 - receive corrective action for noted deficiencies, such action being initiated and resolution obtained within three months after the audit report receipt date
 - apply the subgrantee single audit to the project and consider whether adjustments of TxDOT records are needed.

Monitoring Subgrantees

In **auditing** subgrantees, AUD performs the following actions:

1. Identifies all subgrantees that fall under the single audit requirements
2. Determines whether TxDOT is on the subgrantee's mailing list to receive the required single audit items
3. Initiates the necessary action to get TxDOT on the subgrantee's mailing list if not already there
4. Follows up with subgrantee approximately 90 days after the end of their fiscal year to determine status of single audit
5. Follows-up initial contact approximately 60 days later if receipt date was not established or report has not been received.

Reviewing Single Audit Reports

In reviewing single audit reports, AUD performs the following actions:

1. Determines if the subgrantee's financial reports have already been approved by their federal cognizant agency or state single audit coordinating agency. If they have, AUD obtains a copy of approval letter.
2. Completes desk review within 30 calendar days of receipt of report.
3. Resolves any discrepancies noted in the desk review. These should be resolved in the following order through:
 - the subgrantee
 - CPA firm, if necessary
 - State Single Audit Coordinating Agency
 - Federal Cognizant Agency.

Issuance of Final Audit Reports

The single audit report is examined closely to identify the projects, agreement, or grants representing funds administered by TxDOT. A report is then prepared and submitted to the appropriate division program director listing all projects identified in the Schedule of Federal Financial Assistance as having received audit coverage.

If the audit report includes disallowances or unfavorable findings to be resolved, extracts or copies are forwarded to the subgrantee for collection of the moneys due or other resolution as appropriate. Information copies are provided to the Traffic Operations Division (TRF-TS) program managers and to the districts when appropriate.

Site Audits

In addition to audit coverage utilizing the single audit approach, AUD conducts a number of site audits each year on selected projects. AUD's workload is one of the key determining factors in how many projects are selected for site audit. Other factors include the previous audit history of the subgrantee and any current problems that may have arisen on a project.

Site audits are handled using AUD's normal site audit procedures. AUD forwards any findings noted during the audit directly to the subgrantee for collection of the moneys due or other resolution as appropriate. Information copies are provided to the TRF-TS program managers and to the districts when appropriate.

Section 4

Audit Coordinating Responsibilities

Introduction

Chapter 783 of the Texas Government Code, known as the *Uniform Grant Management Act*, provides for local governments to request and receive a single audit or a coordinated audit. A portion of this act, Section 783.008, Audit Conditions, is quoted as follows:

State Audits of Grants and Contracts to Local Governments.

- (a) To avoid duplicate audits and unnecessary audit costs, a local government receiving state-administered financial assistance may request by action of its governing body a single audit or coordinated audits by all state agencies from which it receives funds.
- (b) On receipt of a request for a single audit or audit coordination, the governor's office in consultation with the state auditor shall within 30 days designate a single state agency to coordinate state audits of the local government.
- (c) The designated agency shall, to the extent practicable, assure single or coordinated state audits of the local government for as long as the designation remains in effect or until the local government by action of its governing body withdraws its request for audit coordination.
- (d) This section does not apply to audits performed by the Comptroller of Public Accounts or the State Auditor.

Purpose

The State Single Audit Coordinating Agency is to insure that an adequate single audit or coordinated audit is provided to the requesting agency. The resulting benefits should include improvement in:

- ◆ utilization of resources
- ◆ general audit coverage.

