

Highway Safety Grant Program Manual

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Department of Motor Vehicles
Virginia Highway Safety Office

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Forms

TSS 06	Time and Activity Tracking Non-Profit Organizations, Universities, State Agencies
TSS 10C	Highway Safety Project Grant - Line Item Budget Adjustment Request
TSS 12	Highway Safety Grant Agreement
TSS 12A	Statement of Work and Special Conditions
TSS 12B	Highway Safety Grant Agreement General Terms and Conditions
TSS 12C	Highway Safety Grant Agreement Amendment
TSS 14A	Grantee Progress and Monitor Report for Law Enforcement
TSS 14B	Grantee Progress and Monitor Report for State Agencies and Non-Profit Organizations
TSS 15	Reimbursement Voucher for Highway Safety Project Costs
TSS 15A	Salary Reimbursement(s) Reporting
TSS 20	Total Cost and Matching Report (Safety Grants)
DA-02-041	Travel Expense Reimbursement (Available at www.doa.virginia.gov in MS Excel Format, and can be found under the listings heading “DOA Forms”)

TSS forms are available on the DMV web site at www.dmvnow.com, and can be found under the menu heading, “Forms and Publications”.

Chapter 1

Highway Safety Grant Agreement

1.1 GENERAL

This chapter outlines instructions for preparation, information to be included, and steps required for the development of the Highway Safety Grant Agreement. The individual component pages and schedules of the Highway Safety Grant Agreement are incorporated and summarize the terms of the agreement between the subgrantee and the Department of Motor Vehicles (DMV) Virginia Highway Safety Office (VAHSO). By signing the Highway Safety Grant Agreement, the subgrantee certifies and assures that it will fully comply with all applicable agency, state and federal laws, regulations and policies. The Project Director is the person working day-to-day on grant activities. This person will be the main contact and all grant-related DMV mailings will be sent to this person. The Project Director is responsible for forwarding all information to any other parties. The authorizing official typically has high level fiscal responsibilities for the subgrantee. DMV Community Transportation Safety Program Managers (CTSPM) or Project Monitors are assigned to provide assistance within the DMV regions. CTSPMs are also responsible for areas that focus on the highway safety programs that are funded using highways safety funds.

Highway Safety Grants are awarded to local and state governments, nonprofit organizations and higher education institutions partnering with DMV to meet strategic highway safety goals.

1.2 FORM OF AGREEMENT

1.2.1 A Highway Safety Grant Agreement consists of the following documents:

- (a) Highway Safety Grant Agreement Authorized Approval Signature Page,
- (b) Project Budget,
- (c) Statement of Work and Special Conditions (TSS 12A),
- (d) General Terms and Conditions (TSS 12B),
- (e) Subgrantee's Proposal, and
- (f) Letter Awarding the Grant to the Subgrantee

Two (2) copies of the Agreement are executed so that VAHSO and the subgrantee each may have an original copy. The Agreement is signed by the Project Director and an authorizing official of the subgrantee's organization.

Note: *Whiteout may not be used anywhere on the Agreement.*

The Highway Safety Grant Agreement Authorized Approval Signature Page expresses conditions of the grant including the designation of the project number. The TSS 12A details the specific requirements of the grant. The Project Budget provides the corresponding detailed project budget and TSS 12B explains the general terms and conditions for the use and management of federal funds.

1.2.2 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, the Agreement may be modified only by a formal written process. When a modification that alters the project scope is required, the respective DMV CTSPM shall be responsible for coordinating the completion and execution of an amendment to the Highway Safety Grant Agreement. This is accomplished using a Highway Safety Grant Agreement Amendment form, TSS 12C.

1.2.3 Amendments are approved in the same manner as the original Highway Safety Grant Agreement, processed through the DMV CTSPM and approved by the Director, Virginia Highway Safety Office or his/her designee.

1.3 DETAILED PROJECT BUDGET

1.3.1 The budget covers the entire period of the project. The program operates on the federal fiscal year which begins October 1 and ends September 30.

1.3.2 Costs are separated into the following categories. Each cost element should be reflected as an independent line item:

(a) Personnel Costs

- 1) Enter classifications to be utilized, the monthly or hourly salary rate (based on the method of compensation for that classification) and percentage of time applicable to the project; and
- 2) Overtime salaries are allowed for enforcement projects only, and the pay rates must be detailed separately from regular pay. Reasonable cost of living increases or merit increases should be estimated and included. Practices regarding pay should be consistent with the Fair Labor Standards Act. (See Chapter 4, Section 4.2)

(b) Travel Expense - Enter estimated cost of travel related to the project. Cost items include transportation, lodging and per diem. Segregate data into "in-state" and "out-of-state" travel on the budget form. The Commonwealth of Virginia travel regulations and procedures for travel must be followed.

(c) Contractual Services - Enter estimated cost of services to be provided for each contract to be awarded on the project. Do not list firm or individuals' names. Use descriptive titles that summarize contracted service such as, "CPS Training," "GIS Design and Implementation," "Evaluation Services," "Program Management," "Public Awareness Campaign," etc.

(d) Equipment - Enter the estimated cost of each item of equipment to be purchased. Items that have a useful life of more than one year and cost \$5,000 or more should be included in this category. The total cost of equipment includes modifications, attachments, accessories, or auxiliary apparatus necessary to make the equipment usable for project purposes including tax, shipping, and installation, excluding any discounts.

(e) Other Direct Costs - This category should include the line item titles of any other direct project expenses not covered in previous categories including services not requiring contractual agreements and minor equipment. The following are examples of line item titles that may apply: office supplies, printing services, educational materials, radar units, child safety seats, and bicycle helmets.

Note: If a line item cost in this category is based on an allocation, it must be identified in the line item title such as "Allocated Office Supplies" or "Communication Allocation." Cost allocation plans may be requested to ascertain that costs are equitably distributed to the project.

(f) Indirect Cost – DMV will permit, based on its review, negotiation and approval, an Indirect Cost Rate that does not exceed 10 percent; however, the subgrantee must submit an approved negotiated rate plan from your cognizant federal agency. The federal agency providing the majority of subgrantee's total federal funding is your cognizant agency. If DMV provides the majority of the subgrantee's federal funding, it reviews and approves/accepts the Plan. The indirect cost rate should cover those costs that have not been defined above as direct project costs. Refer to Chapter 2 for more information and details on VAHSO reimbursement limitations.

Indirect cost references and information can be found in the following federal documents:

- 1) 2 CFR Part 225, Cost Principles for State, Local and Indian Tribal Governments, Appendices A, E, and D (formerly OMB Circular A-87)

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- 2) 2 CFR Part 230, Cost Principles for Non-Profit Organizations (formerly OMB Circular A-122);
 - 3) 2 CFR Part 220, Cost Principles for Educational Institutions (formerly OMB Circular A-21); and
 - 4) ASMB C-10, Implementation Guide for Office of Management and Budget Circular A-87
- 1.3.3 After all costs have been itemized, verify the calculated totals including the 20% of the total project budget match requirement.
- 1.3.4 If modifications to the original budget are required, a written request must be submitted to the respective CTSPM and must be approved in advance of the expenditure. Budget modifications are permitted with advance written approval in instances when the expenditure supports the initial intent of the project and remains within the original project scope. Changes that substantially change the scope of the project must be made by completing and submitting the Highway Safety Project Agreement Amendment, TSS 12C. (Refer to Chapter 1 Section 2.2.)

