Behavioral Traffic Safety Program Manual

August 2021

Manual Notice: 2021-1

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Manual: Behavioral Traffic Safety Program Manual

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Purpose

The purpose of this manual notice is to advise readers and users of the *Traffic Safety Program Manual* that the name of the manual has been changed to *Behavioral Traffic Safety Program Manual*. In addition, the manual has been revised to reflect National Highway Traffic Safety Administration (NHTSA) approval to allow the option of virtual technology to accomplish some in-person activities and to add information to clarify and provide additional detail on Texas Traffic Safety Program processes.

Contents

In addition to the general changes discussed above, specific changes to the content of the manual include the following:

- Changed all references to the *Traffic Safety Program Manual* to *Behavioral Traffic Safety Program Manual*.

- Added information to subsection entitled "Internal Ethics and Compliance Required" in Chapter 1, Section 1, on processes for approving an agency's Internal Compliance Program (ICP) for new agencies and agencies determined to be out of compliance.

- Added note to subsection entitled "Internal Ethics and Compliance Required" in Chapter 1, Section 1, to clarify specific conditions under which an agency can self certify its ICP.

- Added language to subsection entitled "STEP - Commercial Motor Vehicle (CMV) Proposals" in Chapter, 3, Section 3, requiring law enforcement agencies to document and report the number of warnings, citations and arrests made on Selective Traffic Enforcement Program (STEP) time to TxDOT at the end of each month or enforcement period. The additional language also stipulates that target numbers may not be established for STEP elements and that agencies will be determined to be in compliance as long as they maintain an average of one or more CMV stops during each hour of STEP-CMV enforcement.

- Added notes to subsections entitled "Unallowable Costs" and "Equipment (400)" in Chapter 3, Section 6, to clarify that equipment regularly purchased under NHTSA grants may be subject to 2 C.F.R. §200.216, which prohibits purchasing items produced by certain companies.

- Added examples of other miscellaneous costs to the subsection entitled "Other Miscellaneous (700)" in Chapter 3, Section 6.

- Added information to the subsection entitled "Grant Delivery Meeting" in Chapter 4, Section 6, to clarify that a grant delivery meeting is required within 30 days of the effective date of the grant for all types of grants and that the grant delivery meeting can be held in person or virtually at the discretion of the TxDOT Project Manager.

- Added information to the subsection entitled "Approval for Payment" in Chapter 5, Section 4, to stress the importance that TxDOT assign a high priority to review and approve performance

reports and Requests for Reimbursement (RFRs) for payment in a time period not to exceed 30 calendar days as long as there are no extenuating circumstances beyond TxDOT's control to prevent the review and approval from happening.

- Added information to the subsection entitled "Background" in Chapter 6, Section 3, to clarify that a project manager will conduct on-site monitoring to review project status, documents, and subgrantee grant management and financial records and systems, on-site monitoring should involve all project personnel with management or oversight responsibility for the project, including a financial representative, and that on-site monitoring may be conducted in-person or virtually at the discretion of the TxDOT Project Manager.

- Added information in the subsection entitled "Frequency" in Chapter 6, Section 3, to clarify that on-site monitoring must be completed within the first quarter of the project for first-time subgrantees or existing subgrantees with a new project.

- Added a note to the subsection entitled "DUNS and 2 C.F.R. Part 200 Compliance Page" in Chapter 7, Section 3, to notify subgrantees that by April of 2022, the federal government will stop using the DUNS number to uniquely identify entities registered in the System for Award Management (SAM), and that at that point, entities doing business with the federal government will use a Unique Entity Identifier (UEI) created in SAM.gov.

Contact

Address questions concerning information contained in this manual to Garry Rand of the TxDOT Traffic Safety Division - Behavioral Traffic Safety Section by email at Garry.Rand@txdot.gov, or by phone at (979) 778-9715.

Archives

Past manual notices are available in a [PDF archive](#).

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Chapter 6: Monitoring and Evaluation

Chapter 1: Introduction

Contents:

Section 1: Overview

Purpose of Manual

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

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

Users of Manual

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

Definition of Subgrantee

Unless otherwise indicated, all references to "grants" in this manual refer to traffic safety grants. Likewise, all references to "subgrantees" refer to recipients of traffic safety grants.