Procedures

As outlined in the statute referenced above, when the Governor's Office designates TxDOT as the State Single Audit Coordinating Agency, External Audit is responsible for the following:

- ◆ coordinating with the local government or nonprofit entity, the independent auditor and the state funding agencies to assure that satisfactory audit coverage is provided in a timely manner and in accordance with the provisions of OMB Circular A-133
- ◆ coordinating and being aware of audit schedules for recipient organizations and provide advice to assist the recipient in the initial engagement of an auditor
- ◆ reviewing of reports and audit organizations, accomplished through quality assessment, quality control, or desk reviews
- ◆ matters to be addressed during the desk review of audit reports, including:
 - ensuring that financial statements of the entity present fairly its financial position and results of financial operations in accordance with generally accepted accounting principles
 - providing unqualified opinions on General Purpose Financial Statements (GPFS)
 - providing a statement on internal accounting controls affecting GPFS
 - producing a compliance report based on examination of GPFS
 - ensuring that the entity has internal accounting and other controls to provide reasonable assurance that it is managing its federal programs in compliance with applicable laws and regulations.

The state single audit coordinating agency should assure that all audit reports of recipient organizations that affect state grantor agencies are received, reviewed, and distributed to appropriate audit officials.

Grantor audit agencies are responsible for establishing and maintaining follow-up systems to assure that audit findings applicable to their agency's programs are resolved.

Substandard Reports

The Inspector General Act of 1978 requires that appropriate steps be taken to ensure that any work performed by non-federal auditors complies with the standards established by the Comptroller General. This is accomplished by the performance of desk reviews or an audit work paper review of audit reports submitted by independent auditors or both. As a result of these reviews, it may be determined that the auditor did not comply with standards as established by the Comptroller General or other appropriate professional standards. The auditor's non-compliance with the standards may warrant a referral to the appropriate sanctioning or licensing authority.

A referable action is when the audit report or underlying audit work have significant inadequacies that make the audit so pervasively deficient that users cannot rely on it. When the subgrantee has a Federal Cognizant Agency, then External Audit works with that federal agency in resolving the noted deficiencies. When the subgrantee has a State Single Audit Coordinating Agency assigned, but no federal agency, then resolution efforts are through that assigned state agency. When TxDOT has been designated as the State Single Audit Coordinating Agency or the subgrantee does not have any designated state or federal agency, then External Audit is responsible for resolving any deficiencies.

External audit should correspond, in writing, with the independent auditor that prepared the audit report that may be subject to a referral to the State Board of Accountancy and the American Institute of Certified Public Accountants (AICPA). This correspondence should contain:

- ◆ the conclusions of the desk review or the audit working paper review that may result in a referral or both
- ◆ specific details of the deficiencies noted and the applicable audit standards that may have been violated
- ◆ the criteria that is being used to evaluate the deficiencies.

If the independent auditor responds to the correspondence, then External Audit should determine whether the response is appropriate and correct the noted deficiencies. If the response is not satisfactory, then further contact is made with the independent auditor to see what can be done to resolve the deficiencies.

If the independent auditor does not respond to the correspondence, then the matter should be referred to the State Board of Accountancy and the AICPA.

Section 5

Resolving Audit Findings

Division Responsibility

The Audit Office (AUD) is responsible for:

- ◆ determining that federally required audits for all grant agreements are performed
- ◆ notifying the appropriate subgrantees in writing of findings and providing subgrantees with procedures for resolving findings
- ◆ providing the Traffic Operations Division (TRF) with copies of correspondence to subgrantees to be placed in the appropriate grant file of record.

The Finance Division (FIN) is responsible for:

- ◆ maintaining grant expenditure records in the Financial Information Management System (FIMS)
- ◆ providing copies of refund deposit vouchers to TRF.

The Traffic Operations Division's Traffic Safety Section (TRF-TS) is responsible for:

- ◆ administering the traffic safety grant program.
- ◆ maintaining TxDOT's official grant agreement files
- ◆ placing copies of all audit-related correspondence in the original grant files.

District Responsibility

The subgrantee should communicate directly with the AUD to resolve any audit findings. If the subgrantee submits documentation to the district, however, the district is responsible for providing AUD with copies of all correspondence with the cited subgrantee as well as any related support materials. The district should note the miscellaneous contract and charge numbers of the cited grant or grants on all materials furnished to AUD.

Types of Findings

There are three possible types of audit findings for which resolution may be required. They are:

- ◆ administrative findings
- ◆ internal control findings
- ◆ compliance findings.