Chapter 2

Allowable Costs

2.1 GENERAL

This chapter sets forth basic principals for determining allowable costs. These principles are not intended to identify the circumstances or dictate the extent of funding under a particular grant. The application of these principles is based on the fundamental premise that:

- (a) Subgrantees are responsible for efficient and effective administration of the project through the application of sound management practices;
- (b) Subgrantees assume responsibility for administering project funds in a manner consistent with underlying agreements, project objectives, and the terms and conditions of the Highway Safety Grant Agreement; and
- (c) Costs are compatible with the applicable federal requirements from:
 - 1) Highway Safety Grant Funding Policy for NHTSA Field Administered Grants;
 - 2) 2 CFR Part 225, Cost Principles for State, Local and Indian Tribal Governments (formerly OMB Circular A-87);
 - 3) 2 CFR Part 220, Cost Principles for Educational Institutions (formerly OMB Circular A-21);
 - 4) 2 CFR Part 230, Cost Principles for Nonprofit Organizations (formerly OMB Circular A-122); and
 - 5) OMB Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations

For specific guidance on these federal requirements, visit the following web site:

http://www.nhtsa.gov/nhtsa/whatsup/TEA21/GrantMan/HTML/00_Manl_Content1_01.html

2.2 DEFINITIONS

(a) Applicable Credits

Receipts or reductions of expenditure-type transactions that offset or reduce expense items allocable to grants as direct or indirect costs. Examples are: purchase discounts, rebates or allowances, recoveries or indemnities on losses, insurance refunds or rebates, and adjustments of overpayments or erroneous charges.

(b) Allocable

The cost must have a direct benefit and be directly attributable to the project or activity being performed. For example, a project director purchases a piece of equipment in order to conduct a grant activity. This piece of equipment is allocable to that project and can be charged as a direct cost to the project. The project director also purchases office supplies for the entire department. These supplies are not directly attributable to the project, they are, not allocable and cannot be charged as a direct cost to the project.

(c) Allowable

The cost must be allowed by DMV, state and federal policies and regulations. This means the costs must be **reasonable and necessary** for the performance of the project and **consistently treated**. Consistently treated means that costs incurred for the same purpose, in like circumstances, are either direct costs only or indirect costs only. Subgrantees may not double charge the federal grant for similar costs by directly charging a cost to a grant program and by including the same type of costs in the indirect cost rate charged to that grant program. A cost may not be assigned to a federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the federal award as an indirect cost.

Any expense that does not meet all of these criteria should not be directly charged to a federal grant. Note that approval of a particular grant expense as a direct cost does not guarantee that the expense constitutes an allowable cost. The expenditure must also meet the requirements for treating costs consistently as described above.

(d) Cost

The amount of money or value exchanged for property or services as determined on cash, accrual, or other recognized accounting system.

(e) Cost Allocation Plan

The documentation, including the allocation methods used to identify, accumulate, and distribute allowable indirect costs under grants and contracts.

(f) Direct Allocations

Joint costs, such as depreciation, rental costs, operation and maintenance of facilities, telephone expenses, and the like that are prorated individually as direct costs using a base which accurately measures the benefits received by each award or other activity. Direct allocations must be identified in the budget and distribution methods approved by VAHSO to be reimbursed as a project cost.

(g) Direct Costs

Expenses charged directly as a part of the cost of a product or service, or of a government unit or operating unit. These are distinguished from overhead and other indirect costs which must be prorated among several products or services, or governmental units or operating units.

(h) Indirect Costs

Those expenses incurred which from their nature cannot be readily associated with a specific project. Like overhead expenses, these expenses are prorated to the project based on benefit received from their incurrence.

(i) Subgrantee

Subgrantee means the nonprofit organization, government entity, either state or local, to which a VAHSO grant is awarded and is accountable for the use of the funds provided. The subgrantee is the entire legal entity even if only a particular component of the entity is designated to handle the project. The subgrantee or legal entity is also sometimes referred to as the grantee.

(j) Supplanting

Supplanting is the act of replacing existing funding with federal funds. Specifically, funding that is established for the payment of personnel or operations required in the normal and usual conduct of business may not be replaced using federal funds awarded via the grant. If an employee is an existing full-time employee and is requesting grant funds for normal working hours, the subgrantee must explain how the subgrantee is not supplanting. Subgrantees shall identify if an employee required for a particular grant funded project will be a new hire and is needed specifically for the performance of the project, including an explanation of the requirement to work outside normal working hours such as overtime. Basically, items that were funded before the grant with one source of funds may not NOW be replaced with highway safety grant funds; i.e., personnel, memberships, conferences, etc.

2.3 ELIGIBILITY REQUIREMENTS

To be eligible for reimbursement, costs must:

- (a) Be a necessary and reasonable project cost;
- (b) Not be a general governmental expense (See definition for supplanting.);

- (c) Be authorized or not prohibited under state or local laws/regulations;
- (d) Be consistent with subgrantee's regular procedures and apply uniformly to both project-related activities and non-project related activities;
- (e) Be net of all applicable credits and adequately documented;
- (f) Be authorized in the Project Budget;
- (g) Not be a prepayment;
- (h) Not be incurred before or after the project period; and
- (i) Not be an unreimbursed cost shifted from another project or prior year grant.

2.4 TOTAL PROJECT COSTS

Total project costs consist of the allowable direct cost of the project, plus its allocable portion of allowable indirect costs, less applicable credits. There is no universal rule for classifying specific cost items as either direct or indirect. Under different accounting systems, a cost may be direct with respect to a specific service or function, but indirect with respect to the grant. It is, however, essential that the accounting system treat each item of cost consistently, either as direct, direct allocation, or an indirect cost.

2.5 ALLOWABLE DIRECT COSTS

All direct costs are categorized in the grant agreement as personnel, travel/training, contractual services, equipment, or other direct costs. Typical direct costs reimbursable for each category under highway traffic safety projects are listed below. For a complete list of allowable costs for federal programs, see the applicable OMB Circular on cost principles referenced in Chapter 2 Section 1.

2.5.1 Personnel Costs

This category should contain only the direct compensation for salaries and fringe benefits of the subgrantee employees hired expressly for the project and for the time and effort spent on project related activities.

- (a) Salaries – May include wages, salaries, or special compensations provided the cost for the individual employee is (a) reasonable for the services rendered, and (b) follows an appointment made in accordance with state or local laws and rules and meets federal requirements.

Note: Reimbursements of individual salaries that result in a salary savings to the subgrantee are not allowable.

- (b) Overtime Pay – Overtime Pay is allowed only for enforcement officers related to grants for selective enforcement.
- (c) Fringe Benefits – Employee benefits for authorized absences such as annual leave and sick leave, as well as employer's contributions to social security, health insurance, workmen's compensation, and the like provided they are granted under approved plans, and are distributed equitably to the grant and all other activities.

Note: Costs for authorized absences are only reimbursable up to the amount earned during the term of the project. (Refer to Section 4.4, Adequate Source Documentation.)

2.5.2 Travel Expenses

- (a) The Commonwealth of Virginia travel policies, regulations and procedures must be followed for project-related travel:

http://www.doa.virginia.gov/Admin_Services/CAPP/CAPP_Topics/20335.pdf

- (b) The traveler's supervisor must sign the travel voucher as authorizing official.
- (c) The travel category includes the direct expenses for project-related travel incurred by personnel identified in the budget. Allowable costs include transportation, subsistence, and lodging, incurred in accordance with the Commonwealth of Virginia Travel Policies and Procedures.

(d) International travel is not allowed under the transportation safety grant program.

Note: Out-of-state trips require advance written approval from the Director of VAHSO prior to incurring cost, unless such travel is already identified in the Highway Safety Grant Agreement and corresponding Project Budget.