Availability of Manual

This manual is available online through the TxDOT intranet at: [http://txdot4azspwprd4:9999/ Shared%20Documents/txdotmanuals/tfc/index.htm](http://txdot4azspwprd4:9999/Shared%20Documents/txdotmanuals/tfc/index.htm).

and on the Internet at:

../tfc/index.htm.

Electronic Documents and Forms (eGrants)

eGrants is a web-based system supporting proposal submission, proposal scoring, grant awards, grant cycle project management, and monthly project reporting for the Texas Behavioral Traffic Safety Program.

The system allows subgrantees to electronically create and submit project proposals, manage projects, and submit monthly Performance Reports and Requests for Reimbursement (RFRs), and provides a tool for Texas Behavioral Traffic Safety Program staff to electronically review, score

and award grants, monitor project performance, generate reports, and manage ongoing program activities.

The benefits and features of TRF eGrants include:

- **Flexibility & Modularization.** Provides the ability to support multiple grants and project types by allowing for easy creation and modification of templates, business flows and user profiles that leverage a single underlying platform.

- **Role-based Security.** Provides a role-based security and encryption facility that allows all levels of access to the system by administrators, subgrantees, Project managers, peer reviewers, and various other end-users, while protecting sensitive information from unauthorized access.

- **Integrated Reporting.** Makes it easy to generate different types of reports, both routine and ad hoc.

- **User Friendly Interface.** Allows for easy use by a wide variety of users, i.e., program staff, subgrantees, and other customers (state and federal agencies).

- **Consistent Formatting.** Consistently provides an efficient format across pages and forms to make the process easier to navigate.

- **Electronic File of Record.** Serves as main repository for collection and management of program information in a centralized relational database that is accessible through commonly available technology, such as a web browser.

- **Electronic Signatures.** Requires all grant contracts to be signed electronically.

- **Paperwork/Data Entry Reduction.** Effectively reduces or eliminates duplicate data entry, hard copy distributions, and storage of hard copy documentation.

- **Increased Accuracy of Data.** Automatically applies business rules, calculations, and error-checking to minimize mathematical errors.

- **Improved Documentation.** Email capability, system messaging, and online notes and comments provide efficient communication and project documentation.

NOTE: Wherever this manual requires grant-related submissions of documents to TRF "in writing" or "in written form," these documents may be uploaded into the eGrants system.

Mission Statement

The mission of the Texas Behavioral Traffic Safety Program is to implement traffic safety education and enforcement strategies to reduce traffic fatalities in Texas by half by the year 2035, and to zero by 2050.

Program Goal and Objective

The goal of the Texas Behavioral Traffic Safety Program is to use information, data, technology, resources, and skills to identify priority traffic safety issues, plan initiatives, generate coordinated action, and evaluate and communicate results. The program objective is to operate the program in a manner that reduces crashes, injuries, deaths, and their related losses.

For additional information on the Texas Behavioral Traffic Safety Program, see the eGrants Proposal Help Page.

Funding

The Texas Behavioral Traffic Safety Program uses federal, state and local funds. Federal traffic safety funds are primarily administered and distributed to the states by the National Highway Traffic Safety Administration (NHTSA). Proposals selected for inclusion in the Highway Safety Plan (HSP) become cost reimbursable grant-in-aid agreements.

Internal Ethics and Compliance Required

Organizations must demonstrate compliance with Title 43 Texas Administrative Code §25.906(b) by certifying adoption of an internal ethics and compliance program that satisfies the requirements of Title 43 Texas Administrative Code §10.51 (relating to Internal Ethics and Compliance Program).

TxDOT's Compliance Division (CMP) will need to review and approve each agency's Internal Compliance Program (ICP) prior to any grant execution.

For a new agency or an agency that the ICP is determined out of compliance, one of the following two processes will be used to review and approve the agency's ICP:

Process 1:

1. The BTS Section Director will notify CMP on which agencies need to have their ICPs reviewed.

2. CMP will review the agencies' policies and either approve or deny compliance of the ICP. If an agency's ICP is not approved, CMP will work with the agency to recommend ways to bring their policies into compliance.

3. CMP will inform the agency and the BTS Program Planner of the status of the ICP.

4. The BTS Program Planner will relay information on the status of the ICP to lead workers and/or supervisors.

Process 2:

1. The BTS Project Manager will notify a Selective Traffic
    Enforcement Program (STEP) agency if they are eligible to self-
    certify their agency's ICP using Form 2433.

