

Tampa Bay Area Regional Transit Authority (TBARTA)

Results of Grant Compliance Assessment

Results of Operational Assessment

August 24, 2018

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Procedures Performed

- \$676,577 of expenditures of federal awards;
\$670,114 of state financial assistance
- Tested relevant compliance requirements for all grants with activity during FY '17
 - 4 federal programs tested
 - 1 state project tested



Timeliness – Federal Transit Cluster

- **Condition/Context:** Out of the four quarterly reimbursement requests selected, we noted all four were late in submitting the required request within 14 calendar days after quarter end. Out of the 4 noted instances above, 2 of the report submissions were over 6 months late
- **Recommendation:** The Authority's grant personnel should submit the required quarterly reimbursement requests within the required 14 calendar days of quarter end. Documentation of approval from the grantor should be obtained for an extension of this time requirement in situations where the timeliness cannot be met.



Timeliness – Commuter Assistance Program

- **Condition/Context:** All eleven selections made under the Commuter Assistance program were submitted for reimbursement 6 to 10 months after actual expenditure occurred.
- **Recommendation:** We recommend that the Authority's grant personnel should submit requests timely to avoid potential cash flow issues and adhere to best practices relating to cash management and reporting.



Planned Activities – Federal Transit Cluster

- **Condition/Context:** The Authority needed to collaborate with the grantor, Pinellas MPO, on budget revisions to move funding into line item categories that fit project expenditures.
- **Recommendation:** We recommend that at the onset of a grant award, that the Authority ensure the budget categories are realistic with respect to planned activities to spend down the available funds, and to monitor budget to actual expenditures throughout the duration of the grant to avoid losing funding and ensure the objectives of the grant are met.



Reporting – Federal Transit Cluster

- **Condition/Context:** Out of the two narrative progress reports selected, both were missing the required documentation of the specific accomplishments made in the applicable quarterly period and also the tasks expected to be performed during the next period.
Recommendation: We recommend responsible grant personnel update each narrative report to adhere to the requirements of the grant. The current quarter's accomplishments should be discussed in detail as well as the expected tasks planned for the next period.



Contract Language – All Programs

- **Condition/Context:** The conflict of interest policy excludes some critical wording and is not complete. Additionally, we were not able to verify that the Authority elected the grace period to adopt the procurement requirements under the Uniform Guidance.
- **Recommendation:** We recommend that TBARTA update their procurement policies to be in compliance with the Uniform Guidance. If the grace period was elected, this determination should be reflected in writing.



Allocation of Costs – Multiple Programs

- **Condition/Context:** In our sample of 22 non-payroll disbursements, we noted that 19 had expenditure allocations which were not consistent and therefore not equitable between programs. The Authority does not have a documented allocation plan but rather haphazardly allocates expenditures based on which programs are active and have available capacity to absorb costs by budgeted line item.
- **Recommendation:** We recommend that the Authority identify the allowable costs within each grant agreement and allocate costs appropriately to each grant under a formal allocation methodology rather than arbitrarily determining which grants have allowable funding and charging costs in such manner.



Payroll Costs – Multiple Programs

- **Condition/Context:** The time and effort documentation of hours did not agree with the underlying summary sheet charged to the grant. This appeared to have occurred as time outside of the "regular hours" such as holiday, sick, vacation, jury duty, etc. were not in accordance with the percentage of time actually spent on the grant.
- **Recommendation:** We recommend that the Authority devise a reliable and equitable allocation methodology for charging sick and vacation time across eligible federal and state grant programs



Equipment – One Call One Click

- **Condition/Context:** The Authority purchased Net systems equipment during the year. A requirement of the grant agreement is to conduct an on-site physical inventory at least once every two years.
Recommendation: We recommend that the Authority ensure that all equipment is properly accounted for and other relevant compliance requirements regarding equipment management are met.



Suspension/Debarment – All Programs

- **Cause/Context:** The Authority does not retain the results of a search of the SAM (System for Award Management) listing for each new procurement to ensure the vendor is not suspended or debarred prior to finalizing the contract.
- **Recommendation:** We recommend that prior to entering into a contract over 25,000, the Authority should verify that the vendor is not suspended and debarred and maintain documentation in the grant file that this verification took place.



Rent – Highway Research & Construction

- **Condition/Context:** The Authority charged over \$13,000 to this federal program during the period under review to rent; however, it is not clear this is an eligible cost under the grant.
- **Recommendation:** We recommend that TBARTA confirm with grantor that rent is allowable under this grant.





Operational Assessment

Results and Recommendations

Issues Encountered

- Detailed schedules of grants not created for allocation of expenses – knowledge of grants is limited therefore processes not efficient
- Allocation of expenses to grants not at data input, usually adjusted after the fact due to no procedures or checklist, duplication of efforts
- Reporting completed by multiple staff, back and forth between staff, external accountant, back to staff creating inefficiencies and probability of errors and omissions.



Issues Encountered, Continued

- Accounting program QuickBooks not ideally suited to handle multiple grants and allocations efficiently
 - No integrated timekeeping solution that captures employee time by program activity; allocations completed after the completion of payroll cycles
- Staff priorities shift on a daily basis out of necessity due to understaffing
- No dedicated finance representative who “owns” the process
- No significant grant management experience in house



Recommendations – Near Term

- PSTA assumes oversight role, focus on streamlining accounting processes, training admin staff and getting grants up to date, improve cash flow and assist TBARTA in becoming eventual direct recipient
- Grant accounting function is performed by PSTA as part of a staff services agreement; transition to QBO



Recommendations – Long Term

- Upon collaboration with new Executive Director:
 - Hire full-time grant accountant, trained by PSTA to understand current grant structure
 - Potentially hire a CFO based on potential future needs and complexity of the organization
 - Reintegrate accounting function back into TBARTA, establish new technology structure to support complex accounting activities



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