2.5.3 Contractual Services

This category should contain any professional services and associated costs necessary to complete project objectives that are not available through the subgrantee and require contractual agreements in accordance with the subgrantee's normal procurement procedures. This category also applies to mini-grants awarded to subgrantees and recipients completing project objectives through an award process.

2.5.4 Equipment

This category includes those nonexpendable, tangible personal property items (equipment) with a useful life of more than one year. Costs for such equipment are allowable under specified conditions. Items of equipment which cost **\$5,000** or more per item must be authorized through the VAHSO by the NHTSA Regional Manager. Such approval shall be obtained by DMV's VAHSO Division from the NHTSA regional manager in writing, and grantees will be notified when this approval has been secured. Determining the **total cost of equipment includes modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable or functional for project purposes including tax, shipping, and installation, excluding any discounts.** Some examples of typical traffic safety related equipment include digital video cameras, certain speed detection equipment, and crash reconstruction units. In the event of a conflict between this section and 2 CFR Part 225, 2 CFR Part 230 and 2 CFR Part 220, or 45 CFR, Subtitle A - Appendix E to Part 74, the provisions of the applicable Circular control (except where inconsistent with statute). Federal government requirements mandate that DMV maintain an accurate accounting and inventory of all equipment purchased using federal funds, and grantees must comply with the reporting requirements found in this policy and procedure.

2.5.5 Other Direct Costs

This category should include direct items of expense, such as educational materials, supplies, and services not requiring contractual agreements, acquired or consumed for purposes of the project.

Note: The cost of any items or services, which would not otherwise be allowable, using subgrantee's general funds are not allowable using project funds. In addition any joint costs that are prorated as direct costs to the project must have the allocation method reviewed for reimbursement eligibility in advance by VAHSO.

2.6 INDIRECT COSTS

Indirect costs include the following:

- (a) Costs incurred for a common or joint purpose benefiting more than one purpose or cost objective, commonly for facilities and administration; and
- (b) Costs not readily assignable to the cost objectives specifically benefited, without effort disproportionate to the results achieved.

Indirect cost pools should be distributed to benefited cost objectives on a basis that will produce an equitable result in consideration of relative benefits derived. Typical indirect costs may include depreciation and use allowances on buildings and equipment, general costs of business and facilities operations, general purpose office equipment, liability and hazard insurance expenses, general administration expenses, office rent, customary office supply expenses, communications expenses (telephone, cell phone, internet connection fees), utilities, and any recurring costs that are normal and customary business operations expenses. General administration expenses also include salaries for executive directors, accounting services, and costs associated with personnel administration.

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VAHSO, in accordance with permissible limits of federal funding guidelines (2 CFR Part 225), limits indirect cost reimbursement for its Highway Safety Grant Agreements and their primary contractual service agreements.

- 2.6.1 Grant agreements shall not be eligible for reimbursable indirect costs if the grant is to subsidize the acquisition of equipment or fixed assets as defined in the federal regulations and funding guidelines
- 2.6.2 Allowable indirect costs, as defined in the applicable Code of Federal Regulation (CFR), shall be reimbursed at a predetermined fixed rate using the following guidelines:

Up to **10%** of total direct personnel costs, including fringe benefits, of the subgrantee if personnel costs are included in the budget;

Examples/Comparison of Direct and Indirect Costs:

Direct Costs	Indirect Costs
Salaries, wages and fringe benefits such as: principal investigator, program coordinator, research assistant, and law enforcement personnel for activities directly related to the grant.	Salaries, wages and fringe benefits for administrative and clerical salaries such as: fiscal officer, accountant, department administrator, secretary, and staff assistant.
Postage for mailing a large quantity of questionnaires, research surveys or technical information to accomplish the goals of the project.	Postage for routine correspondence.
Meetings held for specific grant tasks; e.g., meetings with consultants or key players.	Meetings held for the general administration of the organization; e.g., Board meetings.
Computer software directly related to project; the task cannot be completed without it.	Computer software and supplies (general purpose, such as word processing, spreadsheet programs, diskettes, toner cartridges, printer paper).
Specific supplies purchased to use solely for the grant project.	General office supplies, such as paper, pencils, pens, tablets, staples, files, folders, binders, etc.
Telephone charges (include cell phones) for long distance calls; detailed log required.	Telephone charges – monthly fees for cell phone, basic and long distance lines, pagers, local calls, voice mail.
Rental of facility for grant activity such as a conference or training.	Rent, utilities, office equipment leases and other administrative overhead.

The Indirect Costs Rate (IDCR) may not exceed 10%. The IDCR is charged against allowable Direct Costs; however, there is a cap on contractual costs.

- **\$25,000 (Total) Cap on Contractual Direct Costs:**
- Allowable direct costs include all approved direct costs **except contractual** which only allows up to \$25,000 in total contracts against which an Indirect Cost Rate may be charged. For example, if your indirect cost rate = 10%, you are allowed 10% x \$25,000 or \$2,500 in indirect costs for the entire project.

Example of the Indirect Costs Rate applied to Allowable Direct Costs:

Item Description	Project's Direct Cost Amounts	10% Indirect Cost Rate	Indirect Costs
Personnel	\$50,000	X 10%	\$5,000
Contractual (total)	\$100,000	\$25,000 x 10%	\$2,500
Commodities	\$15,000	X 10%	\$1,500
Other Direct Costs	\$50,000	X 10%	\$5,000

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Total Direct & Indirect Costs	\$215,000		\$14,000
Total Grant Budget:			\$229,000

2.7 ALLOWABLE COSTS WITH SPECIFIC CONDITIONS OR LIMITATIONS

The following is a list of selected costs that are allowable under specific conditions.

- (a) Travel for Out-of-State Individuals – Costs for travel related expenses for out-of-state individuals are allowable if expenses are for specific services benefiting the project.
- (b) Expenses for out-of-country travel are not allowed.
- (c) New Training Curricula and Materials – Costs for development are allowable if they do not duplicate materials already developed for similar purposes by U.S. DOT/NHTSA/FHWA or the Commonwealth of Virginia.
- (d) Meetings and Conference – Costs of meetings and conferences, where the primary purpose is the dissemination of technical information, are allowable, including meals, transportation, rental of meeting facilities, and other incidental costs. Adequate records must be maintained to document that the primary purpose of the meeting was for dissemination of technical information. Such costs for meetings and conferences shall be detailed in the project objectives and budget. Follow the state travel policy regarding business meetings. Meals must be considered a working meal and provided during the official business meeting, conference, or workshop, with a set agenda. The official business meeting, conference, or workshop must be scheduled for at least 6 hours. At least 6 participants, including the grantee, must attend the official business meeting, conference, or workshop. Meal rates must comply with Virginia Travel Regulations as outlined in the CAPP manual (Policy 20335).
- (e) Paid Media – Costs are allowed for the purchase of program advertising space in the mass communication media such as television, radio time, cinema, internet, print media, and billboard space. However, special reporting documents are required. Additional information is available from your CTSPM.

Note: Costs should be displayed as a separate line item in the budget specifically identifying paid media.

2.8 UNALLOWABLE COSTS FOR SELECTED ITEMS

The following is a list of selected costs that are ineligible for reimbursement. For additional information relating to unallowable costs please refer to the appropriate OMB Circular on cost principles or contact the respective CTSPM.

