



U.S. Department  
of Transportation

**Federal Highway  
Administration**

# Program Review

Michigan Division

And

Michigan  
Department of  
Transportation

## **In-Kind Contributions as Match for PL**

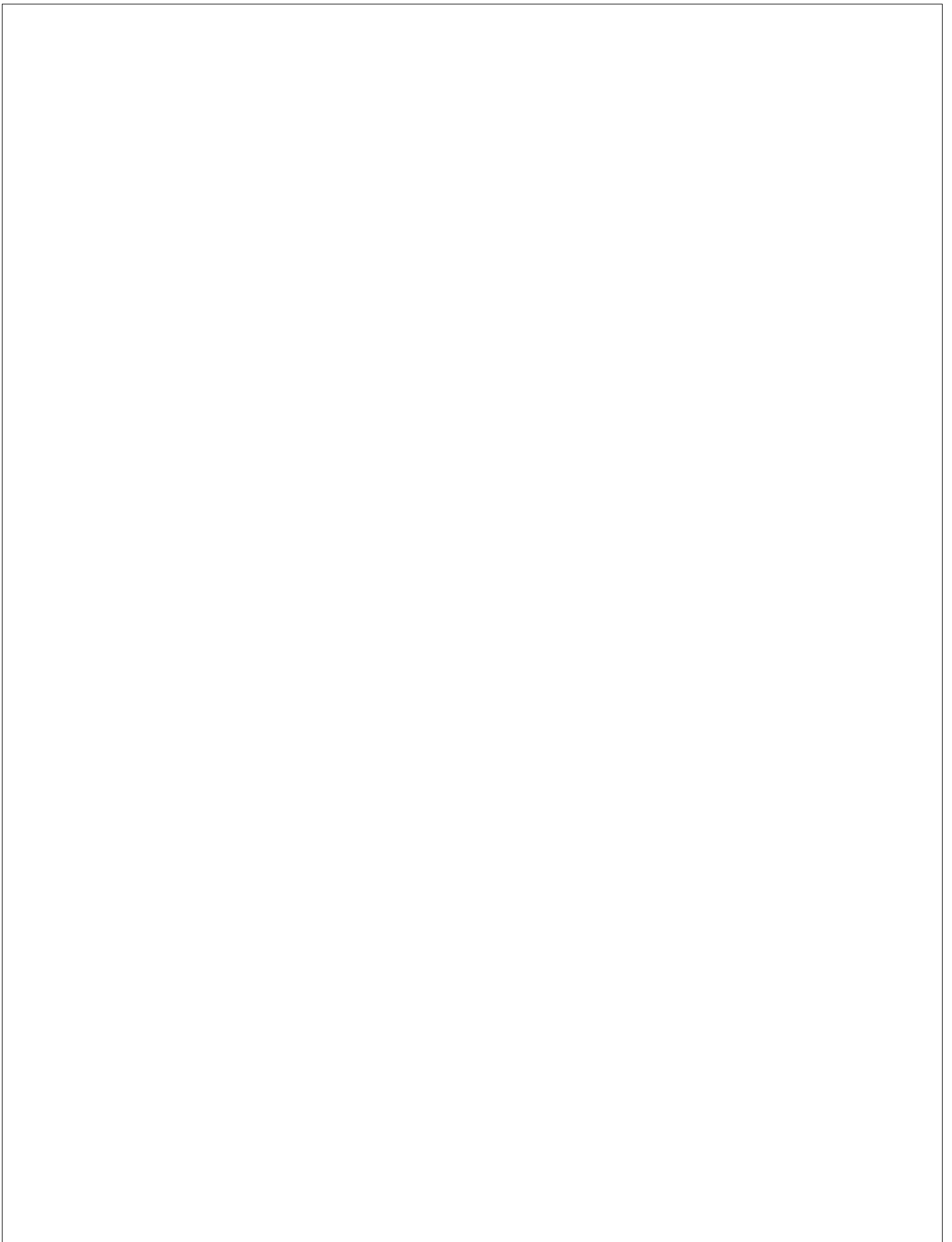
**September 2010**

**FINAL REPORT**



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## **Executive Summary**

### **Purpose of the Process Review**

The purpose of this joint Federal Highway Administration (FHWA) and Michigan Department of Transportation (MDOT) review was to assess current Metropolitan Planning Organization (MPO), MDOT, and FHWA practices and processes when using in-kind contributions to match PL funds. In recent years MDOT and MPOs have been expanding their use of in-kind contributions as a way to leverage Federal-aid. Additionally, FHWA-Headquarters has recently consolidated and revised guidance for the use of in-kind contributions.

### **Approach**

The review assessed the current in-kind contributions guidance issued by MDOT (dated 4/28/09) and assessed the application of such procedures in Bay City and Kalamazoo, two MPOs that use in-kind contributions. The review was separated into three parts:

1. At the program level:
  - a. Assessed overall MDOT and MPO awareness and general understanding of current guidance
  - b. Identified MDOT procedures and responsibilities for assuring compliance
  - c. Identified FHWA procedures and responsibilities for assuring compliance
2. At a project level :
  - a. Reviewed MPO procedures when developing proposal using in-kind contributions
  - b. Verified documents presented with such projects comply with requirements
  - c. Verified methods of documenting the number of hours and valuation of in-kind contributions comply with requirements
  - d. Verified billing procedures accurately reflect in-kind contributions
3. Verified that MDOT guidance complied with new FHWA guidance

### **Conclusion**

Although, a number of recommendations are being made to enhance the in-kind contributions process within Michigan; overall, the MPO, MDOT and FHWA practices and processes for the PL program are compliant with appropriate federal guidance and regulations. The review team found two noteworthy examples of successful practices, the use of summary activity sheets and the use of a cost distribution spreadsheet, by the Kalamazoo Area Transportation Study (KATS).



## Background

In 2007, FHWA's review of audit documents for one of the Metropolitan Planning Organizations (MPOs), disclosed concerns with records and the approach for using in-kind contributions as match for the federally funded PL work program. The following short-comings were noted:

- The intent to use in-kind contributions was not revealed prior to submitting the work program;
- The budget tables did not properly reflect the use of in-kind contributions, the total costs, nor the appropriate pro-rata shares;
- The MPO treated the contributions as cash, but no cash was provided to the MPO;
- No source documents were available or maintained to document the value of the contributed services; and
- Some of the "contributed" services did not appear to be eligible for funding nor connected to the objectives of the PL work program.

Keeping these findings in mind, the review of the FY 2008 Unified Work Programs (UWPs) by FHWA-Michigan Division planning staff revealed other MPOs were using in-kind contributions as match to the PL program. These reviews found similar, or the potential for similar problems, which could ultimately lead to findings of ineligibility.

During discussions with MDOT Bureau of Planning, it became evident that a guidance document needed to be developed in order to explain how in-kind contributions should be used and documented by sub-recipients when developing UWPs. MDOT created an "In-kind Guidebook" in August of 2007 with review and comment by FHWA. This document, with some updates, has been used for developing UWPs requiring in-kind contributions since FY 2008.

Now that the documented process has been in place for a few years, FHWA-Michigan Division staff, as well as the Michigan Department of Transportation (MDOT), felt it would be a good opportunity to assess how the process for using in-kind contributions in the PL program was working. FHWA and MDOT wanted to see how well the documentation was understood, identify possible improvements, and identify the need for potential additional training.



## **Purpose and Objective**

The purpose of this Federal Highway Administration (FHWA) / Michigan Department of Transportation (MDOT) joint process review was to assess current Metropolitan Planning Organization (MPO), MDOT and FHWA practices and processes when using in-kind contributions to match PL funds.



