

**U.S. Department of Transportation**  
**Urban Mass Transportation Administration**  
Washington, D.C. 20590

**CIRCULAR**

UMTA C 4900.2B

April 30, 1985

**SUBJECT:** ADMINISTRATION REQUIREMENTS FOR UMTA UNIVERSITY RESEARCH  
AND TRAINING GRANTS OR OTHER AGREEMENTS

---

1. PURPOSE. This circular provides guidance for the administration of grants or other agreements pursuant to Section 11(a) of the Urban Mass Transportation Act of 1964, as amended.
2. CANCELLATION. This circular cancels UMTA Circular 4900.2A, "Project Administration Requirements for University Research and Training Grants," dated 8-7-81.
3. REFERENCES.
  - a. Section 11(a) of the Urban Mass Transportation Act of 1964, as amended.
  - b. OMB Circular A-110, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Nonprofit Organizations," dated 7-30-76.
  - c. OMB Circular A-21, revised, "Cost Principles for Educational Institutions," dated 2-26-79.
  - d. OMB Circular A-122, "Cost Principles for Nonprofit Organizations," dated 6-27-80, revised 4-27-84.
  - e. DOT Order 1100.66A, "Department of Transportation Organizational Manual, Urban Mass Transportation Administration," dated 1-20-82.
  - f. DOT Order 4600.10, "Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations," dated 1-9-77.
  - g. UMTA Circular 4220.1A, "Third Party Contract Guidelines," dated 6-8-82.
  - h. UMTA Circular 4900.1B, "Application Instructions for UMTA University Research and Training Program," dated 8-6-84.

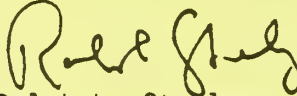
---

**DISTRIBUTION:** UMTA Headquarters Office U-W-2  
UMTA Regional U-X-2

**OPI:** Office of Technical  
Assistance

4-30-85

- i. UMTA University Research and Training Program Annual Announcement.
  - j. OMB Circular A-73, "Audit of Federal Operations and Programs," dated 3-15-84.
  - k. "Federal Acquisition Regulations," dated 4-1-84.
  - l. Executive Memorandum, "Government Patent Policy," dated 2-18-83.
  - m. OMB Circular A-124, "Patents - Small Firms and Nonprofit Organizations," dated 2-10-82.
4. IMPACT ON DELEGATION OF AUTHORITY. This circular provides no new delegation of authority.

  
Ralph L. Stanley 4/30/85  
Administrator

4-30-85

TABLE OF CONTENTS

<u>CHAPTER</u>		<u>PAGE</u>
I.	<u>INTRODUCTION</u> . . . . .	I-1
	1. General . . . . .	I-1
	2. General Obligations of the Recipient . . . . .	I-1
II.	<u>ADMINISTRATIVE REQUIREMENTS</u> . . . . .	II-1
	1. Notice of Approval . . . . .	II-1
	2. Notice of Award . . . . .	II-1
	3. Recipient Responsibilities for . . . . .	II-2
	Project Administration	
	4. UMTA Responsibilities for . . . . .	II-2
	Project Management	
	a. Technical Monitor. . . . .	II-2
	b. University Research and Training . . . . .	II-2
	Program Grant Manager	
	5. Project Technical Reporting Requirements . . . . .	II-3
	a. Progress Reports . . . . .	II-3
	b. Final Report . . . . .	II-3
	6. Amending the Grant or Other Agreements . . . . .	II-4
	7. Third-Party Contracts and/or Other Agreements . . . . .	II-4
	a. Definition . . . . .	II-4
	b. References . . . . .	II-4
	8. Procurement Standards . . . . .	II-4
	a. Responsibilities and Standards . . . . .	II-4
	b. UMTA Review of Third-Party Agreements . . . . .	II-7
	c. Provisions . . . . .	II-8

TABLE OF CONTENTS (Con't)

<u>CHAPTER</u>	<u>PAGE</u>
9. Copyrights and Rights in Data . . . . .	II-8
a. Copyrights . . . . .	II-8
b. Rights in Data . . . . .	II-8
10. Patents . . . . .	II-8
11. Suspension and Termination . . . . .	II-8
a. Definitions . . . . .	II-8
b. Procedures . . . . .	II-9
c. Standards . . . . .	II-9
12. Retention and Custodial Requirements . . . . . for Records	II-10
III. <u>PROJECT FINANCIAL MANAGEMENT REQUIREMENTS</u> . . . . .	III-1
1. General . . . . .	III-1
2. Accounting System and Internal Controls . . . . .	III-1
3. UMTA Review of the Recipient's Financial . . . . . Management System	III-2
4. Cash Depositories . . . . .	III-3
5. Program Income . . . . .	III-3
6. Cost Standards . . . . .	III-4
a. Allowable Costs . . . . .	III-4
b. Unallowable Costs . . . . .	III-5
7. Reimbursement or Advances by Treasury Check . . . . .	III-6
8. Financial Reporting Requirements . . . . .	III-9
a. General . . . . .	III-9
b. Other General Data . . . . .	III-10
c. Quarterly Financial Status Report . . . . .	III-11

TABLE OF CONTENTS (Con't)

<u>CHAPTER</u>		<u>PAGE</u>
	9. Student Support . . . . .	III-11
	a. Participation in Project Activities . . . . .	III-11
	b. Student Salaries/Wages . . . . .	III-11
	c. Student Stipends . . . . .	III-11
	d. Nonduplication of Benefits . . . . .	III-14
	10. Project Budget and Budget Revision . . . . . Procedures	III-14
IV.	<u>GRANT OR OTHER AGREEMENT</u> . . . . .	IV-1
	1. General . . . . .	IV-1
	2. Definitions . . . . .	IV-1
	a. Closeout . . . . .	IV-1
	b. Date of Completion . . . . .	IV-1
	c. Disallowed Costs . . . . .	IV-1
	3. Final Report . . . . .	IV-1
	4. Final Payment . . . . .	IV-1
	5. Final Financial Status Report . . . . .	IV-2
	6. Refunds . . . . .	IV-2
	7. Patents/Inventions . . . . .	IV-2
	8. Final Audit or other Review . . . . .	IV-2
	9. Closeout . . . . .	IV-2
 <u>APPENDICES</u>		
	A. Instructions for Executing the Notice of Grant Award	
	B. Part I: Notice of Grant Award	
	C. Part II: General Terms and Conditions Governing Grants for University Research and Training Projects	



CHAPTER I  
INTRODUCTION

1. GENERAL. This circular is designed to provide guidance in the administration of Urban Mass Transportation Administration (UMTA) Section 11(a), University Research and Training Grants or Other Agreements. It is addressed primarily to recipients for prescribed procedures and guidelines to be applied in administering approved UMTA grants or other agreements and secondarily as supplemental information for those who may be interested in the preparation of applications for grants and/or other agreements.

Information necessary to submit an application is contained in the UMTA University Research and Training Program Annual Announcement. The Announcement includes UMTA Circular 4900.1B, "Application Instructions for UMTA University Research and Training Program."

Copies of these documents can be obtained from:

U.S. Department of Transportation  
Urban Mass Transportation Administration  
Office of Technical Assistance  
University Research and Training Program, URT-33  
400 7th Street, S.W., Room 6100  
Washington, D.C. 20590

Unless otherwise directed, transmittal of all project related materials such as progress reports, requisitions for funds, etc., should be sent to the same address.

2. GENERAL OBLIGATIONS OF THE RECIPIENT. The recipient is responsible for administration of the grant or other agreement, compliance with terms and conditions of the grant or other agreement, and adequate supervision of all work performed directly or pursuant to a third-party agreement. The recipient shall require all subrecipients to comply with all financial management requirements as prescribed in Chapter III.





CHAPTER II  
ADMINISTRATIVE REQUIREMENTS

1. NOTICE OF GRANT OR OTHER AGREEMENT APPROVAL. Immediately after an award has been approved, the recipient is notified of that approval by an award letter from UMTA. This letter sets forth any special conditions under which the award was approved and transmits the approved budget. Upon receipt of the award letter the recipient may begin project activity, subject to compliance with the provisions of the legal agreement between the recipient and UMTA. However, requisitions for UMTA funds will not be honored until the grant or other agreement has been fully executed by the recipient and two counterparts are returned to UMTA as specified in paragraph 2 below. Costs incurred prior to UMTA project approval are not eligible as project expenses.
2. NOTICE OF AWARD. UMTA will send Instructions for Executing the Notice of Grant Award and four copies of the Notice of Grant Award (Appendices A, B and C) to the recipient as enclosures with the UMTA award letter. The recipient should execute two copies of the Notice of Award counterparts and return them to UMTA within 90 days of the obligation date. UMTA should be advised promptly if the agreement counterparts cannot be executed and returned by the recipient within 90 days.
3. RECIPIENT RESPONSIBILITIES FOR PROJECT ADMINISTRATION. It is the responsibility of the recipient in attainment of the project objectives to:
  - a. Provide continuous administrative direction to operations;
  - b. Provide supervision by qualified professionals for all work in progress;
  - c. Assure total conformance to the UMTA Work Statement(s) and award document requirements;
  - d. Maintain the project schedule to assure that milestones are being met and projected work units by time periods are being achieved. This review shall be made for each part of the project activity(ies) as set forth in the approved application and the UMTA Work Statement(s); and
  - e. Keep expenditures within the approved budget.

UMTA may conduct periodic on-site visits to the project location. These visits are made to evaluate project activity(ies) and the effectiveness of arrangements for supervision.

In addition, such site visits may be made to provide technical assistance as required and to review accomplishments and management control systems. Visits may be made when information is received from the recipient on a report of an event that has significant impact on the project activity(ies). On-site inspections may also be made to determine if all civil rights laws, regulations, and agreements are being carried out as required. Concurrence by UMTA in project activity(ies) does not relieve the recipient of its responsibilities and liabilities.