- (a) Facilities and Construction
 - (1) Highway construction, maintenance, or design;
 - (2) Construction or reconstruction of permanent facilities, such as paving, driving ranges, towers, and non-portable skid pads;
 - (3) Highway safety appurtenances including longitudinal barriers (such as guardrails), signs and supports (except as allowed under Allowable Costs with Conditions for selected items, Part II.A.2.), luminaire (lighting unit) supports, and utility poles;
 - (4) Construction, rehabilitation, or remodeling of any building or structure;
 - (5) Cost of land;
 - (6) Purchase of office furnishings and fixtures such as but not limited to the following:
 - Desk, Credenza, Storage Cabinet
 - Chair, Bookcase, Portable Partition

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- Table, Filing Cabinet, Picture
 - Wall Clock
 - Shelving, Floor Covering, Draperies & Hardware
 - Coat Rack, Office Planter, Fixed Lighting/Lamp
- (b) Equipment
- (1) Truck scales
 - (2) Traffic signal preemption systems
- (c) Training
- (1) Cost of individual's salary while pursuing training or the salary of the individual's replacement, unless salary is already supported by project Program Administration;
 - (2) Training of employees of federal and military agencies;
- (d) Program Administration
- (1) Supplanting, which includes the use of funds for routine and/or existing governmental expenditures, or activities that constitute general expenses required to carry out overall responsibilities of governmental entity;
 - (2) Research
 - (3) Coffee, bottled water, or any other beverages, candy, donuts, snacks, or any other food items (See Chapter 2 Section 7, Meetings and Conferences, for meal exception);
 - (4) Entertainment costs including amusement, and social activities and any costs directly associated with such costs (such as tickets to shows or sporting events, meals, lodging, rentals, transportation, and gratuities);
 - (5) Alcoholic beverages for any consumption purposes including controlled training settings for law enforcement;
 - (6) Cost of overnight or courier mail service;
 - (7) Contributions and donations, including cash, property, and services to others, regardless of the recipient;
 - (8) Cost of fund raising, including financial campaigns, solicitation of gifts, and similar expenses incurred to raise capital or obtain contributions;
 - (9) Contingency provisions for contributions to a contingency reserve or similar provision for unforeseen events excluding self-insurance reserves;
 - (10) Fines, penalties, damages, and other settlements resulting from violations or noncompliance;
 - (11) Costs of commercial insurance that protects contractor for correction of defects in materials or workmanship; and
 - (12) Costs not recovered under one grant agreement are unallowable under other grant agreements.
- (e) Promotional Items and Activities
- Key rings, t-shirts, hats, "team" clothing and other promotional items are not allowed. According to the National Traffic Highway Safety Administration (NTHSA) there is no conclusive evidence that such items influence or change one's behavior in terms of having an impact on traffic crashes.

(f) Lobbying

- (1) No federally appropriated funds have been paid or will be paid by or on behalf of the Subgrantee to any person for influencing or attempting to influence an officer or employee of any federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- (2) Subgrantees shall complete and submit Standard Form - LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions if any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement. No funds appropriated under the highway safety grant are to be expended for publicity or propaganda purposes, for the preparation, distribution or use of any kit, pamphlet, booklet, publication, radio, television or film presentation designed to support or defeat legislation pending before the Congress or the Virginia General Assembly, except in presentation to the Congress or General Assembly itself. In addition, grant funds shall not be used to pay the salary or expenses, in whole or in part, of any Subgrantee or agent acting for such Subgrantee related to any activity designed to influence legislation or appropriations pending before the Congress or the Virginia General Assembly.
- (3) The Subgrantee shall require that the language of the certification found in Article 23 of the Highway Safety Grant Agreement be included in the award documents for all subawards and subcontracts and that all subcontractors shall certify and disclose accordingly. Any person who fails to comply with this requirement shall be subject to civil penalties as outlined in the Highway Safety Grant Agreement.

Chapter 3

Implementation and Control of Approved Projects

3.1 GENERAL

This chapter describes the implementation process for Highway Safety Grant Agreements and defines responsibilities for the subgrantee, project director, fiscal or accounting official and VAHSO for project control. This chapter also contains information on revising Highway Safety Grant Agreements, withholding, reducing, disallowing, or terminating funds, and closing out or terminating projects.

3.2 APPROVED AGREEMENT

When the project has been approved, the subgrantee receives notification from VAHSO to proceed according to the conditions and design authorized in the approved Highway Safety Grant Agreement. Subsequent to their notice of award the subgrantee will be required to attend a grant implementation session as indicated in the following Chapter 3 Section 3.

Note: Claims for reimbursement may be made only for costs incurred on or after the effective date. No reimbursement will be provided for expenses incurred prior to the effective date or after the project period ending date.

3.3 GRANT IMPLEMENTATION MEETING

A meeting will be scheduled to review the grant requirements and conditions, including the reimbursement claim process. Attendance by the project director and fiscal officer is mandatory in order for the subgrantee to receive their grant.

3.4 FISCAL OR ACCOUNTING OFFICIAL

The fiscal or accounting official named in the Highway Safety Grant Application, TSS-10.1 or TSS-10.2, should be the subgrantee's fiscal representative responsible for ensuring budgeted costs are in accordance with the subgrantee's standard policies and procedures and accounting records are maintained that will separate and accurately record project costs. In addition, they will ensure claims for reimbursement of project costs are limited to those specifically authorized in the Highway Safety Grant Agreement and are prepared using project accounting records or a process that reconciles claims no less than once a quarter with the project records.

3.5 PROJECT DIRECTOR

The project director should be one of the subgrantee personnel assigned to the project, i.e., traffic engineer, chief of police, etc., and must be available for periodic operational reviews with VAHSO representatives. The project director is responsible for establishing operating procedures and controls, which will ensure adequate administration of the project in accordance with the terms of the agreement with emphasis on:

- (a) Meeting work schedules;
- (b) Maintaining costs within the approved budgets;
- (c) Maintaining sufficient documentation for validation of project progress and accountability of funds expended;
- (d) Submitting required project reports; and
- (e) Conducting project evaluations.

3.6 VAHSO RESPONSIBILITY

VAHSO has the responsibility and authority to review and evaluate each project. Such review and evaluation will be made for the purpose of assisting the subgrantee in understanding and complying with the required procedures and to gain maximum benefits from the funds expended. VAHSO will also assist in the coordination of meetings with other agencies having similar projects and provide any information required.

3.7 SUBGRANTEE RESPONSIBILITY

Subgrantee agencies are responsible for promptly notifying their VAHSO CTSPM regarding any changes or problems that arise during the project period. They are also encouraged to have meetings with other agencies having similar projects in operation, for the purpose of coordinating related activities. State subgrantee agencies must comply with all state requirements.

3.8 PROJECT REVISIONS

Project revisions include any Highway Safety Grant Agreement change(s) that are necessary to enhance the operational efficiency of the project. VAHSO recognizes that budgets are estimates of actual costs; grantees are permitted to rebudget during the current year within existing line items shown in the Project Budget with VAHSO approval. The costs must be reasonable, allowable, and further the objectives of the grant. All revisions must be shown on the Highway Safety Project Grant Line Item Budget Adjustment Request (TSS 10C).

Note: Grantees should discuss changes/revisions to Highway Safety Grant Agreements with their VAHSO CTSPM to determine the appropriate method to complete the change/revision.