## Scope and Methodology

The review assessed the current in-kind contributions guidance issued by MDOT (dated 4/28/09) and assessed the application of such procedures in Bay City and Kalamazoo, two MPOs that use in-kind contributions. The review was separated into three parts:

4. At the program level:
  - a. Assessed overall MDOT and MPO awareness and general understanding of current guidance
  - b. Identified MDOT procedures and responsibilities for assuring compliance
  - c. Identified FHWA procedures and responsibilities for assuring compliance
5. At a project level :
  - a. Reviewed MPO procedures when developing proposal using in-kind contributions
  - b. Verified documents presented with such projects comply with requirements
  - c. Verified methods of documenting the number of hours and valuation of in-kind contributions comply with requirements
  - d. Verified billing procedures accurately reflect in-kind contributions
6. Verified that MDOT guidance complied with new FHWA guidance



## Team Members

Name	Affiliation	Title
Susan Berquist	MDOT	Transportation Planner
Jim Cramer	FHWA-Michigan	Transportation Planner
Chris Dingman	FHWA-Michigan	Transportation Planner
Rick Fowler	MDOT	Transportation Planner
Chun Guo	FHWA-Michigan	Financial Specialist
Eric Purkiss	FHWA-Michigan	Financial Manager
Marsha Small	MDOT	Statewide Planning Section Manager
Rachael Tupica	FHWA-Michigan	Transportation Planner
Sarah Van Buren	FHWA-Michigan	Transportation Planner
Krista Walton	MDOT	Project Accounting Unit Supervisor
Brandon Wilcox	MDOT	Transportation Planner



## Observations and Recommendations

### Program Level

#### Observation #1:

There has been no proactive, systematic training offered on the process and requirements pertaining to in-kind contributions.

#### Recommendations:

Training should be developed and delivered to the MPOs and to any third party providing in-kind contributions.

#### Compliance Issue:

None

#### Observation #2:

MDOT and FHWA-Michigan worked together to develop guidance on the use of in-kind contributions. Situations have come up that are currently not reflected in the guidance such as the use of both in-kind and cash contributions. Additionally, there seems to be confusion as to which agencies are eligible third parties and what types of contributions can be made.

#### Recommendation:

MDOT should update the guidance to include examples documenting the use of both in-kind and cash contributions as a match. The guidance should also include examples of eligible third parties and common activities that could be appropriate as an in-kind contribution.

#### Compliance Issue:

None

### Development of the UWP

#### Observation #1:



The MPO proceeds with development of the UWP utilizing in-kind contributions based on historical data and discussion with third parties contributing services. There is no formal approval process through the MPO committee. MDOT then initiates a letter on behalf of a MPO to FHWA for approval of in-kind contributions in the UWP. Assurances have not been included with this request for prior approval. There is no documentation of FHWA's approval in the UWP.

Recommendations:

- MPO staff should gain formal approval from their committee before proceeding with UWP development using in-kind contributions. This formal approval should be submitted to MDOT and included in the UWP.
- MPOs should formally request MDOT to seek the prior approval of their use of in-kind contributions before the formal submittal of the UWP. Upon receiving FHWA approval for the use of in-kind contributions in a MPO's UWP, the MDOT Program Manager should forward the approval letter to the MPO to be included in the UWP.
- Signed assurances need to be included with the MPOs request for prior approval, as indicated on the assurances statement signed by all third parties.

Compliance Issue:

None

Observation #2:

The process for which agencies pay cash to make up for a shortfall of in-kind contributions at the end of the fiscal year is not formally documented.

Recommendation:

Documentation should be in place within the MPO to define what would happen if there is a shortfall in the program.

Compliance Issue:

None



Observation #3:

The FHWA Financial Manager reviews the UWPs only when there is a question by one of the FHWA Planners.

Recommendation:

FHWA Planners should allow the FHWA Financial Manager an opportunity to review all UWPs using in-kind contributions.

Compliance Issue:

None

Observation #4:

The way each MPO documents the use of in-kind contributions in their UWPs is not consistent.

Recommendation:

For MPOs using in-kind contributions, the tables and work item details should be done in accordance with MDOT guidance. This not only provides constancy on how the information is documented, but also makes the review of the document easier.

Compliance Issue:

None

**During the Work Program Year**

Observation #1:

There is a varying level of formality that MPOs are using to document and track in-kind contributions during the program year. Kalamazoo is using successful practices such as activity records sheets to support the hours in timesheets and the use of a cost distribution summary (CSD) spreadsheet. Bay City is using a more informal tracking system as the MPO receives traffic counts as a large source of the overall in-kind contribution from their program. They are able to monitor the activities and cross



reference those against the submitted billings. Both approaches are effective for accurately monitoring program activity

Recommendation:

None

Compliance Issue:

None

Observation #2:

MDOT's current financial system doesn't have a mechanism to record in-kind contributions. Cash and in-kind contributions are recorded in Excel pass-through spreadsheets.

Recommendation:

Update the financial system to accommodate in-kind contributions.

Compliance Issue:

None

**End of Year Close-out**

Observation #1:

At the end of the fiscal year, each MPO submits financial statements and final acceptance sheets to a MDOT Program Manager. The Program Manager reviews and if acceptable, submits a Final Acceptance Letter to the MPO and MDOT Contract Accounting Unit (CAU). The CAU then confirms with MDOT finance and if total costs are less than \$100,000 the documentation is sent to MDOT finance for financial closure. If total costs are greater than \$100,000, CAU requests an audit report and concurrence before forwarding the information to MDOT Finance for financial closures. FHWA will then receive a Fiscal Management Information System (FMIS) request to financially close the project.

Recommendation:



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None

Compliance Issue:

None



## Successful Practices

The Kalamazoo Area Transportation Study (KATS) uses Activity Records and a Cost Distribution Summary (CDS) Spreadsheet to support their in-kind contribution process. The review team feels they are good examples of successful business practices.

KATS requires the third parties to submit Activity Reports to support the hours indicated in the timesheets. All Activity Records and Timesheets submitted to KATS are reviewed to ensure work performed is eligible for in-kind contributions. In case an activity is disqualification, adjustments are made to Activity Records and Time Sheets to reflect new amounts/data eligibility for the in-kind effort.

After receiving Activity Records and Time Sheets, KATS inputs the data into an Excel master spreadsheet called the Cost Distribution Spreadsheet (CDS). The CDS breaks down the in-kind effort into the various work elements and gives a year to date overview of the in-kind contributions. The CDS is included in the billings sent to MDOT, which are checked for accuracy.

### Benefits for using Activity Records

- Reduces the time spent preparing an audit
- Builds confidence in eligibility of contributed effort
- Creates a structure for the contributing agencies to document their effort
- Reduces assumptions and second-guessing

### Benefits for having a Cost Distribution Summary Spreadsheet

- Discloses the total cost and the cost per element by contributing party during a given period
- Enables KATS to keep a close watch over the in-kind program contributions
- Assists KATS in documenting what was actually donated versus what was budgeted at the beginning of the year



## Conclusion

Although, a number of recommendations are being made to enhance the in-kind contributions process within Michigan; overall, the MPO, MDOT and FHWA practices and processes are compliant with appropriate federal guidance and regulations. The review team found two noteworthy examples of successful practices, the use of summary activity sheets and the use of a cost distribution spreadsheet, by the Kalamazoo Area Transportation Study (KATS).



## **Action Plan**

An action plan will be developed for implementation of the recommendations identified in the report. The plan will identify specific actions or products, the responsible party and implementation dates and timeframes. The team members have agreed to have an action plan developed by October 31, 2010 and to have all recommendations implemented by March 31, 2011.