2. Eligible STEP agencies will complete Form 2433 and provide it
    to the Project Manager.

3. The Project Manager will inform BTS lead workers for tracking.

4. The agency or Project Manager will upload Form 2433 to the
    eGrants ICP page under Organizational Information.

NOTE: An agency can self-certify under the following specific
      conditions: 1) if applying for an IDM/CIOT grant, or 2)
      if the agency previously had an IDM/CIOT or yearlong
      grant and is requesting a yearlong grant of $12,000 or
      less.

NOTE: Allegations of fraud, waste, abuse or non-compliance
      with grant requirements could lead to an Internal
      Ethics & Compliance Program effectiveness review to
      ensure the agency is following their approved Internal
      Compliance Program.

NOTE: Each agency's Internal Compliance Program must be
      submitted for review and approval by TxDOT every five
      years.

Organization

The Texas Behavioral Traffic Safety Program is administered by the TxDOT Traffic Safety
Division - Behavioral Traffic Safety Section (TRF-BTS) in Austin.

Within TRF-BTS, there are 30 Traffic Safety Specialists (TSSs) located in 25 TxDOT district
offices. These TSSs coordinate and manage the Texas Behavioral Traffic Safety Program, and in
some instances, manage statewide programs, with direction and guidance from TRF headquarters
in Austin.

Responsibilities of the Behavioral Traffic Safety Section

Core responsibilities for TRF-BTS include:

- Developing and administering the annual HSP.

- Managing traffic safety projects in federally designated priority program areas and in other areas as determined by problem identification processes.

- Providing oversight and assistance in the development and implementation of traffic safety projects statewide and at the local level.

- Developing traffic safety policies and procedures using district, division, and other stakeholder input.

- Communicating and coordinating Traffic Safety Program activities.

- Providing state agency and federal liaisons.

- Ensuring compliance with state and federal regulations.

- Administering traffic safety evaluation and research.

- Providing legislative information on traffic safety issues.

- Reviewing, approving, and executing grants, contracts, and subcontracts.

- Maintaining an inventory listing of accountable equipment purchased by subgrantees with federal funds.

- Providing operational oversight to assure conformity with program and project management policies and procedures.

- Monitoring the activities, results, and expenditures of approved state agency grant agreements.

- Implementing and maintaining an internal project monitoring system.

- Closing out traffic safety project and program areas as appropriate.

- Reporting to the governor's highway safety representative and federal oversight agencies on the status of traffic safety projects.

- Preparing and submitting an Annual Report to NHTSA.

- Negotiating and preparing grant agreements.

- Processing, administering, and monitoring grants.

- Processing and recommending Requests for Reimbursement (RFRs) for approval.

- Reviewing and approving Performance Reports.

- Providing information regarding local activities as may be required or requested by the state or federal grantor agency.

- Assisting in the development, implementation, and monitoring of projects and activities, such as procedures development, needs assessments, and public education campaigns.

- Conducting child safety seat inspections and distributing seats as needed.

- Representing TxDOT at various state and local committee and task force meetings.

Titles and Office Designations

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

Texas Behavioral Traffic Safety Program Titles and Office Designations

Title	Description
Program Manager	Staff member responsible for managing one or more program areas.
Project Manager	Staff member responsible for managing project grant agreements.
Project Director	Subgrantee or contract person responsible for the oversight and management of a project grant agreement.
TxDOT	Texas Department of Transportation (also referred to as "the Department").
TRF	Traffic Safety Division of the Texas Department of Transportation.
TRF-BTS	Behavioral Traffic Safety Section within the TxDOT Traffic Safety Division.
TSS	TRF-BTS Traffic Safety Specialist (TSS), designated within a TxDOT district.

Section 2: Federal Laws and Regulations

Background

The United States Congress authorizes traffic safety funds to be appropriated to the U.S. Department of Transportation (USDOT), National Highway Traffic Safety Administration (NHTSA). NHTSA apportions and distributes these funds to the states. The states obligate these funds through the annual state Highway Safety Plan (HSP), which is subject to NHTSA review and approval. See "Manuals and Reports" on the [eGrants Help Page](#) for a link to the current Texas Traffic Safety Annual Report (HSP).

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

The Highway Safety Act of 1966

The Texas Behavioral Traffic Safety Program operates under the provision of the Highway Safety Act of 1966, 23 U.S.C. §402, **et seq.**, specifically §402(b)(1).