3.9 APPROVAL OF REVISION REQUESTS

In determining approval of project revision requests, the following will be considered:

- (a) Current and past performance;
- (b) Availability of funds;
- (c) Timeliness and quality of claims and Quarterly Performance Reports; and
- (d) Circumstances and justification for the request

3.10 WITHHOLDING, DISALLOWANCE, REDUCTION, TERMINATION AND/OR DENIAL OF GRANT FUNDS

The VAHSO CTSPM has the responsibility of recommending to the Director of VAHSO the cancellation of any project, which is not being implemented in accordance with applicable federal and state laws, or pursuant to the terms of the signed Highway Safety Grant Agreement. In addition, VAHSO will withhold or disallow grant payments, reduce or terminate grant funds, and/or deny future grant funding to any grantee that fails to comply with any term or condition of the Highway Safety Grant Agreement or program guidelines. This may include, but is not limited to, the following:

- (a) Failure to submit acceptable and timely signed Highway Safety Grant Agreements;
- (b) Failure to submit acceptable and timely reimbursement claims; and
- (c) Failure to submit acceptable and timely quarterly and final reports.

Should VAHSO deem it necessary to reduce or terminate grant funds, the project director will first receive a letter citing unacceptable project discrepancies, required corrective action, and penalty for not rectifying the discrepancies by a specified deadline. If corrective action is not taken by the deadline date, the stated penalty will be imposed. Payment for allowable costs up to the date of termination or reduction of grant funds will be subject to negotiation and availability of federal funds.

3.11 TERMINATION REQUESTED BY SUBGRANTEE

Agreements may be rescinded upon request by the subgrantee when the subgrantee is unable to implement the project. Upon review and approval by VAHSO, an agreement may be terminated without prejudice when the subgrantee is unable to continue with the work for justified reasons beyond its control. In such circumstances, the maximum reimbursement of claimed costs to the date of termination is limited to the amount determined to be allowable (Chapter 2) by a fiscal audit of the project records.

3.12 FUND AVAILABILITY

If, during the term of the grant award, federal funds become reduced or eliminated, VAHSO may immediately terminate or reduce the grant award upon written notice to the project director.

3.13 LIMITATION ON LIABILITY

The subgrantee shall be responsible for the settlement of any and all claims and lawsuits arising from or incident to VAHSO's non-payment of the subgrantee's claim. The subgrantee expressly acknowledges their responsibility includes the payment of all damages, expenses, penalties, fines, costs, charges, and attorney fees, if the claims and lawsuits are based upon VAHSO's non-payment of claims. The subgrantee shall defend any suits brought upon all such claims and lawsuits and pay all costs and expenses. The Highway Safety Grant Agreement entered into with VAHSO is subject to any applicable restrictions, limitations, or conditions enacted by the United States Government subsequent to the execution of the Highway Safety Grant Agreement.

Chapter 4

Fiscal Requirements

4.1 GENERAL

This chapter describes the subgrantee's fiscal responsibilities and requirements related to project accounting and property records for VAHSO projects. Specific requirements for project accounting records, equipment management and disposition, record retention, and audits are detailed in subsequent sections of this chapter. In general, it is the subgrantee's responsibility to ensure that project costs are:

- (a) Recorded in the accounting system in a separate project account;
- (b) Incurred in accordance with standard procurement policies and procedures;
- (c) Supported by detailed source documents that reliably account for funds expended; and
- (d) Allowable and in accordance with authorized costs defined in the Highway Safety Grant Agreement.

Note: All project transactions are subject to audit. Failure to comply with the provisions of this chapter or any portion of the Grant Program Manual will result in audit exceptions and subsequent loss of funds.

4.2 INTERNAL CONTROL

Effective control and accountability must be maintained for all VAHSO grant and sub-grant cash, real and personal property, and other assets. Subgrantee agencies are responsible for ensuring that all such property is adequately safeguarded and used solely for authorized purposes.

4.3 ACCOUNTING RECORDS

Any system of accounting may be used as long as it conforms to generally accepted accounting principles. In general, this means the existing accounting system of a subgrantee may be used as long as:

- (a) Records contain project information to include total project amount authorized, obligations, outlays or expenditures, un-obligated balances, and income
- (b) Project revenues and expenditures including labor are recorded in special project accounts
- (c) Project expenditures can be clearly identified with authorized budgeted costs

Note: Separate project records should include an itemized list of expenditures for each billing period to facilitate audits of project expenditures and preparation of reimbursement claims.

4.4 ADEQUATE SOURCE DOCUMENTATION

As mentioned in Chapter 2 Section 3, in order for costs to be eligible for reimbursement, they must be adequately documented. This section provides the criteria for source documentation to be considered sufficient for each cost category.

4.4.1 Personnel Costs

Personnel costs must be based on documented payrolls and approved by a responsible official of the subgrantee. In addition, the distribution of costs to VAHSO grants must be supported by personnel activity reports for all professional and nonprofessional staff billed. For each employee, these reports must be

prepared at least monthly and coincide with one or more pay periods. At a minimum the reports must contain:

- (a) An after-the-fact determination of actual activities worked;
- (b) All activities compensated for whether grant related or not;
- (c) Signatures of employee and an official with first-hand knowledge of activities;
- (d) Payroll reports to support time sheets; and
- (e) Form TSS 06, Time and Activity Tracking Non-Profit Organizations, Universities, State Agencies.

4.4.2 Law Enforcement Overtime Pay

Law enforcement overtime pay rates shall be determined based on the requirements of the U.S. Department of Labor Employment Standards Administration. Copies of Wage and Hour publications that can be used for guidance may be obtained by contacting the nearest office of the Wage and Hour Division toll free number 1-866-487-9243 or 1-866-4USWAGE. Use the following web site link to access the Division's fact sheet on overtime pay requirements: <http://www.dol.gov/whd/regs/compliance/whdfs23.pdf>. **Wages paid must be supported by corresponding payroll statements or TSS 15A forms. Overtime rates charged to the grant must be consistent with the rate normally charged to non-grant activities.**

4.4.3 Travel Expenses

Travel expenses must be supported by promptly prepared employee expense reimbursement claims and include appropriate itemized receipts. Conference and seminar expenses must also be supported by event agendas. If mileage costs are billed to the grant, records must be maintained indicating the name of the traveler, the date of the travel, for what purpose the travel took place and how it related to the project, and for how many miles. Rates established in State Travel Regulation must be used.

Note: Non-profit agencies submit a signed original Travel Expense Reimbursement Form DA-02-041 with required receipts.

4.4.4 Contractual Services

Services provided by an individual, organization, or firm, must be supported by a properly executed contractual or inter agreement. Payments on contractual agreements must be supported by itemized invoices and made in accordance with the terms of the agreement. Agencies must also maintain records sufficient to detail the significant history of the procurement.

Note: See Chapter 6 for detailed information regarding VAHSO requirements for procurement and administration of reimbursable contractual services.

4.4.5 Equipment

Equipment is non-expendable, tangible personal property with a useful life of more than one year and an acquisition cost of more than **\$5,000**. **The total cost of equipment includes modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for project purposes including tax, shipping, and installation, excluding any discounts.** Equipment purchases must be supported by purchase orders or other original documents authorizing the procurement and be signed by appropriate authorities. In addition, itemized invoices or properly signed and dated itemized delivery and/or packing slips must be on file.

4.4.6 Other Direct Costs

The purchase of any other project supplies, materials, or minor equipment (less than \$5,000) or the procurement of services not requiring contractual agreements must be supported by purchase orders or other original documents authorizing procurement and be signed by the appropriate authorities. In addition, itemized invoices or properly signed and dated itemized delivery and/or packing slips must be on file. Rental or lease costs must be supported by appropriate detailed agreements.