Process Overview

The flow chart shown in Figure 8-1 provides an overview of the resolution process that follows an AUD audit finding. Detailed descriptions (as referenced in the flow chart) follow.

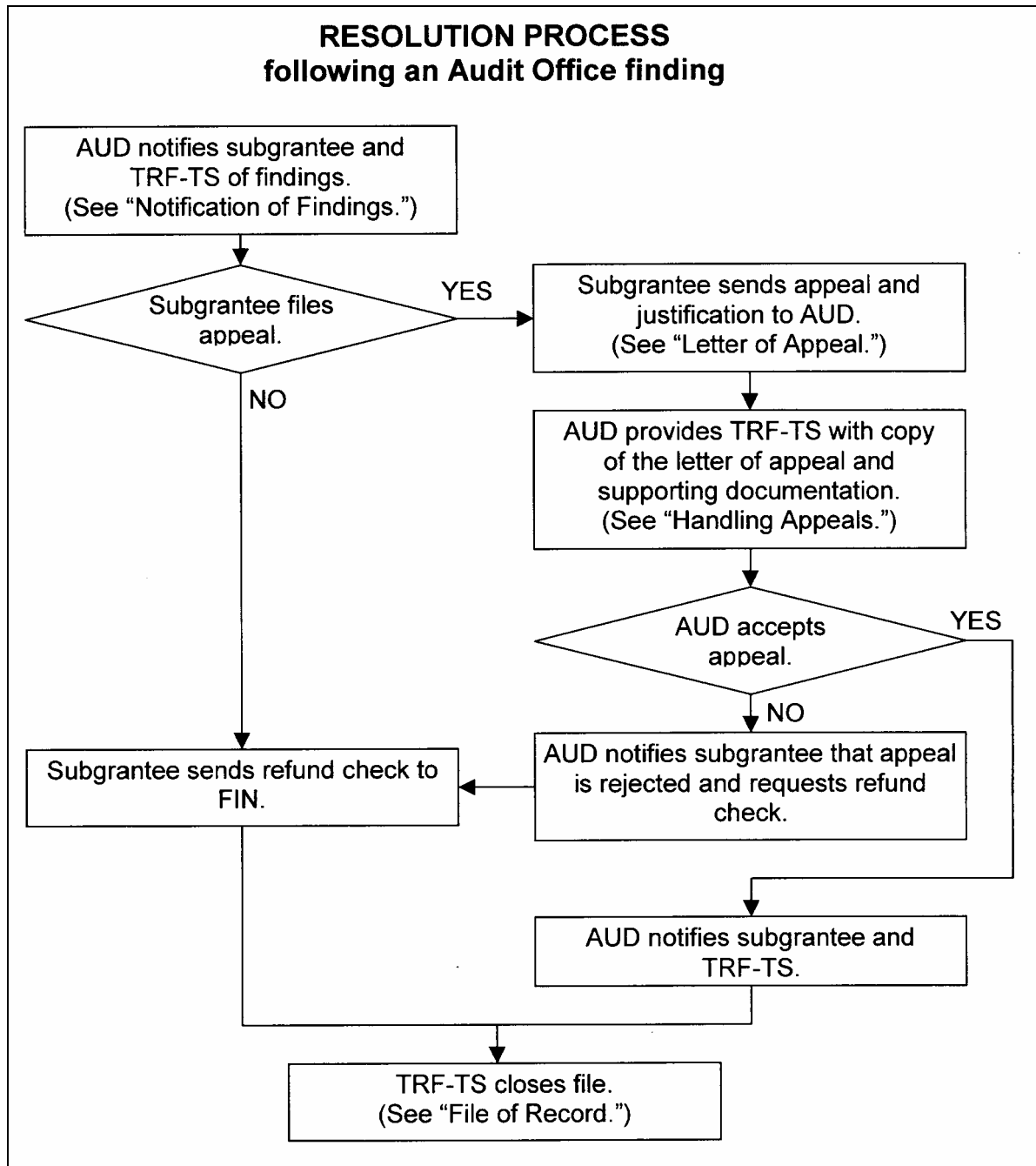


Figure 8-1. Overview of resolution process following an Audit Office finding. (References are to subheadings found later in this section.)