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

Applicable Federal Laws, Regulations and Highway Safety Grant Funding Guidance

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

- **Moving Ahead for Progress in the 21st Century Act (MAP-21):** On July 6, 2012, MAP-21 was signed into law. MAP-21 restructured and made various changes to the highway safety grant programs administered by the NHTSA, providing $1.3 billion for highway safety grant programs. MAP-21 specifies a single application deadline for all highway safety grants and emphasizes the requirement that all states have a performance-based highway safety program designed to reduce traffic crashes and the resulting deaths, injuries, and property damage.

- **Fixing America's Surface Transportation Act (FAST Act):** The FAST Act funds surface transportation programs including, but not limited to, Federal-aid highways at over $305 billion for fiscal years (FY) 2016 through 2020. It is the first long-term surface transportation authorization enacted in a decade that provides long-term funding certainty for surface transportation. The FAST Act builds on the changes made by MAP-21.

Basic Funding Eligibility

The basic funding eligibility listed below applies to NHTSA administered grants in accordance with 23 U.S.C., Sections 402 and 405, with revisions to Sections 154 and 164. Highway safety grants rescinded by MAP-21 are governed by the applicable implementing regulations at the time of the grant award.

2 C.F.R. Part 200 Uniform Guidance

The U.S. Office of Management and Budget (OMB) has consolidated eight of its existing circulars into one document. This document, entitled 2 C.F.R. Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, is commonly referred to as the "Uniform Guidance." The Uniform Guidance was published in the Federal Register on December 26, 2013, and took effect for the Texas Behavioral Traffic Safety Program starting with the Fiscal Year 2016 grant cycle.

The Uniform Guidance combines eight previously separate sets of OMB guidance:

- OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*.

- 2 C.F.R. Part 220 (formerly OMB Circular A-21), *Cost Principles for Educational Institutions.*

- 2 C.F.R. Part 225 (formerly OMB Circular A-87), *Cost Principles for State, Local and Indian Tribal Governments*.

- OMB Circular A-102, *Grants and Cooperative Agreements with State and Local Governments*.

- 2 C.F.R. Part 215 (formerly OMB Circular A-110), *Uniform Administrative Requirements for Awards and Other Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations.*

- 2 C.F.R. Part 230 (formerly OMB Circular A-122), *Cost Principles for Non-Profit Organizations*.

- OMB Circular A-50, *Audit Follow-up*.

- OMB Circular A-89, *Federal Direct Program Assistance Information*.

For FY 2016, the USDOT's implementation of OMB Circular A-110 (The Common Rule), 49 C.F.R. Parts 18 and 19, was replaced by the Uniform Guidance as well.

With the Uniform Guidance, OMB's goal is to:

- Streamline guidance for federal awards to ease administrative burden.

- Strengthen oversight over federal funds to reduce risks of waste, fraud and abuse.

- Focus grant policies on areas that emphasize the achievement of better grant outcomes at a lower cost.

Some key changes resulting from the Uniform Guidance include:

- Strengthening non-federal entity internal control.

- Targeting audit requirements on risk of waste, fraud and abuse.

- Raising the single audit threshold from $500,000 in federal awards per year to $750,000 in federal awards per year.

- Allowing non-federal entities to charge a de minimis rate of 10% of modified total direct costs if the entity does not have a federally negotiated indirect cost rate.

Section 3: General Features of MAP-21 and Fast Act Programs

Section 402 - State and Community Highway Safety Grants (23 U.S.C. 402)

Section 402 funds are used to support countermeasure strategies and projects identified in state Highway Safety Plans (HSPs). This includes resources to initiate new projects and catalyze or accelerate existing projects to address major safety issues with well-planned strategies and leverage additional state and local investment in highway safety. States must have an approved HSP to receive 402 grant funds. To review eligibility determination, qualification criteria, and use of grant funds, reference 23 C.F.R. Part 1300.

Section 405(b) - Occupant Protection Grants

Section 405(b) encourages states to adopt and implement effective occupant protection programs to reduce highway deaths and injuries resulting from individuals riding unrestrained or improperly restrained in motor vehicles. To review eligibility determination, qualification criteria, and use of grant funds, reference 23 C.F.R. Part 1300.21.

Section 405(c) - State Traffic Safety Information System Improvement Grants

Section 405(c) continues, with some changes, the state traffic safety information system improvements grant program authorized under SAFETEA-LU. The purpose of the new grant program is to support state efforts to improve the data systems needed to help identify priorities for federal, state, and local highway safety programs, to link intrastate data systems, and to improve the compatibility and interoperability of these data systems with national data systems and the data systems of other states. These efforts are aimed at enhancing the ability to analyze national trends in crash occurrences, rates, outcomes, and circumstances. To review eligibility determination, qualification criteria, and use of grant funds, reference 23 C.F.R. §1300.22.