#### 4. UMTA RESPONSIBILITIES FOR PROJECT MANAGEMENT.

- a. Technical Monitor. UMTA will assign a staff member as the Technical Monitor (TM) to the project activity(ies). UMTA will advise the recipient in writing of the name of the TM assigned to the project activity(ies). The TM assigned will be technically knowledgeable in his/her area of the project activity. The TM's responsibility will be to maximize the contribution of the activity performed by the recipient toward expanding the state of the art in urban transportation. Projects are intended to expand the total available knowledge, and the TM is responsible for developing activities to assure that those who can benefit from and have use for the new knowledge are made aware of it.

The TM will follow the technical progress of the project activity(ies), review and comment on reports or on other deliverable items, and be satisfied that the Principal Investigator is in contact with transportation personnel appropriate to project activities. The TM will also arrange briefings that may be held either at UMTA or the recipient's site and provide services required by virtue of the unique nature of the project.

- b. University Research and Training Program Grant Manager.

A Grant Manager will be selected and assigned from among University Research and Training Program Staff. The Grant Manager will be responsible for the administrative and financial aspects of the grant or other agreement that are defined as separate from technical aspects of the project. The Grant Manager will among other duties and responsibilities:

- (1) Keep records on reports and/or other deliverables;

- (2) Process requests for money, other financial reports; and
- (3) Assist the TM in technical monitoring of the project activities.

5. TECHNICAL REPORTING REQUIREMENTS.

- a. Progress Reports. Unless otherwise stated in the grant or other agreement or UMTA Work Statement(s), progress reports must be submitted quarterly for the life of the project. The reports should be of an informal letter-type format and should discuss progress during the reporting period, planned actions for the next quarter, and identification of problem areas. Progress Report submittal dates will be set forth in the UMTA Work Statement(s). In the event that no activity has taken place in a quarter, a negative report shall be submitted to UMTA. Two copies of the report should be sent to the UMTA University Research and Training Program Grant Manager. Each progress report must clearly identify the project title, grant or other agreement number, and the time period to which it applies. The final technical report may be substituted for the last quarterly report.
- b. Final Report. The Comprehensive Final Report shall be prepared in accordance with the current issue of the Department of Transportation (DOT) report DOT-TST-75-97 entitled "Standards for the Preparation and Publication of DOT Scientific and Technical Reports." This document may be obtained from UMTA or the National Technical Information Service (NTIS), Springfield, VA 22161. The document may be ordered under number PB-245-400.

The Comprehensive Final Report should set forth clearly and concisely the purpose of the methodology used in achieving the intended goal(s) of the project activity(ies), results, conclusions and/or recommendations, and pertinent supporting details or summaries of data. The exact quality of material to be set forth in the Final Report must reflect the unique nature of the project and will vary from project to project. Large volumes of data should not be included in the narrative of the Final Report. The source, location, and availability of such data, however, should be identified in each report if it is not included as an appendix.

An Executive Summary must be prepared for each Final Report setting forth the problem, method of solution, and results. The Executive Summary is to be prepared and submitted to UMTA as a document separate from the Final Report and should be between three and five single spaced pages.

Thirty days prior to the project completion date two draft copies of the Comprehensive Final Report and the Executive Summary should be provided to the UMTA Grant Manager for review prior to printing.

The recipient shall, after making any changes required by virtue of UMTA review, print and deliver to the UMTA Grant Manager 75 copies of the Comprehensive Final Report. Seventy-five (75) copies of the Executive Summary shall be submitted to the UMTA Grant Manager at the same time.

6. AMENDING THE GRANT OR OTHER AGREEMENT. The grant or other agreement obligates the recipient to undertake and complete the project activity(ies) as described in the application. In certain cases, an amendment to the grant or other agreement may become necessary to (1) materially change the scope of the effort, (2) alter the design of the effort, or (3) change the cost and the amount of the Federal grant. If it becomes necessary to amend the grant or other agreement, UMTA will advise the recipient concerning what information is required. Changes limited to a extension of the grant or other agreement completion date will be accomplished by means of a letter from UMTA to the recipient.
7. THIRD-PARTY CONTRACTS AND/OR OTHER AGREEMENTS.
  - a. Definition. Third-party contracts and/or other agreements are those entered into by the recipient to implement project activities. It is expected that these third-party contracts or other agreements will generally be classified as professional services agreements, except for those contracts which may be utilized in the acquisition of property.
  - b. References. The recipient will enter into third-party contracts or other agreements in accordance with the latest revisions to Attachment O to OMB Circular A-110 and the latest UMTA requirements set forth in UMTA Circular 4220.1A.
8. PROCUREMENT STANDARDS. This paragraph provides standards for use by recipients in establishing procedures for the procurement of supplies, equipment, and other services with UMTA funds in accordance with Attachment O to OMB Circular A-110 and UMTA Circular 4220.1A. These standards are furnished to ensure that such materials and services are obtained in an effective manner and in compliance with the provisions of applicable Federal law and Executive Orders.

4-30-85

- a. Responsibilities and Standards. The standards contained herein do not relieve the recipient of the responsibilities arising under its contracts or other agreements. The recipient is the responsible authority, without recourse to UMTA regarding the settlement and satisfaction of all contractual and administrative issues arising out of procurements entered into, in support of an UMTA grant or other agreement. This includes disputes, claims, protests of award, source evaluation, or other matters of a contractual nature. Matters concerning violation of law are to be referred to such local, State, or Federal authority as may have proper jurisdiction.

Recipients may use their own procurement policies and procedures. However, all recipients shall adhere to the standards set forth in the following paragraphs.

The recipient shall maintain a code of standards of conduct that shall govern the performance of its officers, employees, or agents engaged in the awarding and administration of contracts or other agreements using UMTA funds. No employee, officer, or agent shall participate in the selection, award or administration of a contract or other agreement in which UMTA funds are used where, to his knowledge, he or his immediate family, partners, or organization in which he or his immediate family or partner has a financial interest or with whom he is negotiating or has any arrangement concerning prospective employment. The recipient's officers, employees, or agents shall neither solicit nor accept gratuities, favors, or anything of monetary value from offerers/bidders or potential offerers/bidders. Such standards shall provide for disciplinary actions to be applied for violations of such standards by the recipient's officers, employees, or agents.

All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. The recipient should be alert to organizational conflicts of interest or noncompetitive practices among offerers/bidders that may restrict or eliminate competition or otherwise restrain trade. In order to ensure objective performance and eliminate unfair competitive advantage, offerers/bidders that develop or draft specifications, requirements, statements of work, invitations or bids and/or requests for proposals should be excluded from competing for such procurements. Awards shall be made to the offerer/bidder whose offer/bid is responsive to the solicitation and is most advantageous to the recipient, price and other factors considered.

Solicitations shall clearly set forth all requirements that the offerer/bidder must fulfill in order for his offer/bid to be evaluated by the recipient. Any and all offers/bids may be rejected when it is in the recipient's interest to do so.

- (1) All recipients shall establish procurement procedures that provide for, at a minimum, the following procedural requirements:
  - (a) Proposed procurement actions shall follow a procedure to assure the avoidance of purchasing unnecessary or duplicative items. Where appropriate, an analysis shall be made of lease and purchase alternatives to determine which would be the most economical, practical procurement action;
  - (b) Solicitations for goods and services shall be based upon a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such a description shall not, in competitive procurements, contain features that unduly restrict competition. "Brand name or equal" descriptions may be used as a means to define the performance or other salient requirements of a procurement and, when so used, the specific features of the name brand that must be met by offerers/bidders shall be clearly specified;
  - (c) Positive efforts shall be made by the recipients to utilize small business and minority owned business sources of supplies and services. Such efforts should allow these sources the maximum feasible opportunity to compete for contracts or other agreements utilizing UMTA funds;
  - (d) The type of contract used (for example, fixed-price contracts or cost-reimbursable contracts) shall be determined by the recipient but must be appropriate for the particular procurement and for promoting the best interest of the project activity(ies) involved. The "cost-plus-a-percentage-of-cost" method of contracting shall not be used;

4-30-85

- (e) Contracts or other agreements shall be made only with responsible offerers/bidders who possess the potential ability to perform successfully under the terms and conditions of a proposed procurement. Consideration shall be given to such matters as integrity, record of past performance, financial and technical resources, or accessibility to other necessary resources; and
  - (f) All proposed sole-source contracts or other agreements in which only one bid or proposal is received in which the aggregate expenditure is expected to exceed \$10,000 shall be subject to prior approval by UMTA.
- (2) Recipients are required to perform some form of cost or price analysis in connection with every negotiated procurement action including contract or other agreement modifications. The method and degree of analysis, however, is dependent on the facts surrounding the particular procurement and pricing situation. Cost analysis shall be performed when the offerer/bidder is required to submit the elements of his estimated cost, when adequate price competition is lacking, and for sole-source procurements unless price 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 (tariff rates).
- (3) Procurement records and files for purchases in excess of \$10,000 shall include the following:
- (a) Basis for offerer/bidder selection;
  - (b) Justification for lack of competition when competitive offers or bids are not obtained; and
  - (c) Basis for award cost and price.
- (4) A system for administration of a contract or other agreement shall be maintained to ensure conformance with terms, conditions, and specification of the agreement and to ensure adequate and timely follow-up of all procurements.

4-30-85

- b. UMTA Review of Third-Party Agreements. In accordance with the provisions of UMTA Circular 4220.1A, UMTA's policy, barring information to the contrary, will assume that recipients are complying with the requirements upon their written assurance to this effect. The letter of assurance should be signed by the officer authorized to legally commit the institution and should be submitted to the UMTA University Research and Training Program Grant Manager. Upon receipt of the letter of assurance, UMTA will limit submission of agreements for review, to those agreements which are:

- (1) single bid or offerer, sole source or brand name over \$10,000; or
- (2) proposed to be awarded to other than the apparent low bidder or offerer under competitive procurement action.