4.5 EQUIPMENT MANAGEMENT REQUIREMENTS

If equipment is purchased using VAHSO funds, subgrantee agencies will be accountable to VAHSO for the equipment as long as the current fair market value remains in excess of \$5,000. Subgrantee procedures for managing project equipment acquired in whole or in part using VAHSO funds, until disposition takes place, must at a minimum include:

- (a) Adequate controls for safeguarding against loss, damage, or theft of equipment;
- (b) Provisions for replacing equipment lost due to circumstances other than normal wear;
- (c) Maintenance procedures that will keep equipment in good working condition; and
- (d) Properly maintained property records with the following information:
 - (1) Description with serial or other identification number;
 - (2) Acquisition date and total cost;
 - (3) Source of property and who holds title;
 - (4) Location, condition, and use of property;
 - (5) Percentage of federal participation in cost; and
 - (6) Ultimate disposition data including date of disposal and sale price.

Note: Physical inventory and reconciliation to property records is required to be performed every two years.

4.6 VAHSO RECORDS AND REPORTING REQUIREMENTS

Property records for project equipment, which are subject to audit by VAHSO, shall also be made available in the project file and retained for three years after final disposition of the property or for three years after final project payment is made, whichever is later. This includes invoices and documentation to support proof of payment. (Refer to Chapter 5 Section 4.) Subgrantee must contact VAHSO, in writing,

- (a) Immediately after discovery of any project equipment loss, and
- (b) To obtain approval before selling, transferring, or conveying project equipment.

4.7 EQUIPMENT DISPOSITION

At the end of a project, which includes any equipment purchased, the subgrantee must provide written notice to VAHSO of the final disposition of the equipment and how they plan to either continue the use of the equipment or dispose of the equipment.

4.8 COPYRIGHTS/TRADEMARKS

VAHSO reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use, for federal or state government purposes the following:

- (a) The copyright/trademark in any work developed under a grant, sub-grant, or contract under a grant or sub-grant.
- (b) Any rights of copyright/trademark to which a grantee, sub-grantee, or a contractor purchases ownership with grant funds.

4.9 PROGRAM INCOME - RECORDS/REPORTING

Program income must be maintained in a separate account that identifies disposition by documenting the expansion of services or reduction of project costs. Any balance remaining in the program income account at the close of fiscal year shall be carried forward. Quarterly Performance Reports will include the reporting of current and year-to-date program income balances.

4.10 RECORDS RETENTION

The subgrantee must retain all project source documents and records and make them available for federal and state audit for a period of three years following the date of the final reimbursement of project expenditures. Records shall be retained beyond this date if audit findings have not been resolved.

4.11 SINGLE AUDIT REQUIREMENTS

- (a) VAHSO has the responsibility of ensuring that subgrantees have complied with the requirements of the Single Audit Act in accordance with the Office of Management and Budget (OMB) Circular A-133. Subgrantees that are not in compliance will be notified and required to provide verification of compliance. Any required audits must be conducted in accordance with the guidelines established under the applicable OMB Circulars, the Single Audit Act of 1984 (OMB Circular A-133) and AICPA's Statement on Auditing Standards (SAS) 99, "Consideration of Fraud in a Financial Statement Audit." If unallowable expenditures are identified, the Grantee will be responsible for repayment.
- (b) Nonprofit organizations, who are not required to perform a full audit pursuant to this section, may submit a copy of their most current annual financial report or statement or IRS Form 990.

4.12 VAHSO AUDIT REVIEWS

- (a) Periodic audits of subgrantee and subcontractor records for projects funded by VAHSO are conducted as both on-site and desk reviews to ensure compliance with the provisions of this and any other chapters of the Highway Safety Grant Program Manual.
- (b) Failure to comply with provisions and conditions of the Agreement may result in audit exceptions and subsequent loss of funds, including the following remedies and actions:
 - (1) temporarily withhold cash payments pending correction of the deficiency by the grantee or subgrantee or more severe enforcement action by the awarding agency;
 - (2) disallow all or part of the cost of the activity or action not in compliance;
 - (3) wholly or partly suspend or terminate the current award;
 - (4) withhold further awards for the program; or
 - (5) take other remedies that may be legally available.
- (c) An appeal of an enforcement action taken by DMV may be initiated by submitting a written appeal. In order for the written appeal to be considered, it must be received within 30 days after the date the notification of the enforcement action was issued. An appeal by a state agency or non-profit organization must be submitted to DMV's Director of the Virginia Highway Safety Office. An appeal by a locality must be submitted to the Virginia Highway Safety CTSPM for the district in which the locality is located. Appeals will be reviewed by the Virginia Highway Safety CTSPM and the Director of the Virginia Highway Safety Office. After careful review and consideration of the appeal, the grantee or subgrantee will be notified in writing of the final decision.

Chapter 5

Preparation of Reimbursement Requests

5.1 GENERAL

This chapter provides the guidelines for the preparation and submission of Expenditure and Reimbursement Vouchers for project reimbursements using appropriate forms as follows:

TSS 15 – Reimbursement Voucher for Highway Safety Project Costs,

TSS 15A - Salary Reimbursement(s) Reporting (Personnel Costs), and

TSS 6 – Time and Activity Tracking Non-Profit Organizations, Universities, State Agencies

Forms must be prepared using the subgrantee's accounting records based only on recorded costs for the period covered.

Note: Claims for reimbursement not submitted on the appropriate form will not be reimbursed.

5.2 CLAIM SUBMISSION

Claims are to be submitted with an original signature and appropriate support documents attached. The project director listed on Page 1 of the Highway Safety Grant Agreement package must sign the claim. Written delegation for any other official must be on file with VAHSO and include signature samples of the authorized individual. No one may sign "for" the designated official listed.

5.3 REIMBURSEMENT DUE DATES

Submit claims for reimbursement on a quarterly basis at the end of each quarter for which there was activity, with the exception of the final claim that you must submit to the DMV Grants Management Office no later than **November 5**. Failure to meet this final voucher deadline will result in the relinquishment of funds for that grant. The final voucher must be accompanied by the Total Cost and Matching Report. Submit the TSS 14A/14B, final Grantee Progress Report, to your CTSPM.

5.4 REIMBURSEMENT SUBMISSION

Requests for reimbursement should be prepared using the following instructions. To ensure your requests are not returned and reimbursements are timely, make sure they meet the following criteria:

- (a) Do not use white out or corrective tape;
- (b) Do not attach claim form to the Grantee Progress Report;
- (c) Attach legible invoices for contractual service, equipment costs, and receipts for goods indicating the payment has been made;
- (d) Be sure claims are correctly computed and reconciled;
- (e) Be sure to correctly record "prior claimed" amounts;
- (f) Ensure authorized original signatures are on the claim; and
- (g) Ensure costs claimed match the line items authorized in the budget for each category and are within the grant period;
- (h) For reimbursement of travel expenses, complete and submit Form DA-02-041 and attach copies of required receipts. State agencies must submit a copy of completed Form DA-02-041.

Note: Documented proof of payment is imperative as noted herein. Claims not meeting these criteria or complying with these requirements may be returned and delay reimbursement.

Chapter 6

Procurement & Contract Administration

6.1 GENERAL

This chapter highlights the more significant procurement standards that must be adhered to when purchasing goods or services for VAHSO projects. Specific requirements are provided for sole source procurements, procurement records, contractual services, contract management, and contracting with non-profit organizations. In general agencies must follow the same policies and procedures it uses for procurements from its nonfederal funds provided they conform to applicable federal laws and standards.