Section 405(d) - Impaired Driving Countermeasure Grants - High, Mid, and Low Range

Section 405(d) encourages states to enact alcohol ignition interlock laws and to adopt and implement effective programs to reduce traffic safety problems that result from individuals driving motor vehicles while under the influence of alcohol, drugs, or a combination of alcohol and drugs. To review eligibility determination, qualification criteria, and use of grant funds, reference 23 C.F.R. §1300.23.

Section 405(d) - Impaired Driving Countermeasure Alcohol Ignition Interlock Laws

Section 405(d) encourages states to adopt and enforce mandatory laws to require installation of alcohol ignition interlocks on vehicles operated by all individuals convicted of driving under the

influence of alcohol or of driving while intoxicated. To review eligibility determination, qualification criteria, and use of grant funds, reference 23 C.F.R. §1300.23(5).

Section 405(e) - Distracted Driving Grants

Section 405(e) authorizes incentive grants to states that enact and enforce laws to prohibit distracted driving. This includes texting while driving and youth cell phone use while driving. To review eligibility determination, qualification criteria, and use of grant funds, reference 23 C.F.R. §1300.24.

Section 405(f) - Motorcyclist Safety Grants

Section 405(f) encourages states to adopt and implement effective programs to reduce the number of single-and multi-vehicle crashes involving motorcyclists. To review eligibility determination, qualification criteria, and use of grant funds, reference 23 C.F.R. §1300.25.

Section 405(g) - State Graduated Driver Licensing Grants

Section 405(g) encourages states to adopt and implement effective graduated driver licensing laws. To review eligibility determination, qualification criteria, and use of grant funds, reference 23 C.F.R. §1300.26.

Section 405 - Grant Programs Transfers

In the event that all Section 405 grant funds are not distributed, MAP-21 authorizes the National Highway Traffic Safety Administration (NHTSA) to transfer remaining amounts to other programs authorized under 23 U.S.C. §§402 and 405 before the end of the fiscal year. For more detail, reference 23 C.F.R. §1300.20(e)(3).

Section 4: NHTSA Resource Documents Available

Documents Available

The Texas Behavioral Traffic Safety Program is governed by federal regulations issued by the National Highway Traffic Safety Administration (NHTSA). NHTSA has developed a comprehensive, easy to navigate website that includes the foregoing federal laws, regulations, rules and other cited procedural documents. The [NHTSA Highway Safety Grants Program Resources Guide](#) provides all necessary information to assist state and federal professionals to manage highway safety grant programs administered by NHTSA.

Section 5: State Laws and Regulations

General

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

The Texas Traffic Safety Act of 1967

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

Uniform Grant Management Standards

The aforementioned provisions of the Texas Transportation Code, which are contained in [Texas Government Code, Chapter 783](#), act as the corresponding state equivalent of the federal Common Rule. Since states are allowed to use their own management systems if they are at least as restrictive as the requirement in the Common Rule, this management structure incorporates existing federal standards for grant management contained in 2 C.F.R. Part 200.

Although the states are given the right to use their own systems to manage programs, the U.S. Department of Transportation (USDOT) provides the grant funds, and therefore determines what types of programs are eligible for funding.

Governor's Highway Safety Representative

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

Governor's Executive Orders

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

- Executive Order establishing the Office of Traffic Safety (July 24, 1969).

- Executive Order W.P.C. 12 (August 29, 1979).

Intellectual Property

TxDOT's policies and procedures relating to intellectual property are contained in the Texas Transportation Code §201.205; Title 43, Texas Administrative Code §§22.20 – 22.22; and the TxDOT Legal Manual, Chapter 1, accessible online through the TxDOT network.

The Texas Behavioral Traffic Safety Program Grant Agreement General Terms and Conditions (described in Chapter 4, Section 3 of this manual) also covers intellectual property (see Article 20).

Section 6: Signature Authority

Introduction

Signature authority for traffic safety grants and contracts, assurances, certifications, and other documents is delegated to various levels within the Texas Department of Transportation (TxDOT). The TxDOT Legal Manual, Chapter 2, describes signature authority for TxDOT.