In the event a recipient does not provide assurance to UMTA that its procedures are in accordance with UMTA Circular 4220.1A, or when UMTA has other evidence which shows that the recipient's procedures and/or operations are not in compliance, then ALL agreements are subject to preaward review and approval by UMTA. UMTA may conduct compliance reviews whether or not any indication of noncompliance exists. :

- c. Provisions. The recipient shall include, in addition to provisions to define a sound and complete accord, the following provisions in all agreements. These provisions shall also be applied to subagreements.

Agreements in excess of \$10,000 shall contain provisions or conditions that will allow for administrative, contractual, or legal remedies in instances in which offerers/bidders violate or breach agreement terms and provide for such remedial actions as may be appropriate. Termination for Convenience of the Recipient provisions will include how the provision and settlement will be exercised.

9. COPYRIGHTS AND RIGHTS IN DATA.

- a. Copyrights. The author of any copyrightable materials produced as a result of the project is free to copyright them; but UMTA must be given a royalty-free, nonexclusive, and irrevocable right to reproduce, publish, or otherwise use and to authorize others to use the work for Federal purposes.



4-30-85

b. Rights in Data. Additional detailed information is set forth in Paragraph 14 "Rights in Data" clause contained in "Part II, General Terms and Conditions Governing Grants for University Research and Training Projects," (Appendix C).

10. PATENTS. If the project produces patentable items, patent rights, processes, or inventions in the course of the work sponsored by UMTA, such fact shall be promptly and fully reported to UMTA which will then determine in accordance to law, Federal regulations, and policy, as they may be amended, the disposition of the invention and title and rights under any patent application or patent that may result.

Additional detailed information is set forth in Paragraph 13 "Patent Rights" clause contained in "Part II, General Terms and Conditions Governing Grants for University Research and Training Projects," (Appendix C).

11. SUSPENSION AND TERMINATION.

a. Definitions.

(1) Suspension. The suspension of a grant or other agreement is an action by UMTA that temporarily suspends UMTA sponsorship under the grant or other agreement, pending corrective action by the recipient or pending a decision to terminate the grant or other agreement by UMTA.

(2) Termination. The termination of a grant or other agreement means the cancellation of UMTA sponsorship, in whole or in part, under an accord between UMTA and the recipient at any time prior to the date of completion.

b. Procedures. When the recipient has failed to comply with the terms of the grant or other agreement and conditions or standards, UMTA may, on reasonable notice to the recipient, suspend the grant or other agreement, withhold further payments, prohibit the recipient from incurring additional obligations of funds pending corrective action by the recipient, or make a decision to terminate in accordance with Attachment L to OMB Circular No. A-110, and Paragraph 9 "Termination or Suspension of Grant" clause contained in "Part II, General Terms and Conditions Governing Grants for University Research and Training Projects," (Appendix C).

UMTA shall allow all necessary and proper costs that the recipient could not reasonably avoid during the period of suspension, provided that the recipient meets the provisions of the applicable Federal cost principles. The recipient shall have the right to appeal a decision rendered by UMTA. The recipient shall have 45 days to submit the appeal to UMTA in writing following receipt of notification to suspend or terminate the project.

The recipient will be notified in writing of any decision to suspend or terminate a project and of decisions regarding recipient appeals.

c. Standards.

- (1) Termination for Cause. UMTA reserves the right to terminate any grant or other agreement in whole or in part at any time before the date of completion whenever it is determined that the recipient has failed to comply with conditions of the grant or other agreement. UMTA will promptly notify the recipient in writing of the determination and the reasons for the termination, together with the effective date. Payments made to the recipient or recoveries by UMTA under grants or other agreements terminated for cause shall be in accordance with the legal rights and liabilities of the parties.
- (2) Termination for Convenience. UMTA or the recipient may terminate the grant or other agreement in whole or in part when both parties agree that the continuation of the project activity(ies) would not produce beneficial results commensurate with the further expenditure of funds. The two parties shall agree upon the termination conditions, including the effective date, and in the case of partial termination, the portion to be terminated. The recipient shall not incur new obligations for the terminated portion after the effective date and shall cancel as many outstanding obligations as possible. UMTA will allow full credit to the recipient for the UMTA share of the noncancellable obligations properly incurred by the recipient prior to termination. The execution of a grant or other agreement by an officer authorized to legally commit an institution thereby renders that institution in agreement with the potential for "Termination for Convenience."

12. RETENTION AND CUSTODIAL REQUIREMENTS FOR RECORDS. Financial records, supporting documents, statistical records, and all other records pertinent to a grant or other agreement shall be retained until all litigation, claims or audit findings involving the records have been resolved.
- a. If any litigation, claim or audit is started before the expiration of the three-year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.
  - b. Records for nonexpendable property acquired with UMTA funds shall be retained for three years from the date of UMTA's receipt of the approved Final Report and Final Financial Status Report.
  - c. When records are transferred to or maintained by UMTA, the three-year retention requirement is not applicable to the recipient.

The retention period starts from the date of the submission of the Final Status Report; or for a grant and other agreement that may be renewed annually, from the date of the submission of the annual Financial Status Report.

Recipients may substitute microfilm copies in lieu of original records when so authorized by UMTA.

UMTA will request transfer of certain records to its custody from the recipient when it determines that the records possess long-term retention value. However, in order to avoid duplicate recordkeeping, UMTA may make arrangements with the recipient to retain any records that are continually needed for joint use.

The UMTA Administrator, the DOT Office of the Inspector General and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any pertinent books, documents, papers, and records of the recipient and its subrecipients or third-party contractors to make audits, examinations, excerpts, and transcripts.



CHAPTER III  
FINANCIAL MANAGEMENT REQUIREMENTS

1. GENERAL. Reference should be made to:

- a. Office of Management and Budget Circular A-110, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations," and
- b. Office of Management and Budget Circular A-21, revised, "Cost Principles for Educational Institutions."

2. ACCOUNTING SYSTEM AND INTERNAL CONTROLS. The recipient is required to establish and maintain an adequate system of accounting and internal controls and to insure that an adequate system exists for each of its subrecipients or third-party contractors. Deviations from the accounting procedures prescribed in this section require prior written concurrence from UMTA.

The recipient's financial management system shall provide for:

- a. Accurate, current, and complete disclosure of the financial records of the grant or other agreement in accordance with the reporting requirements set forth in this Circular;
- b. Reporting on an accrual basis. If the recipient does not have an accrual system, then it should develop such accrual data for its records on the basis of an analysis of the documentation on hand;
- c. Records that identify adequately the source and application of funds. These records shall contain information pertaining to UMTA moneys.
- d. Effective control over and accountability for all funds, property, and other assets. Recipients shall adequately safeguard all such assets and shall assure that they are used solely for authorized purposes;
- e. Comparison of actual outlays with budget amounts for each grant or other agreement. Whenever appropriate, financial information should be related to performance and unit cost data;
- f. Procedures to minimize the time elapsing between the transfer of funds from the U. S. Treasury and the disbursement by the recipient whenever funds are advanced by the Federal Government;

4-30-85

- g. Procedures for determining the reasonableness, allowability and allocability of cost in accordance with the provisions of the applicable Federal cost principles and the terms of Paragraph 6, "Accounting Records" contained in "Part II, General Terms and Conditions Governing Grants for University Research and Training Projects" (Appendix C);
  - h. Accounting records that are supported by source documentation;
  - i. Examinations in the form of audits, internal audits or desk reviews. Such audits or reviews shall be made by qualified individuals who are sufficiently independent of those who authorize the expenditure of UMTA funds to produce unbiased opinions, conclusions, or judgments. They shall meet the independence criteria along the lines of Chapter 3, Part 3, of the U.S. General Accounting Office publication, "Standards for Audit of Governmental Organizations, Programs, Activities and Functions," as well as OMB Circular A-73, "Audit of Federal Operations and Programs." These examinations are intended to ascertain the effectiveness of the financial management systems and internal procedures that have been established to meet the terms and conditions of the grant or other agreement; and
  - j. A systematic method to assure timely and appropriate resolution of audit or review findings and recommendations. :
3. UMTA REVIEW OF THE RECIPIENT'S FINANCIAL MANAGEMENT SYSTEM. UMTA will determine periodically if the recipient conforms with required financial standards. These reviews also will include an examination of recipient procedures for insuring that recipients and/or third party contractors comply with the financial standards. Review of the recipient's system will be accomplished by using one or more of the following techniques:
- a. Audits made by Federal auditors at completion of a prior project;
  - b. Annual evaluation which may be made by UMTA of recipient technical, financial, and administrative procedures;
  - c. System audits made by Federal auditors;
  - d. Evaluation made by UMTA of documentation furnished by the recipient in support of a certification that its financial management system is in compliance with the standards of Attachment G to OMB Circular A-110; and
  - e. Evaluation made by UMTA of documentation furnished by the recipient in support of a certification that in managing grant or other agreement supported activities, it will comply with the standards of Attachment F to OMB Circular No. A-110.

4-30-85

Review of a recipient's financial management system will be performed as often as it is deemed necessary. Reviews also may be made of the financial management system of proposed recipients prior to the receipt of their first UMTA grant or other agreement.

4. CASH DEPOSITORIES. Any moneys advanced to a recipient that are subject to the control or regulation of the United States or any of its officers, agents, or employees (public moneys as defined in Treasury Circular No. 176, as amended) must be deposited in a bank with Federal Deposit Insurance Corporation (FDIC) insurance coverage and the balance exceeding the FDIC coverage must be secured with adequate collateral.