## Appendices

Appendix A: Team Charter

Appendix B: Review Guidelines

Appendix C: Kalamazoo's Written Responses to Questions

Appendix D: Bay City's Written Responses to Questions

Appendix E: MDOT's Written Responses to Questions

Appendix F: FHWA's Written Responses to Questions

Appendix G: Kalamazoo Summary Record Sheet

Appendix H: Kalamazoo Cost Distribution Spreadsheet



## Appendix A Team Charter

Team Charter					
<b>Process or Problem Studied:</b>					
Use of In-Kind Contributions as Match for PL					
<b>Process Description or Problem Statement:</b>					
Review MPO, MDOT, and FHWA's practices and processes when using in-kind contributions to match PL funds.					
<b>Goals or Objectives:</b>					
1. At a program level: <ul style="list-style-type: none"> <li>• Assess overall MDOT and MPO awareness and general understanding of current guidance</li> <li>• Identify MDOT procedures and responsibilities for assuring compliance</li> <li>• Identify FHWA procedures and responsibilities for assuring compliance</li> </ul> 2. At a project level: <ul style="list-style-type: none"> <li>• Review MPO procedures when developing a proposal using in-kind contributions</li> <li>• Verify documents presented with such projects comply with requirements</li> <li>• Verify methods of documenting the number hours and valuation of in-kind contributions comply with requirements</li> <li>• Verify billing procedures accurately reflect in-kind contributions</li> </ul> 3. Verify that MDOT guidance complies with new FHWA directives					
<b>Scope of Review:</b>					
The review will assess the current in-kind contributions guidance issued by MDOT (dated 4/28/09) and will assess the application of such procedures in Bay City and Kalamazoo, two MPOs that use in-kind contributions. The review will also look at procedures followed by MDOT and FHWA when processing PL actions involving in-kind contributions. In additions, an assessment will also be made as to how MDOT's current guidance should be updated to be in compliance with the new FHWA guidelines issued in 2009.					
<b>Team Leaders:</b>					
FHWA - Sarah Van Buren and Eric Purkiss    MDOT - Marsha Small					
<b>Team Members:</b>					
Jim Cramer (FHWA)	Rachael Tupica (FHWA)	Susan Berquist (MDOT), Rick Fowler (MDOT), Brandon Wilcox (MDOT)			
Chris Dingman (FHWA)	Chun Guo (FHWA)	Krista Walton (MDOT-FOD)			
<b>Budget:</b>		\$0.00			
<b>Expertise available:</b>					
Regulations and Guidance    FHWA HQ and RC Planning and Finance Staff					
<b>Time Frame:</b>	8 months	<b>Starting Date:</b>	2/2/10	<b>Completion Date:</b>	9/30/10
<b>Authority or responsibility of the team:</b>					
<ul style="list-style-type: none"> <li>• Conduct review</li> <li>• Contact staff involved in preparing in-kind proposals</li> <li>• Conduct interviews and access source documents</li> <li>• Evaluate information gathered, draw conclusions, make recommendations, prepare report</li> </ul>					
<b>Potential restraining forces:</b>					
Availability of team time and resources Availability and access to staff and document of agencies using in-kind contributions					
<b>Timing of Progress Reports:</b>					
Milestones include: 1) Review Guidelines developed by March 2010 2) Field Reviews complete by April 2010 3) Draft Report written by June 2010 4) Closeout with project sponsors by July 2010 5) Final report by September 2010. 6) Implementation of recommendations by March 2011					
<b>Follow-Up Responsibility:</b>					
Team sponsors will support the implementation of recommendations resulting from this review and as appropriate, assign staff to follow-up and assure that all recommendations are satisfactorily resolved.					
<b>Team Sponsors Concurrence</b>					
 Donald Cameron, FHWA		3-17-10 Date		 Susan Mortel, MDOT	
		4/13/10 Date			



## **Appendix B: Review Guidelines**

### **Review Guidelines In-Kind Contributions as Match for PL**

#### **Purpose:**

The purpose of this Federal Highway Administration (FHWA) / Michigan Department of Transportation (MDOT) joint process review is to assess current Metropolitan Planning Organization (MPO), MDOT and FHWA practices and processes when using in-kind contributions to match PL funds.

#### **Scope:**

The review will assess the current in-kind contributions guidance issued by MDOT (dated April 28, 2009) and will assess the application of such procedures in Bay City and Kalamazoo, two MPOs that use in-kind contributions. The review will also look at procedures followed by MDOT and FHWA when processing PL action involving in-kind contributions. In addition an assessment will be made as to how MDOT's current guidance should be updated to be in compliance with the new FHWA guidelines issued December 29, 2009.

#### **Methodology:**

The review is separated into three parts as follows:

1. At the program level:
  - a. Assess overall MDOT and MPO awareness and general understanding of current guidance
  - b. Identify MDOT procedures and responsibilities for assuring compliance
  - c. Identify FHWA procedures and responsibilities for assuring compliance
2. At a project level :
  - a. Review MPO procedures when developing proposal using in-kind contributions
  - b. Verify documents presented with such projects comply with requirements
  - c. Verify methods of documenting the number of hours and valuation of in-kind contributions comply with requirements
  - d. Verify billing procedures accurately reflect in-kind contributions
3. Verify that MDOT guidance compliance with new FHWA directives

#### **Questions:**

See Attachment A

#### **Timetable:**



1. Field reviews will be completed by April 30, 2010.
2. Draft report written by June 30, 2010
3. Closeout with project sponsors by July 31, 2010
4. Final report by September 30, 2010
5. Implementation of recommendations by March 31, 2011

## **Attachment A**

### **Questions for In-Kind Contributions Process Review**

#### **Program Level Questions for MPO**

1. **What guidance/information do you have to assist you with managing in-kind contributions?**
  - a. Do you have MDOT's guidance issued 4-28-09?
  - b. What features of the guidance are helpful? Not clear?
  - c. How were you educated/informed of the regulations/requirements?
2. **How well do you feel you understand the requirements/regulations of in-kind contributions?**
3. **How well do you understand the process?**
4. **Describe any features of your in-kind process that vary from the guidance MDOT issued?**

#### **Project Level Questions for MPO**

##### ***Work Program Development***

1. **Explain your process for developing the MPO budget (what you want to do and how much that would cost) for the new FY.**
  - a. How do you determine a need/desire to use in-kind contributions?
  - b. Do you have discussions with your MPO committee while developing your UPWP budget?
  - c. Do you have discussions with or approval from, your MPO committee before using in-kind contributions?
  - d. What is the process to request prior approval from the FHWA before using donated services?
2. **Explain your process for arranging the use of third party in-kind contributions.**
  - a. Given your MPO's organizational structure, how do you determine who is/isn't an eligible agency to donate?



- b. How is the process started with the third party when they are going to donate their services?
  - c. How do you determine if the third party can keep/maintain adequate records of their donations?
  - d. What training is given to the third party on Federal requirements of third party in-kind contributions?
- 3. How do you determine that the activities are needed to contribute to the objectives and products of your work program?**
- a. How do you determine eligibility?
  - b. How do you determine the value of contributions?
- 4. How do you document the use of in-kind contributions in the UPWP?**
- a. How is it shown in the Task/Activities?
  - b. How is it shown in the list of Products?
  - c. How is it shown in the budgetary tables?
  - d. How do you decide to use in-kind contributions programmatically or by work item?
  - e. How well do you understand the information in the assurances you are required to sign and send in to FHWA? How well does the third party?
  - f. How do you treat over/under match?

***During the Program Year***

- 5. Explain your process for reviewing documentation from third party contributors.**
- a. How do the third party organizations maintain records of their contributions?
  - b. What documentation do you require from the third party to document their contributed services?
  - c. What is your review process of this documentation?
  - d. What is your process for monitoring the monetary value of contributed services compared to the estimated value at UPWP development?
  - e. How do you ensure the contributed activities occur during the time frame it was approved for (during the correct FY)?
  - f. How do you ensure contributed services were not paid for with other Federal funds?
- 6. Explain your process for preparing and submitting your billings?**
- a. How do you calculate the amount to bill?
  - b. Describe your approach for including the value of in-kind contributions for work completed?
  - c. What MPO staff documentation do you send in?
  - d. What third party documentation do you send in?
- 7. Explain your process for making up a shortfall of in-kind contributions?**
- a. Do you have funding reserves?
  - b. Where does the cash come from?