Notification of Findings

The Audit Office (AUD) sends a letter with the audit findings to the subgrantee. The letter will:

- ◆ request that the subgrantee respond within ten days and explain what actions have been taken to correct the findings
- ◆ notify the subgrantee of exceptions to grant agreement expenditures and provide a copy of the Schedule of Exceptions
- ◆ specify a suspense date by which the subgrantee must respond
- ◆ inform the subgrantee that they may pursue either of the following two options:
 - disagree with the findings and provide a letter of appeal to AUD supported by documentation verifying that the costs in question constitute an eligible reimbursement *or*
 - mail a refund check made payable to the Texas Department of Transportation to the Austin headquarters, attention: Finance Division, Deposits Section.

AUD should send a copy of this audit letter to TRF-TS.

AUD also provides the following to TRF-TS and to FIN:

- ◆ descriptions of weaknesses in procedures, internal controls, reports, and schedules of exceptions
- ◆ a copy of administrative findings that deal with matters for which TxDOT was responsible.

Handling of Refunds

When FIN receives a refund check from a subgrantee, FIN provides TRF-TS with a copy of the deposit voucher for the grant file of record. TRF-TS may then close the grant agreement file.

Handling Appeals

If the subgrantee submits a letter of appeal, AUD provides a copy of the letter, together with copies of all supporting documentation, to TRF-TS.

If AUD accepts the appeal, AUD then sends a letter of notification to the subgrantee, with copies to TRF-TS and FIN. TRF-TS may then close the grant agreement file.

If AUD rejects the appeal, AUD should notify the subgrantee by letter (with copies to TRF-TS and FIN) and request that a refund check be sent as described in the original letter.

When Refund Is Not Received

If FIN does not receive an expected refund check, then FIN notifies AUD. AUD should then send a second notification letter to the subgrantee.

Note: If the subgrantee has contacted the AUD after receipt of the first or second notification and has made a reasonable arrangement for issuance of a refund check, AUD may adjust the due date as appropriate. In such cases, AUD should notify TRF-TS in writing of the agreement (with a copy to FIN).

File of Record

Audits deal with matters of legal consequence to both subgrantees and TxDOT. Therefore, it is necessary that all audit-related communications be documented in the official TxDOT grant agreement files. Project and program manager diligence in assuring that copies of all such records are provided to TRF-TS files is of major importance.

Questions

Questions about procedures for notifying subgrantees of audit citations may be directed to the appropriate program manager of either the Traffic Operations Division's Traffic Safety Section (TRF-TS) or the Audit Office (512-463-8635).

Appendix A

Forms

This appendix lists the forms associated with TxDOT’s Traffic Safety Program. The list is ordered by form number. To open a form, click the form number. To go to the part of the manual where the form is described, click on the link in the “Described in” column.

Note: Form dates are not listed, because the forms are typically updated more frequently than this manual. For an MS Word file listing the current dates of each form, click this file name: TS_Forms.