6.2 FEDERAL LAWS AND STANDARDS

The following contain the federal laws and standards that must be adhered to when procuring goods or services for VAHSO projects:

Applicable to:	Regulations	Where to Find?
All	23 USC Sections 402, 405, 410, 411, 153, 154, 157, 163, 164	www.nhtsa.dot.gov
All	23 CFR, Chapters II and III, NHTSA and FHWA Regulatory Requirements Applicable to 23 USC Sections 402, 405, 410, 411, 153, 154, 157, 163, 164	http://www.gpoaccess.gov/cfr/index.html
Hospitals	45 CFR, Subtitle A, Part 74, Appendix E, Principles for Determining Costs Applicable to Research & Development Under Grants & Contracts with Hospitals	http://www.gpoaccess.gov/cfr/index.html
State & Local Government	49 CFR, Part 18, Uniform Administrative Requirements to State and Local Governments	http://www.gpoaccess.gov/cfr/index.html
Institutions of Higher Education, Hospitals & Nonprofits	49 CFR, Part 19, Uniform Administrative Requirements for Grants & Agreements to Institutions of Higher Education, Hospitals & Nonprofits	http://www.gpoaccess.gov/cfr/index.html
State, Local and Indian Tribal Government	2 CFR Part 225 (formerly OMB A-87) (Office of Management and Budget Cost Principles)	http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&tpl=/ecfrbrowse/Title02/2cfr225_main_02.tpl or http://www.whitehouse.gov/omb/circulars/a087/a87_2004.html
Institutions of Higher Education	2 CFR Part 220 (formerly OMB A-21) (Office of Management and Budget Cost Principles)	http://www.whitehouse.gov/omb/circulars/a021/a21_2004.html
Nonprofit Organizations	2 CFR Part 230 (formerly OMB A-122) (Office of Management and Budget Cost Principles)	http://www.whitehouse.gov/omb/circulars/a122/a122_2004.html
All	Virginia State Travel Regulations Policy Number 20335 and 20336	http://www.doa.virginia.gov/Admin_Services/CAPP/CAPP_Topics/20335.pdf http://www.doa.virginia.gov/Admin_Services/CAPP/CAPP_Topics/20336.pdf
All	Guidelines for the Submission of Highway Safety Grant Applications	http://www.dmvnow.com/webdoc/safety/grants/index.asp
All	Highway Safety Plan Benchmark Report	http://www.dmvnow.com/webdoc/general/safety/index.asp

Note: State agencies must comply with contract and procurement policies and procedures as set forth in the Virginia Public Procurement Act. All other agencies must have copies of established procurement procedures available for audit purposes upon request by VAHSO.

6.3 PROCUREMENT STANDARDS

All procurement and contractual transactions will be conducted in a manner providing full and open competition consistent with the standards of 49 CFR Section 18.36. Sole source procurement or contracting is discouraged because it is inconsistent with a policy of “full and open competition.”

When procuring goods or services with grant funds, subgrantee must also ensure costs are reasonable. A cost is reasonable if it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. The following must also be taken into consideration in determining the reasonableness of a given cost:

- (a) Is the cost of a type generally recognized as ordinary and necessary for the performance of the governmental entity?
- (b) Does the cost exceed the market price for comparable goods or services?
- (c) Were the restraints or requirements imposed by such factors as sound business practices and arms length bargaining used?
- (d) Did the individuals concerned act with prudence in the circumstances considering their responsibilities regarding the use of public funds?
- (e) Were there significant deviations from the established practices of the subgrantee, which may unjustifiably increase VAHSO’s cost?

6.4 PROCUREMENT RECORDS

Subgrantee agencies must also maintain records sufficient to detail the significant history of procurement. These records will include, but are not limited to the following:

- (a) A rationale for the method of procurement and selection of contract type;
- (b) Written selection procedures and documented reasons for rejections; and
- (c) The basis for the contract price.

Note: Procurement documentation must be made available for audit purposes upon request from VAHSO.

6.5 SOLE SOURCE PROCUREMENTS

Purchases or award of contracts by noncompetitive processes may be used only when small purchase procedures, sealed bids, or competitive proposals are infeasible and one of the following applies: [Reference: 49 CFR 18.36(d)(4)(i)].

- (a) Goods or services are only available from a single source;
- (b) Public need, demand, or emergency will not permit a delay resulting from competitive solicitation; or
- (c) After solicitation of a number of sources, competition is determined inadequate.

Note: Sole source approvals must be in accordance with subgrantee’s procurement and contracting directives regarding non-competitive procurement and contracting.

6.6 SOLE SOURCE RECORDS

Procurement records supporting a sole source approval must be consistent with subgrantee procedures but at a minimum must contain the following:

- (a) Justification why the purchase/service cannot logically and reasonably be made through a competitive bidding process including consequences if not approved.
- (b) A list of the vendor's/contractor's unique qualifications, experience, etc.
- (c) A cost analysis, i.e., verifying the proposed cost data, the projections of data, and the evaluation of the specific elements of cost is necessary, unless reasonableness can be established on the basis of a catalog or market price of a commercial product sold in substantial quantities to the general public or based on prices set by law or regulation.

6.7 CONTRACTUAL SERVICES

The consultant, contractor and/or subcontractor are subject to all conditions and certifications of the Highway Safety Grant Agreement and 49 CFR Part 18 and/or CFR Part 19. Specifically all terms and conditions as outlined in 49 CFR Section 18.22 Allowable Costs.

6.8 CONTRACT PROVISIONS

Agencies generally have their own standard contract format and language; therefore VAHSO does not dictate a standard format. While VAHSO does not require a specific format, within the context of the format, each contract must contain:

- (a) Contract Number;
- (b) Identification of the parties;
- (c) Purpose of the contract expressed in a short paragraph;
- (d) Term for the performance or completion of the contract (specific start and end dates);
- (e) Cost. The contract must clearly express the maximum amount to be paid and the basis on which payment is to be made. Enough information must be present to be able to associate specific costs with services, tasks, or other deliverables in order to assess reasonableness of costs. Cost reimbursement contracts must include budgets and budget narratives that clearly define authorized costs and how they relate to the services provided;
- (f) Scope. The work, service, or product to be performed, rendered, or provided. Clear and concise language must be used to describe the scope. The scope of work, or statement of work, should be specific and not be expressed in broad terms. Work to be performed should be broken down into specific tasks and each task should have a corresponding completion date;
- (g) Subcontracting provisions. Any subcontracts are subject to audit, by VAHSO or their designated representative. The same general terms, conditions, and certifications found in the Highway Safety Grant Agreement that apply to subgrantees also shall apply to subcontractors and should be incorporated by reference in subcontracts;
- (h) Reporting requirements. Specify reporting requirements including content, due dates, format, distribution, etc.;
- (i) Other general or unique terms and conditions of the agreement. According to 49 CFR 18.36(i) and National Highway Traffic Safety Administration (NHTSA) prescribed certifications and assurances, each contract shall include a provision for the compliance with such requirements. These provisions shall be referenced in the body of the contract and by reference made a part thereto; and
- (j) Signature, printed name, and title of a person representing each party who is authorized to bind that party. The subgrantee must provide written notification to the CTSPM of any change in Project Directors and authorized officials.

6.9 CONTRACT MANAGEMENT RESPONSIBILITY

The subgrantee is responsible for the management of all contracts issued using VAHSO funds and must:

- (a) Ensure contractor's compliance with contract provisions;
- (b) Ensure services are performed according to the quality, quantity, objectives, timeframes, and manner specified in the contract;
- (c) Ensure that all work is completed and accepted before the contract expires;
- (d) Assess and request amendments, renewals, or new contracts as required allowing sufficient time to process, and execute such changes before the contract expires to prevent a lapse in service;
- (e) Ensure that contracts are amended subsequent to any Highway Safety Grant Agreement revision that affects the contract terms;
- (f) Review and approve invoices for payment ensuring payments are made in accordance with contract terms, costs are budgeted and allowable, and work has been performed;
- (g) Monitor contract expenditures to ensure there are sufficient funds to pay for all services rendered as required by the contract; and
- (h) Verify all requirements of the contract are fulfilled before submitting the final invoice.