- 8. What documentation do you submit to MDOT at the end of year? (I.e. End of Year Acceptance Report, independent audit, etc...)**
  - 9. Do you request the in-kind procedures be specifically covered in your audit?**
  - 10. What do you do if MDOT finds your documentation to be incomplete or inadequate?**
- Program Level Questions for MDOT**

- 1. Explain the process used to develop written procedures/guidance.**
  - a. Who was involved in the development? What references were used?
  - b. What features of the guidance are helpful? Not clear?
- 2. Explain the training/education process for the MPOs and MDOT staff.**
- 3. Are you aware of the new FHWA guidance dated 12-29-2009?**
  - a. What is the plan to update your current guidance, if need be, to reflect the new guidance?
  - b. What is the timeline to update your guidance?
- 4. How well do you feel you understand the requirements/regulations of in-kind contributions?**
- 5. How well do you understand the process?**
- 6. Describe any features of your in-kind process that vary from the guidance MDOT issued?**
- 7. Do MDOT Planning Program Managers have a basic understanding of the in-kind contribution process?**

#### **Project Level Questions for MDOT**

##### ***Work Program Development***

- 1. How are you notified that an MPO wants to use third party in-kind contributions as match to their PL funds?**
  - a. What do you do after you learn this?
  - b. What assistance is provided to the MPO?
- 2. What is the MDOT Program Managers' process for reviewing the draft UPWP with third party in-kind contributions?**
  - a. What do you look for when it comes to third party in-kind contribution documentation?



- b. What if you find the documentation to be inadequate?
- c. How does MDOT ensure the wages documented are the actual wage a person from the third party is making?

**3. What is Finances' role in UPWP review?**

- a. What do you look for when it comes to third party in-kind contribution documentation?

What if you find the documentation to be inadequate?

***During the Program Year***

**4. Explain Planning and Finance's procedure for reviewing and processing quarterly billings with in-kind contribution documentation?**

- a. What info is requested?
- b. What are you looking for?
- c. What if you find documentation to be inadequate?

**5. How do you ensure that the in-kind contributions that were stated in the UPWP were actually completed?**

- a. Are there written procedures for review?

***Year End Close Out***

**6. What is the procedure for ensuring the correct Federal share is billed if there is an overmatch/shortfall of contributions?**

- a. Is this documented?

**7. What documentation do you require from the MPO at the end of the fiscal year and what is your review process of this documentation?**

- a. If all documentation is correct and adequate, what do you do?
- b. If documentation is incorrect or inadequate, what do you do?

**8. What happens if there is a Commission Audit finding for a previous fiscal year of flexible match?**

**Program Level Questions for FHWA**

**1. What guidance/information do you have to assist you with managing in-kind contributions?**

**2. How well do you feel you understand the requirements/regulations of in-kind contributions?**

**3. How well do you understand the process?**

**4. Are you aware of the new FHWA guidance dated 12-29-2009?**



5. **How well do you feel you understand the requirements/regulations of in-kind contributions?**
6. **How well do you understand the process?**

### **Project Level Questions for FHWA**

#### ***Work Program Development***

1. **How are you notified that an MPO wants to use third party in-kind contributions as match to their PL funds? What do you do after you learn this?**
2. **What is the FHWA Planners' process for reviewing the draft UPWP with third party in-kind contributions?**
  - a. What do you look for when it comes to third party in-kind contribution documentation?
  - b. What if you find the documentation to be inadequate?
3. **What is FHWA Finances' role in UPWP review?**
  - a. What do you look for when it comes to third party in-kind contribution documentation?
  - b. What if you find the documentation to be inadequate?

#### ***During the Program Year***

1. **Planning and Finance's procedures for reviewing in-kind contribution documentation?**
  - a. Do you anticipate reviewing the local agencies or MDOT during the program year?
  - b. If yes, what will you be looking for?
  - c. What happens if you feel the documentation is inadequate?

#### ***Year End Close Out***

1. **Will FHWA be conducting a year end or post year end review of the MPO programs that are using flexible match?**
2. **Will FHWA be conducting a year end or post year end review of the MDOT process for reviewing programs that are using flexible match?**



## **Appendix B Kalamazoo's Written Response to Questions**

### **Program Level Questions for MPO**

**1. What guidance/information do you have to assist you with managing in-kind contributions?**

- a. Do you have MDOT's guidance issued 4-28-09?  
*Current guidance being used is dated April 14, 2009.*
- b. What features of the guidance are helpful? Not clear?  
*Well laid out. No portions are unclear.*
- c. How were you educated/informed of the regulations/requirements?  
*Meeting with Susan Berquist and MDOT staff. Review of guidance and input as necessary before finalization.*

**2. How well do you feel you understand the requirements/regulations of in-kind contributions?**

*We have a good understanding of what is considered in-kind contributions and what is not. We also understand that documentation is required for any in-kind effort towards the KATS program.*

**3. How well do you understand the process?**

*We feel we understand the process and have based how KATS bills on previous reviews of the KATS program (2004) and the MDOT guidance from 2009.*

**4. Describe any features of your in-kind process that vary from the guidance MDOT issued?**

*None that we are aware of.*

### **Project Level Questions for MPO**

#### ***Work Program Development***

**1. Explain your process for developing the MPO budget (what you want to do and how much that would cost) for the new FY.**

- a. How do you determine a need/desire to use in-kind contributions?  
*We have historically used in-kind contributions for the KATS program. Local agencies have not been receptive to providing cash match for the program.*
- b. Do you have discussions with your MPO committee while developing your UPWP budget?  
*Yes prior to adoption of the FY Unified Work Program.*



- c. Do you have discussions with or approval from, your MPO committee before using in-kind contributions?  
*Yes. This allows the committees to see and understand their commitment to in-kind contributions for the FY. They also approve the final Unified Work Program prior to submittal to MDOT.*
- d. What is the process to request prior approval from the FHWA before using donated services?  
*We discuss it at the pre-UPWP meeting with state and federal partners and the document is approved by the Federal Highway Administration.*
- 2. Explain your process for arranging the use of third party in-kind contributions.**
- a. Given your MPO's organizational structure, how do you determine who is/isn't an eligible agency to donate?  
*Any local public agency who can provide effort on activities in the UWP and can document are eligible to contribute in-kind contributions.*
- b. How is the process started with the third party when they are going to donate their services?  
*It is discussed annually with each agency (past activity and proposed future activity) and whether that level of effort with increase/decrease in the upcoming FY.*
- c. How do you determine if the third party can keep/maintain adequate records of their donations?  
*Staff discusses what is needed to document the donations (in-kind effort). Copies of the in-kind contributions are maintained as well as the local agencies.*
- d. What training is given to the third party on Federal requirements of third party in-kind contributions?  
*We periodically meet with them to discuss what is eligible and what is not eligible Federal activities. We are also available to discuss during the year any charges to the program.*
- 3. How do you determine that the activities are needed to contribute to the objectives and products of your work program?**
- a. How do you determine eligibility?  
*We provide specific examples within the UPWP. Activities need to be planning activities and not project implementation.*
- b. How do you determine the value of contributions?  
*Value is determined by current salary rates and proposed estimate of hours within the UPWP. Actual value is based on actual effort spent on the program. Only direct salary rates are used for computing this value (fringe and indirect rate not included).*
- 4. How do you document the use of in-kind contributions in the UPWP?**
- a. How is it shown in the Task/Activities?



*Identified within the specific Work Program code (i.e. 200, 300, 500, etc.)*

b. How is it shown in the list of Products?

*Identified within the specific Work Program code*

c. How is it shown in the budgetary tables?

*There is a breakdown of budget and in-kind contributions within the UPWP by individual and by agency. This is also identified by Work Program code.*

d. How do you decide to use in-kind contributions programmatically or by work item?

*We use them programmatically except for specific Work Program activities (i.e. Studies)*

e. How well do you understand the information in the assurances you are required to sign and send in to FHWA? How well does the third party?

*We understand the information in the assurances. The third party understand that they are committing effort to the KATS program.*

f. How do you treat over/under match?

*It is identified in the budget and in the actual billings sent to MDOT but overmatch is identified as Additional Local Effort to the KATS program. Historically we have not been undermatched.*

### ***During the Program Year***

#### **1. Explain your process for reviewing documentation from third party contributors.**

a. How do the third party organizations maintain records of their contributions?

*Time Sheets and Activity Records are submitted to KATS for input into the Cost Distribution Spreadsheet. This spreadsheet breaks down the in-kind effort into the various work elements.*

b. What documentation do you require from the third party to document their contributed services?

*Time Sheets and Activity Reports*

c. What is your review process of this documentation?