Consistent with the national goal of expanding the opportunities for minority business enterprises, recipients, subrecipients, and third-party contractors shall be encouraged to use minority banks (a bank that has at least 50 percent minority group ownership).

5. PROGRAM INCOME. For the purposes of this Circular, program income represents gross income earned by the recipient from UMTA supported activity(ies). Such earnings exclude interest earned on advances and may include, but will not be limited to, income from service fees, sales of commodities, usage or rental fees, and royalties on patents and copyrights.

Interest earned on advances of Federal funds shall be remitted to the UMTA Office of Financial Management Accounting Division along with pertinent descriptive information except for interest earned on advances to States or instrumentalities of a State as provided by the Intergovernmental Cooperation Act of 1968 (Public Law 90-577).

Unless the grant or other agreement provides otherwise, recipients shall have no obligation to UMTA with respect to royalties received as a result of copyrights or patents produced under the grant or other agreement.

All other program income earned during the project activity(ies) shall be retained by the recipient and, in accordance with the grant or other agreement, shall be added to funds committed to the project by UMTA and the recipient organization and be used to further eligible project objectives.

6. COST STANDARDS. Grant or other agreement costs shall relate clearly to the purposes specified in the grant or other agreement and the approved project budget. The Office of Management and Budget, Executive Office of the President, has prescribed uniform principles and standards for determining costs allowable under Federal grants and contracts with educational institutions and State and local governments. Office of Management and Budget Circular A-21, revised, applies to grants or other agreements with educational institutions. Care shall be exercised when incurring costs to insure that all expenditures are authorized in accordance with these standards and meet the criteria of eligible costs.

Failure to exercise this discretion may result in expenditures for which the use of project funds cannot be authorized or approved.

- a. Allowable Costs. Allowability of costs shall be determined in conformance with the principles and standards set forth in UMB Circulars A-21, A-110, and/or A-122, as applicable, and must also meet the following criteria:
- (1) They are necessary and reasonable for the proper and efficient execution of the project activity(ies) and are in accordance with the grant or other agreement and the most recently approved project budget;
  - (2) They are not prohibited under Federal, State and local statutes or regulations;
  - (3) They are treated uniformly and consistently in accordance with accounting policies and procedures approved or prescribed by UMTA for the recipient and those approved or prescribed by the recipient for its subrecipients or third-party contractors;
  - (4) They are not allocable to, or included as a cost of, any other federally financed program;
  - (5) They represent net costs, after all applicable credits are deducted;
  - (6) They are in accord with budgetary or other restrictions on expenses established by UMTA;
  - (7) They are incurred (and are for work performed) after the date of the grant or other agreement obligation date; and
  - (8) They are fully documented.



b. Unallowable Costs. For some types of costs, the determination of allowability or unallowability will depend on the nature of the circumstances under which they were incurred. For such doubtful cases, the guidelines and standards of UMB Circular A-21, revised, should be applied. Some costs that are clearly unallowable are the following:

- (1) Contributions and Donations. Contributions or donations to organizations for any purpose;
- (2) Entertainment Costs. Cost of amusements, social events, and incidental costs relating to them;
- (3) Meals. The costs of meals served at meetings of boards or committees;
- (4) Fines and Penalties. Costs resulting from violations or failure to comply with Federal, State and local laws and regulations;
- (5) Interest and Other Financing Costs. Interest on loans (however represented), bond discounts, costs of financing and refinancing operations, and legal and professional fees paid in connection therewith, unless such legal and professional fees are specifically provided for in the grant or other agreement budget;
- (6) Legal Expenses. Legal expenses for the prosecution of claims against the Federal Government;
- (7) Meeting Attendance. Costs of attending or conducting meetings in facilities that are not available on a racially and/or gender integrated basis;
- (8) Other Meeting Expenses. Payment of stipends for attendance at meetings to persons other than those assigned to the project activity(ies) by the recipient, subrecipients, or third-party contractors;
- (9) Membership Expenses. Dues for membership in professional, technical, or trade groups or associations;
- (10) Travel. The difference between first class air accommodations and less-than-first class air accommodations is not allowable except when less-than-first-class accommodations are not available. Per diem or subsistence payments must be within existing State or local laws or regulations, or as prescribed by the Federal guidelines to be found in "FPMR 101-7 Federal Travel Regulations (FTR)," if the former do not apply;

4-30-85

- (11) Salaries. Salaries of elected or appointed chief executive officers of a State, county, or city authority or any other public body;
- (12) Preparation of Application. Cost of preparing an application for assistance under the Urban Mass Transportation Act of 1964, as amended;
- (13) Uninsured Losses. Claims for actual losses incurred when the recipient is self-insured or when losses could have been covered by permissible insurance; and
- (14) Lobbying. Costs for publicity or propaganda purposes designed to support or defeat legislation pending before Congress.

7. REIMBURSEMENT OR ADVANCES BY TREASURY CHECK. The recipient may submit requisitions for reimbursement of actual expenditures and/or advances for estimated additional immediate cash needs.

Progress and financial reports must be submitted and must contain all required information before UMTA will process project payments for the relevant reporting period(s).

Payments for proper charges to the project will not be withheld unless (1) a recipient has failed to comply with the project objectives, grant or other agreement conditions, or UMTA reporting requirements; or (2) the recipient is indebted to the United States and collection of indebtedness will not impair accomplishment of the objectives of any grant or other agreement awarded by the United States. Under such conditions, UMTA will inform the recipient that payments will not be made for obligations incurred after a specified date until the conditions are corrected or the indebtedness to the Federal Government is liquidated.

UMTA approval of each requisition for payment is contingent upon:

- a. Showing on the "Request for Advance or Reimbursement" Form (SF-270) that the recipient is meeting currently his proportional share of project costs in cash or approved cash equivalents;
- b. the submission of periodic progress and financial reports; and
- c. compliance with all terms of the grant or other agreement.

<h2 style="margin: 0;">REQUEST FOR ADVANCE OR REIMBURSEMENT</h2> <p style="margin: 0;"><i>(See instructions on back)</i></p>		Approved by Office of Management and Budget, No. 80-RO183	PAGE <input type="text"/> OF <input type="text"/> PAGES	
1. FEDERAL SPONSORING AGENCY AND ORGANIZATIONAL ELEMENT TO WHICH THIS REPORT IS SUBMITTED		2. BASIS OF REQUEST <input type="checkbox"/> CASH <input type="checkbox"/> ACCRUAL		
3. EMPLOYER IDENTIFICATION NUMBER		4. FEDERAL GRANT OR OTHER IDENTIFYING NUMBER ASSIGNED BY FEDERAL AGENCY		
5. RECIPIENT ORGANIZATION		6. PERIOD COVERED BY THIS REQUEST FROM (month, day, year) TO (month, day, year)		
Name  Number and Street  City, State and ZIP Code		7. RECIPIENT'S ACCOUNT NUMBER OR IDENTIFYING NUMBER		
Name  Number and Street  City, State and ZIP Code		8. PAYEE (Where check is to be sent to different than item 7)		
11. COMPUTATION OF AMOUNT OF REIMBURSEMENTS/ADVANCES REQUESTED				
	(a)	(b)	(c)	TOTAL
PROGRAMS/FUNCTIONS/ACTIVITIES ▶				
a. Total program outlays to date <i>(As of date)</i>	\$	\$	\$	\$
b. Less: Cumulative program income				
c. Net program outlays <i>(Line a minus line b)</i>				
d. Estimated net cash outlays for advance period				
e. Total <i>(Sum of lines c &amp; d)</i>				
f. Non-Federal share of amount on line a				
g. Federal share of amount on line a				
h. Federal payments previously requested				
i. Federal share now requested <i>(Line g minus line h)</i>				
j. Advances required by month, when requested by Federal grantor agency for use in making prescheduled advances	1st month			
	2nd month			
	3rd month			
12. ALTERNATE COMPUTATION FOR ADVANCES ONLY				
a. Estimated Federal cash outlays that will be made during period covered by the advance				\$
b. Less: Estimated balance of Federal cash on hand as of beginning of advance period				
c. Amount requested <i>(Line a minus line b)</i>				\$
13. CERTIFICATION				
I certify that to the best of my knowledge and belief the data above are correct and that all outlays were made in accordance with the grant conditions or other agreement and that payment is due and has not been previously requested.	SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL			DATE REQUEST SUBMITTED
	TYPED OR PRINTED NAME AND TITLE			TELEPHONE (AREA CODE NUMBER EXTENSION)
This space for agency use				

Figure III-1

## INSTRUCTIONS

Please type or print legibly. Items 1, 3, 5, 9, 10, 11c, 11e, 11f, 11g, 11i, 12 and 13 are self-explanatory; specific instructions for other items are as follows:

<i>Item</i>	<i>Entry</i>	<i>Item</i>	<i>Entry</i>
2	Indicate whether request is prepared on cash or accrued expenditure basis. All requests for advances shall be prepared on a cash basis.		use as many additional forms as needed and indicate page number in space provided in upper right; however, the summary totals of all programs, functions, or activities should be shown in the "total" column on the first page.
4	Enter the Federal grant number, or other identifying number assigned by the Federal sponsoring agency. If the advance or reimbursement is for more than one grant or other agreement, insert N/A; then, show the aggregate amounts. On a separate sheet, list each grant or agreement number and the Federal share of outlays made against the grant or agreement.	11e	Enter in "as of date", the month, day, and year of the ending of the accounting period to which this amount applies. Enter program outlays to date (net of refunds, rebates, and discounts), in the appropriate columns. For requests prepared on a cash basis, outlays are the sum of actual cash disbursements for goods and services, the amount of indirect expenses charged, the value of in-kind contributions applied, and the amount of cash advances and payments made to subcontractors and subrecipients. For requests prepared on an accrued expenditure basis, outlays are the sum of the actual cash disbursements, the amount of indirect expenses incurred, and the net increase (or decrease) in the amounts owed by the recipient for goods and other property received and for services performed by employees, contracts, subgrantees and other payees.
6	Enter the employer identification number assigned by the U.S. Internal Revenue Service, or the FICE (institution) code if requested by the Federal agency.		
7	This space is reserved for an account number or other identifying number that may be assigned by the recipient.		
8	Enter the month, day, and year for the beginning and ending of the period covered in this request. If the request is for an advance or for both an advance and reimbursement, show the period that the advance will cover. If the request is for reimbursement, show the period for which the reimbursement is requested.	11b	Enter the cumulative cash income received to date, if requests are prepared on a cash basis. For requests prepared on an accrued expenditure basis, enter the cumulative income earned to date. Under either basis, enter only the amount applicable to program income that was required to be used for the project or program by the terms of the grant or other agreement.
Note	The Federal sponsoring agencies have the option of requiring recipients to complete items 11 or 12, but not both. Item 12 should be used when only a minimum amount of information is needed to make an advance and outlay information contained in item 11 can be obtained in a timely manner from other reports.	11d	Only when making requests for advance payments, enter the total estimated amount of cash outlays that will be made during the period covered by the advance.
11	The purpose of the vertical columns (a), (b), and (c), is to provide space for separate cost breakdowns when a project has been planned and budgeted by program, function, or activity. If additional columns are needed,	13	Complete the certification before submitting this request.

Figure III-1 (Cont't)

The "Request for Advance or Reimbursement" form is used to request the payment of Federal funds for UMTA grants or other agreements. Recipients will submit three copies, one with an original signature, each time funds are requested, and these requests should be sent to the University Research and Training Program Grant Manager. A sample form and instructions for its completion follow as Figure III-1.

The recipient, in requesting funds for advance or reimbursement, should be cognizant of a normal disbursement processing time of three to four weeks by UMTA and the U.S. Department of the Treasury. Payments are sent directly to the recipient from the Department of the Treasury.

All UMTA funds made available to recipients shall be properly accounted for as UMTA funds in the accounts of the recipient.

## 8. FINANCIAL REPORTING REQUIREMENTS.

- a. General. Adherence by the recipient to the criteria prescribed in Chapter III, paragraph 2, for an acceptable system of accounting and internal controls should result in financial reporting that is fair in presentation, reliable, and capable of use by the recipient and UMTA in preparing and reviewing budget change requests and in overall monitoring of the grant or other agreement. Financial criteria and requirements have been established with the intent of placing responsibility on the recipient, while at the same time permitting UMTA to meet those fiscal and financial requirements imposed on it by Congress and Federal agencies, that is, the General Accounting Office, the Treasury Department, and the Office of Management and Budget.

The first Financial Report (SF 269) is due following the first technical quarterly progress report.

The following criteria are basic to full disclosure in Financial Status Reports and must be met by the recipient:

- (1) All essential financial facts relating to the scope and purpose of each report and the period of time involved must be completely and clearly displayed;
- (2) Reported financial data must be accurate, timely, and reliable. The requirement for accuracy does not rule out the inclusion of reasonable estimates when precise measurement is impractical, uneconomical, unnecessary, or conducive to delay;

4-30-85

- (3) Financial Status Reports must be based on the required supporting documentation maintained under an adequate accounting system that produces information that objectively discloses the financial aspects of events or transactions;
  - (4) Financial data reported must be derived from accounts that are maintained on a consistent, periodic basis; material changes in accounting policies or methods and their effect must be clearly explained in any submittal to UMTA; and
  - (5) Reporting terminology used in Financial Status Reports to UMTA must be consistent with the line items delineated in the latest approved project budget.
- b. Other General Data. Other data that must be included in the Financial Status Reports are:
- (1) Full name and address of recipient;
  - (2) UMTA designated project number and recipient's project number;
  - (3) Project period-inception (year, month, day) and termination (year, month, day);
  - (4) Conspicuous identification of the current reporting period (year, month, day);
  - (5) Chronological numbering sequence for the reports with the first and last reports being identified as "Initial Report" and "Final Report," respectively;
  - (6) Total project amount identifying the amounts of UMTA and local matching or contributed funds; and
  - (7) Certification that the financial accounting is current, complete, and accurate and that the reported expenditures have been made solely for the purposes of the identified project.
- c. Quarterly Financial Status Report.
- (1) Purpose. The Financial Status Report is designed to provide UMTA with data on costs incurred by the recipient. These data are also needed for UMTA to determine amounts to be recorded as accrued UMTA expenditures and the unobligated balance of UMTA funds. Accrued expenditures are defined as a recipient's cumulative disbursements charged to the grant or other agreement, plus amounts chargeable but unpaid, including payrolls, materials and supplies.

4-30-85

- (2) Due Dates. As of the end of each three month period during the life of the grant or other agreement, and after all entries have been posted and the subsidiary records have been totaled and reconciled with the recipient's general ledger control accounts, a trial balance of the general ledger accounts shall be taken.

A Financial Status Report then shall be prepared, and two copies, one with an original signature, shall be mailed in time to arrive at UMTA by the 30th day of the month following the end of the 3 month period for which the report is submitted. A Final Financial Status Report shall be required 90 days after completion of the project activity(ies). Figure III-2 illustrates the proper form to be used in preparing the Financial Status Report.

The recipient shall submit Financial Status Reports to the University Research and Training Program Grant Manager.

#### 9. STUDENT SUPPORT.

- a. Participation in the Project Activity(ies). The participation of students in project activity(ies) is encouraged. Students receiving any form of support from an UMTA project must be citizens of the United States by birth or naturalization.

Permission shall be requested to use foreign national students should circumstances exist requiring their use. In such cases, prior approval must be obtained from UMTA. The request must contain complete supporting justification for the proposed use of the student(s).

- b. Student Salaries/Wages. Salaries paid to students employed under the grant or other agreement for positions such as research assistants during the period of the grant or other agreement must be at rates that are consistent with the recipient's overall rates currently paid to students for comparable work. This policy applies to both graduate and undergraduate level students.
- c. Student Stipends. Stipends awarded to students as differentiated from salaries paid to students may not be used without prior approval from UMTA. Written justification for the use of a stipend in lieu of salary/wages must be submitted to UMTA. UMTA will then make a determination and advise the recipient.





## INSTRUCTIONS

Please type or print legibly. Items 1, 2, 3, 6, 7, 9, 10d, 10e, 10g, 10i, 10j, 11a, and 12 are self-explanatory, specific instructions for other items are as follows:

Item	Entry	Item	Entry
4	Enter the employer identification number assigned by the U.S. Internal Revenue Service or FICE (institution) code, if required by the Federal sponsoring agency.	10c	Enter the amount of all program income realized in this period that is required by the terms and conditions of the Federal award to be deducted from total project costs. For reports prepared on a cash basis, enter the amount of cash income received during the reporting period. For reports prepared on an accrual basis, enter the amount of income earned since the beginning of the reporting period. When the terms or conditions allow program income to be added to the total award, explain in remarks, the source, amount and disposition of the income.
5	This space is reserved for an account number or other identifying numbers that may be assigned by the recipient.	10f	Enter amount pertaining to the non-Federal share of program outlays included in the amount on line a.
6	Enter the month, day, and year of the beginning and ending of this project period. For formula grants that are not awarded on a project basis, show the grant period.	10h	Enter total amount of unliquidated obligations for this project or program, including unliquidated obligations to subgrantees and contractors. Unliquidated obligations are:  Cash basis—obligations incurred but not paid;  Accrued expenditure basis—obligations incurred but for which an outlay has not been recorded.  Do not include any amounts that have been included on lines a through g. On the final report, line h should have a zero balance.
10	The purpose of vertical columns (a) through (f) is to provide financial data for each program, function, and activity in the budget as approved by the Federal sponsoring agency. If additional columns are needed, use as many additional forms as needed and indicate page number in space provided in upper right; however, the totals of all programs, functions or activities should be shown in column (g) of the first page. For agreements pertaining to several Catalog of Federal Domestic Assistance programs that do not require a further functional or activity classification breakdown, enter under columns (e) through (f) the title of the program. For grants or other assistance agreements containing multiple programs where one or more programs require a further breakdown by function or activity, use a separate form for each program showing the applicable functions or activities in the separate columns. For grants or other assistance agreements containing several functions or activities which are funded from several programs, prepare a separate form for each activity or function when requested by the Federal sponsoring agency.	10j	Enter the Federal share of unliquidated obligations shown on line h. The amount shown on this line should be the difference between the amounts on lines h and i.
10a	Enter the net outlay. This amount should be the same as the amount reported in Line 10e of the last report. If there has been an adjustment to the amount shown previously, please attach explanation. Show zero if this is the initial report.	10k	Enter the sum of the amounts shown on lines g and j. If the report is final the report should not contain any unliquidated obligations.
10b	Enter the total gross program outlays (less rebates, refunds and other discounts) for this report period, including disbursements of cash realized as program income. For reports that are prepared on a cash basis, outlays are the sum of actual cash disbursements for goods and services, the amount of indirect expense charged, the value of in-kind contributions applied, and the amount of cash advances and payments made to contractors and subgrantees. For reports prepared on an accrued expenditure basis, outlays are the sum of actual cash disbursements, the amount of indirect expense incurred, the value of in-kind contributions applied, and the net increase (or decrease) in the amounts owed by the recipient for goods and other property received and for services performed by employees, contractors, subgrantees, and other payees.	10m	Enter the unobligated balance of Federal funds. This amount should be the difference between lines k and l.
		11b	Enter rate in effect during the reporting period.
		11c	Enter amount of the base to which the rate was applied.
		11d	Enter total amount of indirect cost charged during the report period.
		11e	Enter amount of the Federal share charged during the report period.  If more than one rate was applied during the project period, include a separate schedule showing bases against which the indirect cost rates were applied, the respective indirect rates the month, day, and year the indirect rates were in effect, amounts of indirect expense charged to the project, and the Federal share of indirect expense charged to the project to date.