Traffic Safety Program Forms

| Form No. | Form Title | Described in... |
|-----------------|---|--------------------------------------|
| 1722 | Miscellaneous Contract Summary Form (Non CIS) | Chap. 4, Sec. 9 |
| 1764 | Grant/Contract Delivery Meeting | Chap. 4, Sec. 10 |
| 18.303a | RFR Outlay Detail — Personnel & Fringe Benefits Outlays | Chap. 5, Sec. 3 |
| 18.303b | RFR Outlay Detail — Travel Outlays | Chap. 5, Sec. 3 |
| 18.303c | RFR Outlay Detail — Contractual Outlays | Chap. 5, Sec. 3 |
| 18.303d | RFR Outlay Detail — Supplies Outlays | Chap. 5, Sec. 3 |
| 18.303e | RFR Outlay Detail — Equipment Outlays | Chap. 5, Sec. 3 |
| 18.303f | RFR Outlay Detail — Other Direct Outlays | Chap. 5, Sec. 3 |
| 18.303g | RFR Outlay Detail — Indirect Cost Outlay Detail | Chap. 5, Sec. 3 |
| 18.303pid | RFR Report of Program Income Disbursed | Chap. 5, Sec. 5 |
| 18.303pir | RFR Report of Program Income Received | Chap. 5, Sec. 5 |
| 1844 | DWI Needs Assessment | Chap. 2, Sec. 3 |
| 1845 | Cost Assumption Plan | Chap. 2, Sec. 4 |
| 1851 | Project Proposal for Highway Safety Funding <i>Note:</i> For information on the Request for Proposal, see: http://www.dot.state.tx.us/trafficsafety/grants/webbrfpmenu.htm | Chap. 2, Sec. 5 |
| 1851-LE | Project Proposal for Highway Safety Funding for STEP projects <i>Note:</i> For information on the Request for Proposal, see: http://www.dot.state.tx.us/trafficsafety/grants/webbrfpmenu.htm | Chap. 2, Sec. 5 |
| 1852 | Action Plan (Attachment D) | Chap. 2, Sec. 5 & Chap. 6, Sec. 5 |
| 1854 | Grant Agreement General Terms and Conditions (Attachment B) | Chap. 4, Sec. 5 |
| 1857 | Checklist for Traffic Safety Grant Review | Chap. 4, Sec. 8 |
| 1858 | Traffic Safety Request for Reimbursement | Chap. 5, Sec. 3 |
| 1859 | Inventory Log Sheet | Chap. 5, Sec. 8 |
| 1860 | PI&E Material Distribution Form | Chap. 5, Sec. 8 |
| 1861 | Safe & Sober Road Trip Pledge Sign-Up | Chap. 5, Sec. 8 |
| 1862 | Report on Activities | Chap. 5, Sec. 8 |
| 1863 | Report on Out-of-State Travel | Chap. 5, Sec. 9 |
| 1864 | Report on Meeting Attended | Chap. 5, Sec. 9 |
| 1865 | Certification of Existence and Condition for Traffic Safety Program Inventory | Chap. 5, Sec. 10 |
| 1867 | Checklist for Traffic Safety Request for Reimbursement (RFR) | Chap. 5, Sec. 4 |
| 1869 | Traffic Safety On-Site Project Monitoring Checklist and Report | Chap. 6, Sec. 3 |
| 1871 | Performance Report | Chap. 6, Sec. 5 |

Traffic Safety Program Forms

| Form No. | Form Title | Described in... |
|-----------------|--|------------------------|
| 1872 | Annex Report | Chap. 6, Sec. 5 |
| 1874 | Final Performance Report and Administration Evaluation Report | Chap. 7, Sec. 2 |
| 1890 | PI&E Material Approval Checklist | Chap. 5, Sec. 8 |
| 2075 | Traffic Safety Program Grant Agreement | Chap. 4 |
| 2076 | Traffic Safety Project Description (Attachment C) <i>Note:</i> for STEP pro forma Project Descriptions, see: http://www.dot.state.tx.us/trafficsafety/grants/gpinstcurrent.htm | Chap. 4, Sec. 3 |
| 2077 | Traffic Safety Project Budget (Attachment E) | Chap. 4, Sec. 4 |
| 2077-LE | Traffic Safety Project Budget for Law Enforcement Projects (Attachment E) | Chap. 4, Sec. 4 |
| 2078 | Traffic Safety Grant Agreement Amendment | Chap. 4, Sec. 11 |
| 2081 | Texas Traffic Safety Subcontract Agreement | Chap. 4, Sec. 5 |
| 2081a | Texas Traffic Safety Subcontract General Terms and Conditions (Attachment A) | Chap. 4, Sec. 5 |
| 2081b | Traffic Safety Program Subcontractor Budget (Attachment B) | Chap. 4, Sec. 5 |
| 2109 | Traffic Safety Operational Plan | Chap. 4, Sec. 3 |
| 2122 | Traffic Safety Grant Management Risk Assessment | Chap. 6, Sec. 4 |