*Materials submitted are reviewed for insure that they are eligible planning activities for the month. If not, adjustments are made to the Activity Record and Time Sheets to reflect new amounts eligible for in-kind effort.*

d. What is your process for monitoring the monetary value of contributed services compared to the estimated value at UPWP development?

*We review the amount of effort turned in through Time Sheets during the year and advise the local agencies of their effort to date.*



- e. How do you ensure the contributed activities occur during the time frame it was approved for (during the correct FY)?  
*Time sheets are submitted monthly and are processed quarterly through MDOT.*
- f. How do you ensure contributed services were not paid for with other Federal funds?  
*Agencies submitting in-kind contributions are receiving other funds that can be used for matching the program. Agencies are aware that they cannot use Federal funds to match KATS program.*

**2. Explain your process for preparing and submitting your billings?**

- a. How do you calculate the amount to bill?  
*Agency time sheets are inputted into the Cost Distribution Summary spreadsheet along with the KATS staff time (including leave time). The spreadsheet formulas breakdown the correct amounts for billing and for in-kind match.*
- b. Describe your approach for including the value of in-kind contributions for work completed?  
*We show the in-kind contributions within the Program Reports as work completed during the period. The effort is within the billings sent to MDOT.*
- c. What MPO staff documentation do you send in?  
*Activity Report is submitted to MDOT along with Cost Distribution Summary Report. There is breakdown by planning funds that shows KATS effort and in-kind effort.*
- d. What third party documentation do you send in?  
*Documentation is not submitted directly with Progress Reports but is available on site and is periodically reviewed by MDOT staff.*

**3. Explain your process for making up a shortfall of in-kind contributions?**

- a. Do you have funding reserves?  
*Yes we have a funding reserve but we haven't had to use it in a number of years to make up for the shortfall of contributions.*
- b. Where does the cash come from?  
*KATS received funds from local agencies in the past. Interest income also is included in the cash reserve.*

**4. What documentation do you submit to MDOT at the end of year? (i.e. End of Year Acceptance Report, independent audit, etc...)**

*End of the Year Report and Audit Report*

**5. Do you request the in-kind procedures be specifically covered in your audit?**

*In-kind contributions are identified within the audit report.*



**6. What do you do if MDOT finds your documentation to be incomplete or inadequate?**

*We have modified our documentation to meet the requirements of MDOT. If any deficiencies are identified, staff addresses these as needed.*



## Appendix D Bay City's Written Responses to Questions

### Project Level Questions for MPO

#### Work Program Development

1. **Explain your process for developing the MPO budget (what you want to do and how much that would cost) for the new FY.**
  - a. How do you determine a need/desire to use in-kind contributions?  
*BCATS does not have membership or annual dues and the match requirement has to be covered by some process, and flexible match has been used for quite some time.*
  - b. Do you have discussions with your MPO committee while developing your UPWP budget?  
*There is some discussion regarding what work is to be completed in the upcoming FY, and the committee members are aware of the use of flexible match and the higher level of disclosure, reporting, and impact of flexible match use.*
  - c. Do you have discussions with or approval from, your MPO committee before using in-kind contributions?  
Yes
  - d. What is the process to request prior approval from the FHWA before using donated services?  
*In the last few years, the FHWA representative has been fully involved in the process of how flexible match has been better disclosed and identified both in financial tables and in the various work item descriptions*
2. **Explain your process for arranging the use of third party in-kind contributions.**
  - a. Given your MPO's organizational structure, how do you determine who is/isn't an eligible agency to donate?  
*Having only 4 implementing agencies, and now three of them contribute flexible match, it is fairly easy. Only the City of Essexville does not provide flexible match, and that is mostly due to the limited amount of traffic counts that are completed in Essexville. The hassle and cost of accounting for the match simply has not been worth the effort.*
  - b. How is the process started with the third party when they are going to donate their services?  
*The City of Bay City and the Bay County Road Commission have contributed flexible match for years, and are aware of the expectation that the eligible costs that they submit are used and required to meet the local match requirement. Starting in FY 2010 certain Bay Metro Transit planning activities have been approved as eligible*



*flexible match. Each of these entities are contacted while drafting the UWP for updated estimates for the appropriate FY.*

- c. How do you determine if the third party can keep/maintain adequate records of their donations?

*I have submitted the documentation they have sent to me in with my billings, and the documentation has not been commented on as being insufficient.*

- d. What training is given to the third party on Federal requirements of third party in-kind contributions?

*No specific training that I am aware of, only the information obtained through discussions and review of the last few years of the UWP's submitted.*

**3. How do you determine that the activities are needed to contribute to the objectives and products of your work program?**

- a. How do you determine eligibility?

*Over the last several years we have determined eligibility in conjunction with MDOT and FHWA staff during UWP preparation.*

- b. How do you determine the value of contributions?

*The value is based on the wage rates and time to complete as reported by the agencies contributing the work product.*

**4. How do you document the use of in-kind contributions in the UPWP?**

- a. How is it shown in the Task/Activities?

*There is a description of the work being completed by the agencies in question, and comments listed in the work product section to indicate which work is being submitted as flexible match contribution.*

- b. How is it shown in the list of Products?

*The work product is listed and identified as flexible match work.*

- c. How is it shown in the budgetary tables?

*There is a separate entry for the agency supplying flexible match contributions.*

- d. How do you decide to use in-kind contributions programmatically or by work item?

*It was suggested by MDOT to do it on a program wide basis.*

- e. How well do you understand the information in the assurances you are required to sign and send in to FHWA? How well does the third party?

*As we have discussed flexible match over the last several years, I believe all parties have a good understanding of the process and are aware of how it is being reported.*

- f. How do you treat over/under match?



*So far we have only had overmatch, and I am still uncertain how under match will be handled, even though the county would cover the short fall through the budget process at the county.*

### **During the Program Year**

#### **5. Explain your process for reviewing documentation from third party contributors.**

- a. How do the third party organizations maintain records of their contributions?  
*The Bay County Road Commission has separate line items in their accounting system to keep track of each work item. The City of Bay City provides traffic counts and has determined the time required for each traffic count taken. The Bay Metro Transit Authority uses its accounting system to keep track of each work activity.*
- b. What documentation do you require from the third party to document their contributed services?  
*The city of Bay City provides the number of counts taken and the value of those services each quarter. The Bay County Road Commission provides their accounting records each quarter for their services. The Bay Metro Transit Authority provides hours and costs monthly when they invoice BCATS for their FTA reimbursements.*
- c. What is your review process of this documentation?  
*There has been no formal review, but we know that the traffic counts are being taken as we receive those resultant counts.*
- d. What is your process for monitoring the monetary value of contributed services compared to the estimated value at UPWP development?  
*During the billing process we are able to compare the estimates with the actual submitted.*
- e. How do you ensure the contributed activities occur during the time frame it was approved for (during the correct FY)?  
*Again, we know what traffic counts we have requested and then receive and the dates they have been recorded.*
- f. How do you ensure contributed services were not paid for with other Federal funds?  
*I have no current method to ensure that, and I am not aware of any federal funds that these agencies receive.*

#### **6. Explain your process for preparing and submitting your billings?**

- a. How do you calculate the amount to bill?  
*Through the documentation sent by the agencies supplying the flexible match.*
- b. Describe your approach for including the value of in-kind contributions for work completed?