4-30-85

If the desirability for using stipends is known at the time an application is submitted, justification should be included in the original application.

If stipends are requested, then stipend levels are to be in accordance with the institution's normal policy. Normally, stipend use should be limited to the academic year.

- d. Nonduplication of Benefits. Salaries, stipends, or any other form of support paid from UMTA grant or other agreement funds may not be paid to students who are receiving compensation, either directly or indirectly, from other Federal Government sources while participating in the grant or other agreement activity(ies) if such compensation duplicates the UMTA support. Stipends may not be paid to an employee on leave of absence or in any other similar arrangement whereby he/she furthers his/her education while receiving a salary/wage or other support from his/her employer.

10. PROJECT BUDGET AND BUDGET REVISION PROCEDURES. The approved project budget is enclosed with the UMTA award letter. The recipient is responsible for controlling project commitments to ensure that they are in accord with the approved budget. The recipient shall request prior approval promptly from UMTA for budget revisions for anticipated variations in line items in excess of +/-20 percent. Requests for budget revisions will be submitted to the University Research and Training Program Grant Manager for concurrence and approval.

If the project budget revision request is approved, UMTA will provide the recipient with a revised project budget, delineating the requested budget revision(s) as line item changes.

CHAPTER IV  
GRANT OR OTHER AGREEMENT CLOSEOUT

1. GENERAL. Grant or other agreement closeout will be accomplished in accordance with the procedures set forth in Attachment K to OMB Circular A-110.
2. DEFINITIONS.
  - a. Closeout. The closeout of a grant or other agreement is the process by which UMTA determines that all applicable administrative actions and all required work of the grant or other agreement have been completed by the recipient and UMTA.
  - b. Date of Completion. The date of completion is the date on which all work under the grant or other agreement is completed.
  - c. Disallowed Costs. Disallowed costs are those charges to a grant or other agreement that UMTA or its representative determine to be unallowable in accordance with the applicable Federal cost principles or other conditions contained in the grant or other agreement.

After all work required by the grant or other agreement has been completed, it is necessary to complete certain actions in order that the grant or other agreement can be removed from active status and closed out. The required actions that must be taken are identified in this Chapter.

3. FINAL REPORT(S). The formal Final Report(s) must be submitted. Refer to Chapter II, paragraph 5.b., for a discussion of the requirements for this report. The Final Report must be submitted by the date specified in the UMTA Work Statement.
4. FINAL PAYMENT. A request for final payment must be submitted. Refer to Chapter III, paragraph 7, for instructions on the preparation and submittal of the "Request for Advance or Reimbursement" Standard Form (SF-270). UMTA normally will authorize payment for the final requisition for funds in advance of a final audit. Payment will be made with the understanding that the recipient will refund UMTA any moneys determined to be due it as a result of the resolution of any costs questioned during a final audit or other review that may be performed on the grant or other agreement. This requisition should be submitted within 90 days after date of completion of grant or other agreement activity(ies).

5. FINAL FINANCIAL STATUS REPORT. The final Financial Status Report (SF-269) should be submitted with the final requisition for payment. Refer to Chapter III, paragraph 8.b., for instructions on the preparation of the report. This report should also be submitted within 90 days after date of completion. Should a final SF-269 not be submitted as appropriate, UMTA will initiate a request for submission.
6. REFUNDS. Concurrent with the submittal of the final Financial Status Reports identified in Chapter III, paragraphs 3 and 4, the recipient shall immediately refund any balance of unobligated (unencumbered) cash that the Federal Government has advanced or paid and that has not been authorized to be retained by the recipient for use.
7. PATENTS/INVENTIONS. A final report must be submitted identifying any patents, inventions, or present or contemplated patent application conceived under project activity(ies). In the event that there are none, a negative statement must be submitted.

Paragraph 13, the Patent Rights clause contained in Part II, "General Terms and Conditions Governing Grants for University Research and Training Projects," (Appendix C) of the project agreement contains specific instructions that must be adhered to during the period of the grant or other agreement. The final patent/inventions report should be submitted within 90 days of completion date.

8. FINAL AUDIT. Upon the completion of all project activity(ies) and UMTA's receipt of a final Financial Status Report, a final audit may be requested by UMTA. In most cases the organization actually performing an audit will be the U.S. Department of Health and Human Services Audit Agency. The assigned audit agency will contact the recipient to arrange time and details for the audit.

Upon receipt of the final audit report, or the conduct of a desk review, UMTA may review any items of questioned cost with the recipient for the purpose of clarification or negotiation of a settlement.

Frequently, due to relatively small project budgets, UMTA desk reviews will be conducted in lieu of formal audits to accomplish closeout objectives.

Should any settlement reached result in reduction in total costs claimed, the recipient must refund immediately to UMTA any moneys to which UMTA is entitled.

9. CLOSEOUT. Upon receipt of all required reports and statements, resolution of any final audit or desk review questions, and receipt of refund if due, UMTA will consider the project as closed and remove it from active status.

INSTRUCTIONS FOR EXECUTING THE NOTICE OF GRANT AWARD

Enclosed are four counterparts of a Notice of Grant Award providing for your research and training grant under Section 11(a) of the Urban Mass Transportation Act of 1964, as amended. The counterparts have been executed on behalf of the Urban Mass Transportation Administration.

Please execute the counterparts on page three and return two executed counterparts to:

Urban Mass Transportation Administration  
Assistant Chief Counsel, UCC-30  
400 Seventh Street, S.W., Room 9223  
Washington, D.C. 20590

Please forward a copy of your letter of transmittal to:

Urban Mass Transportation Administration  
University Research and Training Program, URT-33  
400 Seventh Street, S.W., Room 6100  
Washington, D.C. 20590

The aforementioned counterparts should be returned within 90 days of the obligation date set forth on the Notice of Grant Award. In the event the counterparts cannot be returned within this 90 day period, the Assistant Chief Counsel should be immediately notified by letter setting forth the reason for the delay. Only after the executed counterparts are returned to UMTA, can UMTA begin to honor requisitions for funds.



DEPARTMENT OF TRANSPORTATION  
URBAN MASS TRANSPORTATION ADMINISTRATION  
RESEARCH AND TRAINING GRANT  
(SECTION 11(a) URBAN MASS TRANSPORTATION ACT OF 1964, AS AMENDED)

PART I

NOTICE OF GRANT AWARD

Research and Training Grant No. \_\_\_\_\_

Institution:

Grant Period: Through

Amount of Grant:

Obligation Date:

The Institution identified above is hereby awarded a grant, authorized under Section 11(a) of the Urban Mass Transportation Act of 1964, as amended, (Act) in the amount and for the period specified above, for the purpose of assisting the Institution in carrying out the research and training activities described in its Application, including the Research and Training Program and Budget filed with and approved by the Department of Transportation (DOT).

Section 11(a) of the Act authorizes the making of grants to public and private non-profit institutions of higher learning to assist in establishing or carrying on comprehensive research in the problems of transportation in urban areas. Such grants shall be used to conduct competent and qualified research and investigations into the theoretical or practical problems of urban transportation, or both, and to provide for the training of persons to carry on further research or to obtain employment in private or public organizations which plan, construct, operate, or manage urban transportation systems.

In accepting this grant, the Institution agrees (1) to utilize the grant in accordance with its application, including the Research and Training Program and Budget, and (2) to comply with all conditions to this grant set forth in Part II of this document.

[Brief description of specific purpose of this grant.]

The following documents referred to below are incorporated in and made part of this document:

1. Terms and Conditions Governing Grants for Research and Training (Part II).
2. Approved application of the Institution, including the approved Research and Training Program and Budget, together with any duly authorized revisions or amendments.
3. UMTA Work Statement



UNITED STATES OF AMERICA  
DEPARTMENT OF TRANSPORTATION  
URBAN MASS TRANSPORTATION ADMINISTRATION

By \_\_\_\_\_

Title Administrator \_\_\_\_\_

Date \_\_\_\_\_

---

Instructions to Grantee:

To indicate formal acceptance of this grant and the terms and conditions thereof, execute four copies in the space provided below and return two within ninety (90) days of the obligation date. No funds will be released under this grant until the copies, duly executed by the authorized representative of the institution, are received by UMTA.

The Government may withdraw its obligation hereunder if the grant is not executed within the above ninety day period. The effective date of the grant shall be the obligation date set forth on the Notice of Grant Award.

The grant is hereby accepted, and it is agreed that funds made available pursuant hereto will be used only in accordance with the terms and conditions as set forth in this document.

By \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_



PART II

GENERAL TERMS AND CONDITIONS GOVERNING  
GRANTS FOR UNIVERSITY RESEARCH AND TRAINING PROJECTS

(Section 11(a) of the Urban Mass Transportation Act of 1964, as amended)

The Grant is subject to the conditions listed below:

1. Definitions, as used in these conditions:

- a. "DOT" means the U.S. Department of Transportation, the Urban Mass Transportation Administration or, as the context may require, the Secretary of the Department, or any other person duly authorized to assume the functions necessary to provide guidance for the activities to be performed under this Grant by DOT as that term is used in these conditions.
- b. "Project" means the research and training activities or any revisions to the project approved by a duly authorized official of DOT.
- c. "Approved activities" means those activities described in the Work Statement incorporated into and made a part of this Agreement.
- d. "Project funds" consist of all amounts, including the value of services and contributions other than cash, received by the Grantee for the approved activities, whether such amounts are derived from Federal or non-Federal sources.