Chapter 7

Project Reports

7.1 GENERAL

This chapter contains information about the project reports that must be submitted to VAHSO. These reports include the Grantee Progress Report and Match Report. These reports are explained in more detail in this chapter, including the timeframes for reporting.

7.2 GRANTEE PROGRESS REPORTING (TSS 14A & TSS 14B)

The Grantee Progress Report is a thorough report on project activities conducted during each quarter, as it is the main source of information used to determine project success and commitment. In addition, the information and data provided in this report is incorporated into the “Annual Performance Report” submitted by VAHSO to National Highway Traffic Safety Administration (NHTSA), Federal Highway Administration (FHWA), and the State Legislature. It is therefore critical that reports contain the following:

- (a) Description of activities conducted to achieve goals and objectives
- (b) Relationship of these activities to the project phase, time schedule, and milestones
- (c) Current and project-to-date report on progress of the tasks for each goal and objective
- (d) Comprehensive explanation of any challenges/difficulties/delays
- (e) Anticipated effect of delays on total project cost and time schedule
- (f) Detailed plan of action to correct any deficiencies in meeting goals and objectives
- (g) Report of current and year-to-date program income received and expended

Note: Failure to submit Grantee Progress Report when they are due may result in the withholding or disallowance of grant payments, the reduction or termination of grant funds, and/or the denial of future grant funding (Chapter 3, Section 11).

Grantee Progress Reports are submitted to your CTSPM. The Grantee Progress and Monitor Report form, TSS 14A/14B, and other VAHSO forms are available on the DMV web site at www.dmvnow.com, and can be found under the menu heading, “Forms and Publications.”

The TSS 14A/14B is to be completed by the grantee on a quarterly basis (January, April, July, and October). The form is sent to the grantee’s CTSPM. If the grant Project Director changes during a reporting period, it should be noted on the TSS 14A/14B and supported with written notice from the subgrantee. Subgrantees will provide a letter or an email, noting the change and updated contact information. Any detailed information requested (media buys, affidavits, etc.) or other attachments should be completed and attached to the TSS 14A/14B. The TSS 14A/14B will be used by grantees to report all actual accomplishments in three-month intervals during the grant funding cycle. The report assists CTSPMs in charting and gathering data concerning equipment purchases, enforcement activity, training performed and/or attended, public information events, and funds expended that relate to the approved grant. Other benefits of the reports include the following:

- (a) Determining project impact in reducing or solving identified highway safety problem
- (b) Determining project contribution to subgrantee’s/Virginia’s Highway Safety Program
- (c) Evaluating benefits derived in relation to costs incurred

- (d) Assisting other agencies with similar program deficiencies. The Final Report should be creative and resourceful. The Final Report includes, but is not limited to, the following factors:
- (1) Credits - “This project met relative goals and objectives which are part of Virginia’s Highway Safety Plan and was made possible through the support of the Virginia Highway Safety Office of the Virginia Department of Motor Vehicles and the National Highway Traffic Safety Administration.”
 - (2) Project Personnel - Identify the key personnel who worked on the project together with their job classifications and give a brief description of their contribution.
 - (3) Goals and Objectives - Restate the objectives of the project as identified in the Highway Safety Grant Agreement. This will allow analysis of the report as a self-contained document and will aid other agencies in defining their deficiencies.
 - (4) Methodology - Describe in detail how the project was implemented. This description may speak specifically on how each task identified in the Highway Safety Grant Agreement was accomplished. This will be helpful to other agencies that may desire assistance in the same program area. VAHSO can use the methodology description to develop cost ratios for work performed and to develop an outline for implementing similar projects with maximum benefits.
 - (5) Problems - Describe any operational or cost problems that were encountered in project implementation. If known, state alternate methods that would have avoided the problem and increased the effectiveness of the project. This information will assist other agencies in avoiding the same problems.
 - (6) Results - Describe in detail the results of the project in terms of meeting each original goal and objective. Also describe the results in terms of how they will be specifically applied for future improvement of the subgrantee’s continuing highway safety program. Where possible, describe estimated savings resulting from implementing project results. Describe how equipment purchased under the grant was utilized in accomplishing the objectives.
 - (7) Implementation Schedule - Outline the actual and/or planned schedule for implementation of the project results, recommendations or countermeasures. Include the amounts budgeted for immediate implementation or the estimated fiscal requirements for future plans.
 - (8) Documentation - Include as a part of the final Grantee Progress Report, input and output documents developed. Examples might include the following: new or revised forms, diagrams, management reports, photos, coding manuals, instructional manuals, etc. (Other agencies may be able to adapt this material for their benefit.)

Note: Costs, recorded as expenses after the project end date, are not allowable. Failure to submit the final Quarterly Report by November 5th may result in the loss of grant funds (Chapter 3, Section 10).

7.3 TOTAL COST AND MATCHING REPORT (TSS 20)

The TSS 20 must be completed and submitted with the final reimbursement voucher to validate the 20% match requirement. This means that 80% of the project cost is provided by federal funds and the remaining 20% is the responsibility of the subgrantee. The 20% required match can be accomplished in the form of either monetary (known as a hard match) or, in-kind services (known as a soft match) or a combination of the two.

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The formula used is as follows (80%) + Match (20%) = 100% of the total project cost. For example, the total project cost is \$12,500. Eighty percent (80%) of this cost, equals \$10,000 and can be funded with grant dollars. The matching funds, from the organization, must equal 20% or \$2,500 of the total \$12,500 project cost.

\$12,500	Total project cost		
<u>X</u> 80%	Percentage of allowed grant funded dollars,		
\$10,000	Total allowed grant funded dollars.		
\$12,500	Total project cost		
<u>X</u> 20%	Percentage of required matching dollars,		
\$2,500	Total required matching funds from the organization.		

Examples of subgrantee cost items eligible to be used as matching funds include:

- | | |
|---|---|
| 1. Overtime salaries for enforcement | Operating costs of police cruisers |
| 2. Salary of coordinator | Clerical salaries, office supplies, utilities, etc., to support coordinator |
| 3. Travel funds for conference | Use of fleet vehicle |
| 4. Contractor for occupant protection public relations campaign | Free spots (earned media) |
| 5. Purchase of speed enforcement equipment | Cost of training officers in proper use of new equipment |
| 6. Design and printing of pamphlets | Cost of distribution of pamphlets |
| 7. Promotional items for impaired driving campaign | Value of volunteer services to chaperone and/or distribute items |

In general, you may use matching fund expenditures for any item(s) that are related to and in support of the grant funded item, provided the intended match is not being used to match any other federally-funded expenditure. In addition, federal funds may not be used to match federal funds.

7.4 REPORTING AND REIMBURSEMENT TIMETABLE

The following is a quick reference timetable indicating the due dates for all reports and claim invoices:

Quarter	Due Date	Grantee Progress Report	Final Reimbursement Voucher	Final Grantee Progress Report	Final Total Cost and Matching Report *	Quarterly Voucher Submitted
Oct. 1–Dec. 31	Jan. 31	X				X
Jan. 1–Mar. 31	April 30	X				X
April 1–June 30	July 31	X				X
July 1–Sept. 30	Nov. 5		X	X	X	

*(The matching report can be submitted at any time during the grant cycle.)

Note: Even though the grant period runs from October through September, a final voucher can be submitted any time once the grant funds have been exhausted. This is with the understanding that monitoring reports will continue to be provided through the end of the grant cycle.