*I note the costs separately in the monthly/quarterly billings and utilize the spreadsheet quarterly accounting form supplied by MDOT.*

- c. What MPO staff documentation do you send in?  
*The MPO staff is not supplying any in-kind/flexible match activity.*
- d. What third party documentation do you send in?  
*The third party information that they send the MPO.*

**7. Explain your process for making up a shortfall of in-kind contributions?**

- a. Do you have funding reserves?  
*In the past, when there was likely to be a in-kind funding shortfall, I inform the county finance department and the shortfall is anticipated in the county budget.*
- b. Where does the cash come from?  
*The cash to make up the shortfall would come from the county general fund.*

**8. What documentation do you submit to MDOT at the end of year? (i.e. End of Year Acceptance Report, independent audit, etc...)**

*End of Year Final Acceptance Report and any audit reports completed in our county finance department.*

**9. Do you request the in-kind procedures be specifically covered in your audit?**

*I have not.*

**10. What do you do if MDOT finds your documentation to be incomplete or inadequate?**

*We have worked closely with MDOT and FHWA in efforts to obtain sufficient and adequate documentation. Having reviewed the in-kind process over the last several years, I am not aware of any problems with the documentation currently being supplied.*



## **Appendix E**

### **MDOT's Written Responses to Questions**

#### **1. Explain the process used to develop written procedures/guidance.**

a. Who was involved in the development? What references were used?  
*Statewide Planning Section management assigned the task of developing MDOT guidance to Susan Berquist, in June 2007. S. Berquist actively involved the following:*

*At FHWA – Jim Cramer, Jim Salus, Eric Purkiss, Sarah Van Buren, Rachel Tupica*

*At MDOT – Marsha Small, Susan Richardson, Rick Fowler, Nick Perfili, Brandon Wilcox, Kay McNeal, Krista Walton, Linda Jackson, Cheryl Veresh, Amanda Vedder*

*At MPOs – Kathy Schultz (KATS - Kalamazoo), Steve Duke (R2PC - Jackson), Dave Engelhardt (BCATS – Bay City), Doug Bell (SCMPC - Saginaw)*

*References used: Verbal communications at meetings and email, especially with Jim Cramer and Jim Salus; historical examples on file at MDOT; online research at the FHWA site*

c. What features of the guidance are helpful? Not clear?

*The guidance attempts to be detailed and comprehensive, but situations arise that were not contemplated. For example, one premise of the guidance is that MPOs would always estimate their flexible match such that it would be more than sufficient to cover the local share of PL funds. However, recently, one Michigan MPO began the use of flexible match, knowing from the outset that it would be insufficient and some cash would be required to cover the local share. Thus, additional spreadsheet examples (which have been developed) should be added to the guidance or made available as a supplemental document. In addition, the spreadsheets used to track billings and actual in-kind contribution should be referenced more effectively in the guidance.*

#### **2. Explain the training/education process for the MPOs and MDOT staff.**

*The concept of using third party in-kind contributions to cover the local share of PL funds in MPO UWP's was new to most of the MDOT staff and was either new or had been implemented somewhat incorrectly by the MPO staff. Therefore, since June 2007 through the present, there has been a continuous learning process for MDOT and MPO staff. Informal training and education took place at meetings, through phone calls and emails. A more formal milestone was reached with several versions of the MDOT guidance, as MDOT deemed it complete as of that point in our understanding. Draft or complete MDOT guidance was shared via email with all those involved, as needed. MDOT staff have been and continue to be available to answer or research questions that arise within our office and/or from MPO staff, seeking guidance from FHWA staff as needed.*

#### **3. Are you aware of the new FHWA guidance dated 12-29-2009?**



Yes.

- a. What is the plan to update your current guidance, if need be, to reflect the new guidance?

*MDOT guidance has already been updated to reflect the 12-29-2009 FHWA guidance.*

- b. What is the timeline to update your guidance?

*A first draft revision-update is complete as of March, 2010 (above). A final draft update may be complete by April 30, 2010 and a final update by May 28, 2010. Note that draft guidance has been provided to other MDOT and MPO staff in the past, if requested or considered helpful.*

**4. How well do you feel you understand the requirements/regulations of in-kind contributions?**

*This varies with staff, depending on whether or how recently they have used the concept with one or more of their MPOs. The current MDOT and FHWA guidance can be used to bring staff up to speed. At that point they have a good understanding and also know who to contact for more information or to discuss novel circumstances.*

**5. How well do you understand the process?**

*Same answer as for question 4.*

**6. Describe any features of your in-kind process that vary from the guidance MDOT issued?**

*None.*

**7. Do MDOT Planning Program Managers have a basic understanding of the in-kind contribution process?**

*Yes, they have a basic understanding. However, understanding this concept to the point of using it or overseeing its use requires a degree of time and mental energy. Given the demands placed upon MDOT MPO Planning Program Managers, they are only trained in the use and oversight of the in-kind contribution process if their MPOs use it.*

**Project Level Questions for MDOT**

***Work Program Development***

**9. How are you notified that an MPO wants to use third party in-kind contributions as match to their PL funds?**

*This is informally communicated by the MPO staff to the MDOT MPO Program Manager via telephone or email, prior to the Pre-UWP meeting.*

- a. What do you do after you learn this?

*MDOT staff assesses what the MPO needs via email and/or phone conversations.*



b. What assistance is provided to the MPO?

*MDOT staff provides MPO staff the current federal and MDOT guidance, as well other documents and spreadsheet files as needed. MDOT reviews preliminary summary budget information for the MPO, to ensure accurate understanding of the use of flexible match to cover the local share of PL funds. MDOT staff meets with MPO staff to discuss flexible match as needed. The amount of assistance which MDOT will provide to the MPO likely diminishes if flexible match is used two or more years in succession, given that relevant laws and regulations do not change in the interim.*

**10. What is the MDOT Program Managers' process for reviewing the draft UPWP with third party in-kind contributions?**

a. What do you look for when it comes to third party in-kind contribution documentation?

b. What if you find the documentation to be inadequate?

c. How does MDOT ensure the wages documented are the actual wage a person from the third party is making?

*In the draft UWP, the flexible match documentation takes the form of future commitments and a description of methodology. The MDOT MPO Program Manager reviews the following information/documentation for flexible match: type; estimated amount, methodology for calculating the value; and the appropriate placement/identification within the draft UWP document (introduction, work item budget pages, summary pages, and appendices, as needed).*

*If the MDOT MPO Program Manager finds any gaps or inadequacies in the information/documentation provided, he or she requests additional information and/or provides additional guidance.*

*In the draft UWP, flexible match valuation methodology section, wages are generally used for valuation. It is also typical that prior-year wages, based on prior-year contributions from a specific person-contributor, are entered into the methodology spreadsheet. At the time of the draft UWP review, MDOT assesses the wage-values and other entries in the methodology spreadsheet for reasonableness.*

*During the Program Year (below), MDOT receives copies of, or reviews in situ, the actual time sheets from flexible match contributors. The time sheets document the actual wage paid to the third-party contributors in real time.*

**11. What is Finances' role in UPWP review?**

a. What do you look for when it comes to third party in-kind contribution documentation?

b. What if you find the documentation to be inadequate?

*Finance does not play a role in the UWP review. Finance reviews the information provided by MDOT MPO Program Managers such that project authorization is approved by FHWA. Finance reviews the request for Tapered Match and the consistency of financial information (total project cost, total estimated third-party in-kind contributions, etc.) If any of the needed information is*



*inadequate, Finance will inform the MDOT MPO Program Manager so that corrections are made.*

### ***During the Program Year***

#### **12. Explain Planning and Finance's procedure for reviewing and processing quarterly billings with in-kind contribution documentation?**

- a. What info is requested?
- b. What are you looking for?
- c. What if you find documentation to be inadequate?

*Finance does not review in-kind contribution documentation submitted to Planning at the time of quarterly billings.*

*In Planning, the MDOT MPO Program Manager requests documentation of the actual third-party in-kind contributions, contributed during the billing period. "Actual" is as distinct from "estimated." During the development of the draft UWP, before the program year has begun, the amount and type of in-kind contributions are estimated. MDOT-Planning requests documentation for actual third-party contributions; it is documentation that demonstrates the following:*

- i. that the contributing third party is eligible to contribute for the purpose of covering the local share of PL funds in the UWP*
- ii. that the hours donated are performed in an activities which contribute to UWP budge item products*
- iii. that the hours donated and the wage-rate value of those hours are clear and verifiable (such as, by the use of time sheets), and that the donations occurred during the relevant billing or program period.*

*If documentation proves inadequate, the MDOT MPO Program Manager requests additional information/documentation from the MPO as needed. The billing, using in-kind contributions, will not be sent to Finance for review and reimbursement unless and until the in-kind documentation is adequate.*

#### **13. How do you ensure that the in-kind contributions that were stated in the UPWP were actually completed?**

- a. Are there written procedures for review?