2. Use of Project Funds. Project funds shall be used only for those expenditures incurred for approved activities in accordance with Part I, the Notice of Grant Award, and the cost principles of the Office of Management and Budget OMB Circular A-21, Revised, which are incorporated by reference in OMB Circular A-110.

3. Records. The Grantee shall maintain records for the Grant in accordance with Attachment "C" of OMB Circular A-110, which, in part, states that:

Financial records, supporting documents, statistical records, records for nonexpendable property, and all other records pertinent to the Grant shall be retained for a period of three years, with the following qualifications:

- a. If any litigation, claim or audit is started before the expiration of the 3-year period, the records shall be retained until all litigation, claims, or audit finding involving the records have been resolved.

- b. When records are transferred to or maintained by DOT, the 3-year retention requirement is not applicable to the Grantee.

The retention period starts from the date of the submission of the final expenditure report or, for Grants and other Agreements that are renewed annually, from the date of the submission of the annual Financial Status Report.

4. Non-Federal Share. Contributions used as a non-Federal share represent at least the amount specified in the approved Project and are to be used directly in connection with the approved activities. Unless specifically permitted by law, no portion of the non-Federal share shall be derived from other Federal sources or consist of services, property, or funds used as the non-Federal share under other Projects, Grants, or Cooperative Agreements.
5. DOT's Obligation. Subject to the other conditions hereof, DOT will honor requisitions in amounts deemed by DOT to be proper to ensure the carrying out of the approved Project. DOT may, by notice in writing, reduce or withhold payment of Project funds for any of the reasons listed in Section 9 of this document.
6. Accounting Records.
- a. Project Accounts. The Grantee shall establish and maintain as a separate set of accounts, or within the framework of an established accounting system, accounts for the Project in the manner consistent with OMB Circular A-21, Revised, or OMB Circular A-110, as may be appropriate.
- b. Funds Received or Made Available for the Project. In accordance with the provisions of OMB Circular A-21, Revised, or OMB Circular A-110, as may be appropriate, the Grantee shall record in the Project account, and deposit in a bank or trust company which is a member of the Federal Deposit Insurance Corporation (FDIC), all Project payments received by it from DOT pursuant to this Agreement and all other funds provided for, accruing to, or otherwise received on account of the Project, ("Project funds"). Any balances exceeding the FDIC coverage must be collaterally secured as provided in 12 U.S.C. § 265 and implementing regulations or in applicable Federal procedures.

- c. Allowable Costs. Expenditures made by the Grantee shall be reimbursable as allowable costs to the extent that they meet all of the requirements set forth below. They must:
- (1) Be made in conformance with the Work Statement and the Project budget and all other provisions of this Agreement;
  - (2) Be necessary in order to accomplish the Project objectives;
  - (3) Be reasonable in amount for the goods or services purchased;
  - (4) Be actual net costs to the Grantee (i.e., the price paid minus any refunds, rebates, or other items of value received by the Grantee that have the effect of reducing the cost actually incurred, excluding Project income as defined in OMB Circular A-21, Revised or A-110).
  - (5) Be incurred (and be for work performed) after the date of this Agreement, unless specific authorization from DOT to the contrary is received;
  - (6) Be in conformance with the standards for allowability of costs set forth in OMB Circular A-21, Revised.
  - (7) Be satisfactorily documented; and
  - (8) Be treated uniformly and consistently under accounting principles and procedures approved or prescribed by DOT for the Grantee; and those approved or prescribed by the Grantee for its subgrantees.
- d. Documentation of Project Costs. All costs charged to the Project, including any approved services contributed by the Grantee or others, shall be supported by properly executed payrolls, time records, invoices, contracts, or vouchers evidencing in detail the nature and propriety of the charges.
- e. Checks, Orders, and Vouchers. Any check or order drawn by the Grantee with respect to any item that is or will be chargeable against the Project account will be drawn only in accordance with a properly signed voucher then on file with the Grantee stating in proper detail the purpose for which such check or order is drawn. All checks, payrolls, invoices, contracts, vouchers, orders, or other accounting documents pertaining in whole or in part to the Project shall be clearly identified, readily accessible, and, to the extent feasible, kept separate and apart from all other such documents.

f. Audit and Inspection. The Grantee shall permit the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives to inspect all work, materials, payrolls, and other data and records with regard to the Project, and to audit the books, records, and accounts of the Grantee and its subgrantees or contractors with regard to the Project. In the case of contracts or subgrants awarded under other than competitive bidding procedures as defined by the Secretary, the Grantee shall require those contractors or subgrantees to permit the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives to inspect all work, materials, payrolls, and other data and records with regard to the Project, and to audit the books, records, and accounts pertaining to such agreements with regard to the Project.

7. Requisitions and Payments

- a. Requests for Payment by the Grantee. The Grantee may make requests for payment of the Federal share of allowable costs, and DOT will honor such requests in the manner set forth in this section. In order to receive Federal assistance payments, the Grantee must:
- (1) Completely execute and submit to DOT the information required by Standard Form 270 (an original plus two copies);
  - (2) Submit to DOT, (if requested) an explanation of the purposes for which costs have been incurred to date or are reasonably expected to be incurred within the requisition period (not more than 30 days after the date of submission);
  - (3) Demonstrate or certify (if requested) that it has supplied local funds adequate, when combined with the Federal payments, to cover all costs to be incurred to the end of the requisition period;
  - (4) Have submitted to DOT all financial and progress reports required to date under this Agreement; and
  - (5) Identify by Grant no. the source of funding provided under this Agreement.
- b. Payment by DOT. Upon receipt of the requisition and the accompanying information in satisfactory form, DOT will process the requisition if the Grantee is complying with its obligations pursuant to the Agreement, has satisfied DOT of its need for the Federal funds requested during the requisition

period, and is making adequate progress towards the timely completion of the Project. If all of these circumstances are found to exist, DOT may reimburse apparent allowable costs incurred (or to be incurred during the requisition period) by the Grantee up to the maximum amount of Federal funding payable. However, reimbursement of any cost pursuant to this Section shall not constitute a final determination by DOT of the allowability of such cost and shall not constitute a waiver of any violation of the terms of this Agreement committed by the Grantee. DOT will make a final determination as to allowability only after final audit or other verification of allowability of costs. In the event that DOT determines that the Grantee is not currently eligible to receive any or all of the Federal funds requested, it shall promptly notify the Grantee stating the reasons for such determination. Unless prohibited by applicable law, DOT reserves the right to offset any Federal funding to be made available under this Project as may be necessary to satisfy any monetary claims that DOT may have outstanding against the Grantee.

- c. Disallowed Costs. In determining the amount of Federal funding that DOT will provide, DOT will exclude all Project costs incurred by the Grantee prior to the obligation date of this Agreement, unless an authorized representative of DOT advises in writing to the contrary; any costs incurred by the Grantee which are not provided for in the latest approved budget for the Project; and any costs attributable to goods or services received under a contract or other arrangement which has not been concurred in or approved in writing by DOT.
- d. Prohibition Against Use of Federal Funds for Lobbying. The Grantee or any subgrantee shall not use Federal funding for publicity or propaganda purposes designed to support or defeat legislation pending before Congress.
- e. Interest. The following requirements apply to the Grantee:
  - (1) Any interest earned on Federal funds by the Grantee must be identified and remitted to DOT except as provided by section 203 of the Intergovernmental Cooperation Act of 1968, 42 U.S.C. § 4213.

(2) Upon notice by DOT to the Grantee of specific amounts due DOT, the Grantee shall promptly remit any excess payment of amounts or disallowed costs to DOT. Interest may be assessed from the time of notice and charged for any amounts due to DOT that are not paid as set forth in the Treasury Fiscal Requirements Manual.

f. Deobligation of Funds. DOT reserves the right to deobligate unspent Federal funds prior to Project closeout.

8. Reports and Information. The Grantee shall, at such times and in such manner as DOT may require, furnish DOT with the following reports:

- a. Technical Progress reports;
- b. Financial reports including Standard Form 269 on a quarterly basis (an original plus one copy);
- c. Special reports necessary by the nature of the Grant and agreed upon by DOT and the Grantee.
- d. Final Reports and Executive Summaries covering the results of the Grant activities. Final Reports should adhere to the standards set forth in the current issue of DOT Document DOT-TST-75-97 "Standards for the Preparation and Publication of DOT Scientific and Technical Reports" and UMTA Circular 4900.2B "Administration Requirements for University Research and Training Grants."

If the Grant results in a book or other copyrightable work, the Grantee or author may copyright the work, provided that the Grantee or author provides DOT a royalty-free, non-exclusive and irrevocable license to reproduce, publish, or otherwise use, and to authorize others so to do.

In case of publication by the Grantee, an agreed upon number of reprints without covers shall be supplied at no cost to DOT. Publications based on work supported by DOT should be acknowledged essentially as follows:

"The study was supported by the U.S. Department of  
Transportation, Urban Mass Transportation  
Administration, Grant No. \_\_\_\_\_"

9. Termination or Suspension of Grant. DOT may by written notice terminate or suspend this Grant in whole or in part, or withhold payment, in the event that it finds that the Grantee has (a) failed to comply with Federal law or with any of the Grant conditions, (b) failed to carry out the Project as approved, (c) made unauthorized or improper use of



Project funds, (d) submitted any application, report, or other document which contains a misrepresentation of a material nature or is incorrect or incomplete in any material respect, or (e) if for any reason continuation of the approved Project is rendered improbable, infeasible, impossible, illegal, or inadvisable in the opinion of DOT. The Grantee shall take such action relative to termination or suspension as may be required by DOT in the notice of termination or suspension. In such case, termination or suspension shall not affect any otherwise valid and allowable obligations made in good faith prior to receipt of notice of termination or suspension.