*In the MDOT guidance, procedures are provided for "MDOT staff, MPO Program Manager – During the Program Year." The billing/tracking spreadsheet is used, both by the MPO and by MDOT, throughout the program year, for this purpose (estimated in-kind aligns with actual in-kind). These procedures infer use of the spreadsheet, but that important detail will be explicitly included in a future guide revision.*

### ***Year End Close Out***



**14. What is the procedure for ensuring the correct Federal share is billed if there is an overmatch/shortfall of contributions?**

a. Is this documented?

*In the MDOT guidance, procedures are provided for “MDOT staff, MPO Program Manager – During the Program Year.” This includes the Year-End Final Acceptance Report. Using the billing/tracking spreadsheet, MDOT [and the MPO] compare what was billed, what was submitted and documented as flexible match, and what was reimbursed, throughout the year. The arithmetic of overmatch/shortfall can be determined using the billing/tracking spreadsheet.*

**15. What documentation do you require from the MPO at the end of the fiscal year and what is your review process of this documentation?**

*The Year-end Final Acceptance Report and supporting documentation is required at the end of the fiscal (or program) year. The documentation is assessed for reasonableness and the accuracy of the summary and reconciliation of flexible match as estimated, applied and actually contributed.*

a. If all documentation is correct and adequate, what do you do?

*Actual cost flexible match documentation is forwarded to MDOT Finance, for retention in the project files, as required by federal regulation.*

b. If documentation is incorrect or inadequate, what do you do?

*MDOT staff work with the MPO to correct any errors or inadequacies. Because MDOT has been reviewing the documentation for accuracy and completeness with each project billing, errors and inadequacies should be identified prior to year-end reconciliation.*

**16. What happens if there is a Commission Audit finding for a previous fiscal year of flexible match?**

*MDOT reviews the billing arithmetic and the flexible match documentation for the program year in question. MDOT staff correspond and/or meet with MPO staff as needed to address the finding.*



## **Appendix F FHWA's Written Responses to Questions**

### **Program Level Questions for FHWA**

**1. What guidance/information do you have to assist you with managing in-kind contributions?**

*MDOT Guidance, Federal Regulations, Federal Policies, Memorandums, Technical Assistance from Resource Center and other financial managers.*

**2. How well do you feel you understand the requirements/regulations of in-kind contributions?**

*Everyone is confident in the areas that they are working in.*

**3. How well do you understand the process?**

*Everyone is confident in the areas that they are working in.*

**4. Are you aware of the new FHWA guidance dated 12-29-2009?**

*Yes, we are aware of the new FHWA guidance dated 12-29-2009. We have attended numerous webinars, trainings and provided inputs/comments regarding the new FHWA guidance.*

### **Project Level Questions for FHWA**

#### ***Work Program Development***

**1. How are you notified that an MPO wants to use third party in-kind contributions as match to their PL funds? What do you do after you learn this?**

*From the discussions through out year with MPO and MDOT, such as (but not limited to) Pre-UPWP meeting and regular committee meeting.*

*We offer guidance and trainings when asked. We make sure the MPO has the guidance and we work with MPO to help them understand our guidance.*

**2. What is the FHWA Planners' process for reviewing the draft UPWP with third party in-kind contributions?**

*We refer to MDOT guidance and check the requirements. We make comments if the draft UPWP doesn't meet the requirements. FHWA sent out committee comments in a written form and communicate with MPO regarding our comments.*

**a. What do you look for when it comes to third party in-kind contribution documentation?**

*We look at activities to see if they are reasonable. We make sure budget tables lay out correctly and calculations are correct. We also check if insurances are in places for each agency that provides services.*



- b. What if you find the documentation to be inadequate?  
*Contact MDOT program manager and MPO staff.*

**3. What is FHWA Finances' role in UPWP review?**

*FHWA Finances will review UPWP when FHWA planner asks for it to be reviewed.*

- c. What do you look for when it comes to third party in-kind contribution documentation?  
*We check whether the activities contributed are reasonable. We also recalculate the numbers to make sure they are correct.*
- d. What if you find the documentation to be inadequate?  
*Give comments to FHWA planners and request for supporting documentations.*

**During the Program Year**

**1. Planning and Finance's procedures for reviewing in-kind contribution documentation?**

*FHWA planners refer to MDOT guidance and check the requirements. They make comments if the draft UPWP doesn't meet the requirements. FHWA planners sent out committee comments in a written form and communicate with MPO regarding our comments. FHWA Finances will review UPWP when FHWA planner asks for it to be reviewed.*

- a. Do you anticipate reviewing the local agencies or MDOT during the program year?  
*All programs are subject to audit review at any time, but we are not anticipating one.*
- b. If yes, what will you be looking for?  
*We will look at whether MDOT has adequate document procedure in place to help MPO.*
- c. What happens if you feel the documentation is inadequate?  
*We contact MPO ask for documentations. Base on the result of our review, payback is possibly required.*

**Year End Close Out**

**1. Will FHWA be conducting a year end or post year end review of the MPO programs that are using flexible match?**

*All programs are subject to audit review at any time, but we are not anticipating one.*



**2. Will FHWA be conducting a year end or post year end review of the MDOT process for reviewing programs that are using flexible match?**

*All programs are subject to audit review at any time, but we are not anticipating one.*



## Appendix G Kalamazoo Summary Record Sheet

Kalamazoo Area Transportation Study						
Tracking Actual Third Party In-Kind Contributions - Flexible Match						
PROGRESS BILLING FORM - FY 2009 - AUDITED						
TAPERED MATCH REQUEST - LUMP SUM - FHWA (PL) FUNDS						
Use billable rate* for each progress billing until lump sum is reached.						
Billing Frequency:	Quarterly					
Total Project Cost:	\$436,086	MPO BUDGET AMOUNT + ESTIMATED TOTAL FLEXIBLE MATCH AMOUNT				
MPO Budget:	\$300,495	ENTER FEDERAL AMOUNT				
Estimated Total Flexible Match:	\$125,621	ENTER ESTIMATED TOTAL FLEXIBLE MATCH AMOUNT FROM UNIT				
*Fed. Share* (.8105 X Total Cost)	\$355,936	CALCULATED FIELD				
*Local Share* (.1815 X Total Cost)	\$78,150	CALCULATED FIELD - NOTE THAT THIS IS ONLY USED AT THE END OF THE YEAR				
Federal *Lump Sum*	\$309,495	SAME AS MPO BUDGET OR FEDERAL AMOUNT				
	Actual Flexible Value (in \$ - value of hours contributed)	Total Cost (MPO Effort + Flexible Value)	Billable Rate*	Federal Reimbursed per Billing	If worked location: F10 + 10 then D1 + 50 then I10 + 50 then W1 + 50 - 101 - 102 - 104	
Period Total	\$48,407.36	\$11,222.13	\$60,629.49	100.00%	\$48,407.36	Check
October, 2008	\$15,474.24	\$4,601.70	\$21,085.94			
November, 2008	\$15,794.64	\$3,967.60	\$19,762.24			
December, 2008	\$17,138.48	\$2,772.99	\$19,911.47			
<b>First Billing Total 3/0/09</b>	<b>\$48,407.36</b>	<b>\$11,222.13</b>	<b>\$60,629.49</b>		<b>\$48,407.36</b>	<b>\$35,370.43</b> Reimbursement
Period Total	\$80,896.03	\$13,482.86	\$94,378.89	100.00%	\$80,896.03	Reimbursement
January, 2009	\$10,944.03	\$3,251.57	\$14,195.60			
February, 2009	\$18,730.54	\$5,675.34	\$24,405.88			
March, 2009	\$21,411.97	\$4,690.04	\$26,102.01			
Period Total	\$22,777.73	\$4,332.35	\$27,110.08	100.00%	\$22,777.73	Match to Cost Federal *Lump Sum*
April, 2009	\$22,777.73	\$4,332.35	\$27,110.08			
<b>Second Billing Total 6/22/09</b>	<b>\$82,873.75</b>	<b>\$18,315.24</b>	<b>\$101,188.99</b>		<b>\$82,873.75</b>	
Period Total	\$41,880.83	\$10,256.84	\$52,137.67	100.00%	\$41,880.83	
May, 2009	\$23,035.17	\$4,635.69	\$27,670.86			
June, 2009	\$18,845.66	\$5,621.15	\$24,466.81			
Period Total	\$35,370.43	\$7,749.45	\$43,119.88	100.00%	\$35,370.43	Actual MPO Effort total
July, 2009	\$17,440.00	\$3,844.81	\$21,284.81			
August, 2009	\$17,930.43	\$3,904.64	\$21,835.07			
<b>Third Billing Total 9/28/09</b>	<b>\$77,259.06</b>	<b>\$15,079.30</b>	<b>\$92,338.36</b>		<b>\$77,259.06</b>	
Period Total	\$17,214.26	\$2,440.83	\$19,655.09	Lump Sum	\$17,214.26	
September, 2009	\$17,214.26	\$2,440.83	\$19,655.09			
<b>Fourth Billing Total</b>	<b>\$17,214.26</b>	<b>\$2,440.83</b>	<b>\$19,655.09</b>		<b>\$17,214.26</b>	
Year to Date Totals	\$205,854.63	\$56,017.51	\$261,872.14		\$205,854.63	

\*The "Billable Rate" is "up to 100%". In this form, 100% is used until the fourth quarterly billing, when the lump sum rate is applied. This is the typical case. Theoretically, cumulative Actual MPO Effort could exceed the Federal Amount earlier than the fourth quarter.

Grey Shaded = Previously Billed



## Appendix H Kalamazoo Cost Distribution Spreadsheet

Kalamazoo Area Transportation Study							
Cost Distribution Summary							
FY 2009 Expenditures							
September, 2009 - AUDITED							
		<i>Federal Funding</i>			<i>Non-Federal Funds</i>		
	UWP Budget	FHWA PL KAIS	FTA 5303 KAIS	MDOT Asset Mgmt KAIS	PL Match Local	5303 Match Local	
<b>Total Program</b>							
	Budget	\$789,338	\$309,465	\$233,154	\$20,000	\$126,621	\$100,098
	Month	\$57,299.01	\$17,314.36	\$3,030.65	\$8,666.12	\$8,440.83	\$19,847.05
	PYTD	\$443,643.78	\$209,540.17	\$73,475.87	\$10,964.87	\$47,576.68	\$102,086.19
	YTD	\$500,942.79	\$226,854.53	\$76,506.52	\$19,630.99	\$56,017.51	\$121,933.24
	%YTD	63.46%	73.31%	32.81%	98.15%	44.24%	121.81%
<b>100 Group Program Management</b>							
	Budget	\$51,723	\$36,206	\$15,517			
	Month	\$1,257.09	\$879.96	\$377.13			
	PYTD	\$30,409.99	\$21,287.00	\$9,123.00			
	YTD	\$31,667.09	\$22,166.96	\$9,500.13			
	%YTD	61.22%	61.22%	61.22%			
<b>200 Group Short Range Planning</b>							
	Budget	\$90,180	\$58,354	\$6,337		\$17,135	\$8,354
	Month	\$5,283.98	\$1,532.23	\$656.67		\$2,166.56	\$928.52
	PYTD	\$82,610.96	\$41,973.68	\$17,988.72		\$15,853.99	\$6,794.57
	YTD	\$87,894.94	\$43,505.91	\$18,645.39		\$18,020.55	\$7,723.09
	%YTD	97.47%	74.56%	294.23%		105.17%	92.45%
<b>300 Group System Surveillance and Monitoring</b>							
	Budget	\$181,572	\$73,665	\$17,940	\$20,000	\$43,092	\$26,875
	Month	\$35,715.63	\$10,048.10	\$0.00	\$8,666.12	\$3,386.40	\$13,615.01
	PYTD	\$148,025.67	\$53,768.20	\$14,064.36	\$10,964.87	\$6,228.12	\$63,000.12
	YTD	\$183,741.30	\$63,816.30	\$14,064.36	\$19,630.99	\$9,614.52	\$76,615.13
	%YTD	101.19%	86.63%	78.40%	98.15%	22.31%	285.08%



Kalamazoo Area Transportation Study						
Cost Distribution Summary						
FY 2009 Expenditures						
September, 2009 - AUDITED						
	UWP	Federal Funding			Non-Federal Funds	
	Budget	FHWA	FTA	MDOT	PL	5303
		PL	5303	Asset Mgmt	Match	Match
		KAIS	KAIS	KAIS	Local	Local
<b>400 Group</b>	<b>Transportation System Management and Operations</b>					
Budget	\$71,810	\$51,369			\$20,441	
Month	\$1,661.05	\$1,022.31			\$638.74	
PYTD	\$36,979.01	\$32,438.20			\$4,540.81	
YTD	\$38,640.05	\$33,460.50			\$5,179.55	
%YTD	53.81%	65.14%			25.34%	
<b>500 Group</b>	<b>Long Range Planning</b>					
Budget	\$394,053	\$89,871	\$193,360		\$45,953	\$64,869
Month	\$13,381.27	\$3,831.76	\$1,996.86		\$2,249.14	\$5,303.52
PYTD	\$145,618.14	\$60,073.09	\$32,299.79		\$20,953.76	\$32,291.50
YTD	\$158,999.41	\$63,904.85	\$34,296.65		\$23,202.89	\$37,595.02
%YTD	40.35%	71.11%	17.74%		50.49%	57.96%
<b>100 PMA</b>						
Budget	\$51,723	\$36,206	\$15,517			
Month	\$1,257.09	\$879.96	\$377.13			
PYTD	\$30,409.99	\$21,287.00	\$9,123.00			
YTD	\$31,667.09	\$22,166.96	\$9,500.13			
%YTD	61.22%	61.22%	61.22%			
<b>200 SRP</b>						
Budget	\$90,180	\$58,354	\$6,337		\$17,135	\$8,354
Month	\$5,283.98	\$1,532.23	\$656.67		\$2,166.56	\$928.52
PYTD	\$82,610.96	\$41,973.68	\$17,988.72		\$15,853.99	\$6,794.57
YTD	\$87,894.94	\$43,505.91	\$18,645.39		\$18,020.55	\$7,723.09
%YTD	97.47%	74.56%	294.23%		105.17%	92.45%



Kalamazoo Area Transportation Study							
Cost Distribution Summary							
FY 2009 Expenditures							
September, 2009 - AUDITED							
		UWP	Federal Funding			Non-Federal Funds	
	Budget	Budget	FHWA PL KAIS	FTA 5303 KAIS	MDOT Asset Mgmt KAIS	PL Match Local	5303 Match Local
<b>300 SSM</b>							
	Budget	\$116,757	\$73,665			\$43,092	
	Month	\$13,434.50	\$10,048.10			\$3,386.40	
	PYTD	\$59,996.32	\$53,768.20			\$6,228.12	
	YTD	\$73,430.82	\$63,816.30			\$9,614.52	
	%YTD	62.89%	86.63%			22.31%	
<b>301 Transit</b>							
	Budget	\$44,815		\$17,940			\$26,875
	Month	\$13,615.01		\$0.00			\$13,615.01
	PYTD	\$77,064.48		\$14,064.36			\$63,000.12
	YTD	\$90,679.49		\$14,064.36			\$76,615.13
	%YTD	202.34%		78.40%			285.08%
<b>302 Asset</b>							
	Budget	\$20,000			\$20,000		
	Month	\$8,666.12			\$8,666.12		
	PYTD	\$10,964.87			\$10,964.87		
	YTD	\$19,630.99			\$19,630.99		
	%YTD	98.15%			98.15%		
<b>400 TSMO</b>							
	Budget	\$71,810	\$51,369			\$20,441	
	Month	\$1,661.05	\$1,022.31			\$638.74	
	PYTD	\$36,979.01	\$32,438.20			\$4,540.81	
	YTD	\$38,640.05	\$33,460.50			\$5,179.55	
	%YTD	53.81%	65.14%			25.34%	





U.S. Department  
of Transportation  
**Federal Highway  
Administration**



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