10. Interest of Certain Federal Officials. No member of, or delegate to, the Congress of the United States of America, and no resident Commissioner, shall be admitted to any share or part hereof or to any benefit arising herefrom.
11. Equal Employment Opportunity. In carrying out the approved Project:
  - a. The Grantee will not discriminate against any employee or applicant for employment because of race, color, age, creed, sex, or national origin. The Grantee will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, age, creed, sex, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Grantee agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this Equal Opportunity clause.
  - b. The Grantee will, in all solicitations or advertisements for employees placed by, or on behalf of, the Grantee, state that all qualified applicants will receive consideration for employment without regard to race, color, age, creed, sex, or national origin.
  - c. The Grantee will send to each labor union or representative of workers with which it has a collective bargaining or other agreement or understanding, a notice, advising the labor union or workers' representative of the Grantee's commitments under this Equal Opportunity clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
  - d. The Grantee will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

- e. The Grantee will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by DOT and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
  - f. In the event of the Grantee's non-compliance with the Equal Opportunity clause of this Grant or with any of the said rules, regulations, or orders, this Grant may be cancelled, terminated, or suspended, in whole or in part, and the Grantee may be declared ineligible for further Federal Grants, Cooperative Agreements, or Contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
  - g. The Grantee will include the provisions of paragraphs a. through f., above, in every subagreement or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subgrantee or vendor. The Grantee will take such action with respect to any subagreement or purchase order as DOT may direct as a means of enforcing such provisions, including sanctions for noncompliance: provided, however, that in the event the Grantee becomes involved in, or is threatened with, litigation with a subgrantee or vendor as a result of such direction by DOT, the Grantee may request DOT to enter into such litigation to protect the interests of DOT.
12. Compliance with Title VI of the Civil Rights Act of 1964. The Grantee shall comply with Title VI of the Civil Rights Act of 1964 (78 Stat. 214), with DOT regulations entitled "Nondiscrimination in Federally-assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964," 49 C.F.R., Part 21, and any other applicable regulations issued pursuant thereto.

13. Patent Rights.

In arrangements between the Grantee and DOT and in all third party Agreements at any tier with any small business firm, non-profit organization, or university, the patent rights clause of Attachment A of OMB Circular No. A-124, (implementing the Patent and Trademark Amendments of 1980, 35 U.S.C. § 200 et seq.) and any subsequent amendments that may be issued thereto will be applicable, when the purpose of its participation is to perform experimental, development, or research work.

14. Rights in Data. In carrying out the approved Project:

- a. The term "subject data" as used herein means recorded information, whether or not copyrighted, that is delivered or specified to be delivered under this Grant. The term includes graphic or pictorial delineations in media such as drawings or photographs; text in specifications as related to performance or design-type documents; machine forms such as punched cards, magnetic tape, or computer memory printouts; and information retained in computer memory. Examples include, but are not limited to, engineering drawings and associated lists, specifications, standards, process sheets, manuals, technical reports, catalog item identifications, and related information. The term does not include financial reports, cost analyses, and similar information incidental to Project administration.
- b. The Grantee agrees to provide and does hereby provide to DOT and to its officers, agents, and employees acting within the scope of their official duties, a royalty-free, non-exclusive, and irrevocable license throughout the world (1) to publish, translate, reproduce, deliver, perform, use, and dispose of, in any manner, any and all subject data, including that data not first produced or composed in the performance of this Grant but which are incorporated in the work furnished under this Grant; and (2) to authorize others so to do.
- c. The Grantee shall use its best efforts to prevent violation of proprietary rights, copyrights, or rights of privacy, arising out of the publication, translation, reproduction, delivery, performance, use or disposition of any data furnished under this Grant.
- d. Nothing contained in this Section shall imply a license to DOT under any patent or be construed as affecting the scope of any license or other right otherwise provide DOT under any patent.

- e. In the event that the Project, which is the subject of this Grant, is not completed, for any reason whatsoever, all data generated under that Project shall become subject data as defined in paragraph a. of this Rights in Data Section and shall be delivered as DOT may direct. This Section shall be included in all third party Agreements under the Project.
- f. Paragraphs b. and c. above are not applicable to material furnished to the Grantee by DOT and incorporated in the work furnished under the Grant; provided, such incorporated material is identified by the Grantee at the time of delivery of such work.
15. Waivers or Revisions. To be valid, a waiver of any condition to this Grant, or any revision to the approved Project and budget must be in writing from a duly authorized official of DOT.
16. Safeguarding Operations and Funds. The Grantee will safeguard all Project funds becoming available to it for approved activities under this Grant (including funds becoming available to it for deposit, or deposited, in the Project account) by insurance or fidelity bonds or by taking such other action as may be approved by DOT. Such insurance or fidelity bonds, if required, shall be of such types, in such amounts, and with such coverage and otherwise as shall be satisfactory to DOT and proper and adequate for the purposes of this Grant.
17. Title to Equipment. Title to equipment purchased with Project funds shall be determined as follows:
- a. Title to equipment purchased or fabricated under this Grant shall be vested in the Grantee, without further obligation to DOT except as provided for under b. below, unless it is determined that such vesting is not in furtherance of the objectives of DOT Grants or unless there is not proper authority to vest title in the Grantee. Such title shall be vested in the Grantee upon acquisition of the equipment or as soon as feasible thereafter.
  - b. DOT reserves the right to require the Grantee to transfer title to items of equipment to DOT or to a third party named by DOT, where such third party is otherwise eligible under existing statutes. This reservation may be exercised at any time, but no later than twelve months after DOT has received a final fiscal report (or special equipment acquisition report, if required) from the Grantee after completion or termination of the grant. Such right to require transfer of title shall not apply to any items of equipment with an acquisition cost of less than \$1,000.

c. The provisions of Attachment N, Property Management Standards, of OMB Circular No. A-110 shall otherwise apply.

18. Buy America. Each third party Agreement utilizing UMTA Project funds obligated after January 6, 1983, must comply with Section 165 of the Surface Transportation Assistance Act of 1982, P.L. 97-424 (the Buy America Provision), and UMTA regulations and/or guidance issued to implement this statutory provision.

19. Privacy. Should the Grantee, its subgrantee or its employees administer any system of records on behalf of DOT, the following terms and conditions are applicable:

a. The Grantee agrees:

- (1) To comply with the Privacy Act of 1974, 5 U.S.C. § 552a (the Act) and the rules and regulations issued pursuant to the Act when performance under the Grant involves the design, development, or operation of any system of records on individuals to be operated by the Grantee, its contractors or employees to accomplish a DOT function;
- (2) To notify DOT when the Grantee anticipates operating a system of records on behalf of DOT in order to accomplish the requirements of this Grant, if such system contains information about individuals which information will be retrieved by the individual's name or other identifier assigned to the individual. A system of records subject to the Act may not be employed in the performance of this Grant until the necessary approval and publication requirements applicable to the system have been carried out. The Grantee agrees to correct, maintain, disseminate, and use such records in accordance with the requirements of the Act, and to comply with all applicable requirements of the Act;
- (3) To include the Privacy Act Notification contained in this Agreement in every third party Agreement solicitation and in every third party Agreement when the performance of work under the proposed third party Agreement may involve the design, development, or operation of a system of records on individuals that is to be operated under the Grant to accomplish a DOT function; and,

- (4) To include this Section, including this paragraph, in all third party Agreements under which work for this Grant is performed or which is awarded pursuant to this Grant or which may involve the design, development, or operation of such a system on behalf of DOT.
- b. For purposes of the Privacy Act, when the Grant involves the operation of a system of records on individuals to accomplish a DOT function, the Grantee, subgrantees and any of their employees are considered to be employees of DOT with respect to DOT function, and the requirements of the Act, including the civil and criminal penalties for violations of the Act, are applicable except that the criminal penalties shall not apply with regard to Agreements effective prior to September 27, 1975. In addition, failure to comply with the provisions of the Act or of this Section will make this Grant subject to termination.
- c. The terms used in this Section have the following meaning:
  - (1) "Operation of a system of records" means performance of any of the activities associated with maintaining the system of records on behalf of DOT including the collection, use and dissemination of records.
  - (2) "Record" means any item, collection, or grouping of information about an individual that is maintained by the Grantee on behalf of DOT including, but not limited to, his or her education, financial transactions, medical history, and criminal or employment history and that contains his or her name, the identifying number, symbol, or other identifying particular assigned to the individual, such as a finger or voice print, or a photograph.
  - (3) "System of records" on individuals means a group of any records under the control of the Grantee on behalf of DOT from which information is retrieved by the name of the individual or by some identifying number, symbol, or other identifying particular assigned to the individual.

## 20. Miscellaneous.

- a. Bonus or Commission. The Grantee warrants that it has not paid, and also agrees not to pay, any bonus or commission for the purpose of obtaining an approval of its application for the Project funds hereunder.

- b. State or Territorial Law. Anything in the Grant to the contrary notwithstanding, nothing in the Grant shall require the Grantee to observe or enforce compliance with any provision thereof, perform any other act, or do any other thing in contravention of any applicable State or territorial law; Provided, that if any of the provisions of the Grant violate any applicable State or territorial law, or if compliance with the provisions of the Grant would require the Grantee to violate any applicable State or territorial law, the Grantee will at once notify DOT in writing in order that appropriate changes and modifications may be made by DOT and the Grantee to the end that the Grantee may proceed as soon as possible with the Project.
- c. Severability. If any provision of this Grant is held invalid, the remainder of this Grant shall not be affected thereby if such remainder would then continue to conform to the terms and requirements of applicable law.

# # # # #

DOT LIBRARY



00399358