NOTE: The *Legal Manual* is accessible online through the TxDOT network.

Signature Authority

The following table lists signature authority related to the Texas Behavioral Traffic Safety Program:

Signature Authority for Texas Behavioral Traffic Safety Program Documents

Document	Signature Authority
Highway Safety Plan (HSP)	Approved by the Texas Transportation Commission; TxDOT Executive Director signs Minute Order.
Certifications and Assurances of the HSP	Governor's Representative for Highway Safety - TxDOT Executive Director
Federal Cooperative Agreements	Division Director, TxDOT TRF
National Highway Traffic Safety Administration (NHTSA) Agreements	Division Director, TxDOT TRF
Federal Grant Applications	Division Director, TxDOT TRF
Interagency Cooperation Contracts (for amounts less than $50,000)	Division Director, TxDOT TRF
Interagency Cooperation Contracts (for amounts of $50,000 or more)	TxDOT Director of Contract Services Division (CSD)
Traffic Safety Program Grant Agreements and Amendments (any amount)	Division Director, TxDOT TRF
State Vouchers for Federal Reimbursement	Grant Accountant, TxDOT Financial Management Division (FIN)
Project Celebration Agreements	TxDOT District Engineer
Request to NHTSA to Purchase Equipment (greater than $5,000) with Federal Funds	TxDOT TRF-BTS Director
Traffic Safety Billings and Reimbursements	TxDOT TRF-BTS Project Managers

Further Delegation of Signature Authority

When further delegations of signature authority are authorized, they must be made by:

- Giving written notification to the employee, describing the specific grant or document and the extent of the signature authority and responsibility.

- Sending a copy of the delegating memo to the appropriate office as identified in the following table.

Office to Receive Copy of Delegating Memo

If the delegation involves…	Then send the memo to…
Any grant	TxDOT Contract Services Division (CSD)
Any purchase	Purchasing Section, TxDOT Procurement Division (PRO)
Voucher Batch Cover or Invoice Approval	TxDOT Financial Management Division (FIN)
Other Official Document	TxDOT Contract Services Division (CSD)

In the absence of the TxDOT TRF Director, signature authority is delegated to the following individuals in the order noted:

1. TRF-BTS Director

2. other TRF section directors.

For more information on delegation of signature authority, see the TxDOT Legal Manual, Chapter 2.

The TxDOT district engineer, division director, or office director may submit a consolidated listing of employees to whom delegations are made.

Specific Authority to Contract

Specific authority to contract derives from Government Code, Title 7, Intergovernmental Relations, Chapter 771, Interagency Cooperation Contract, §771.003, Authority to Contract; Exceptions. For more information on authority to contract, see the TxDOT Contract Services Division Home Page (link accessible only within the TxDOT network). Click on the "Delegation of Authority" link on the left navigation bar to access the signature authority document.

Chapter 2: Planning

Contents:

Section 1: Texas Behavioral Traffic Safety Program

Background

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

The Texas Behavioral Traffic Safety Program became an integral part of the Texas Department of Transportation (TxDOT) in 1979. At that time, districts assumed responsibility for local projects. However, beginning in 2010, the Traffic Safety Specialists (TSSs) who previously reported to the districts and managed local projects now report to the TxDOT Traffic Safety Division - Behavioral Traffic Safety Section (TRF-BTS), in Austin, Texas. At present, there are 30 TSSs, with at least one TSS in each of the 25 TxDOT districts.

While the TSSs are responsible for managing local projects, responsibility for the overall Texas Behavioral Traffic Safety Program resides with TRF-BTS, located at Austin headquarters. The TxDOT Executive Director is the designated Governor's Highway Safety Representative.

Planning Overview

This chapter describes the Texas Behavioral Traffic Safety Program planning process, with local projects at the agency level and statewide level.

Local jurisdictions (cities and counties) work with TSSs to identify traffic safety problems and conduct needs assessments.

Section 2: Highway Safety Plan (HSP)

Background

Each federal fiscal year (October 1 – September 30), the Texas Department of Transportation (TxDOT), Traffic Safety Division - Behavioral Traffic Safety Section (TRF-BTS), develops a state Highway Safety Plan (HSP) to qualify for federal highway safety funding. The HSP includes:

- The State's response to the Section 405 National Priority Safety Program Grants qualification criteria.

- The State's planned highway safety program for all funding sources for the upcoming fiscal year.

After Texas Transportation Commission approval has been obtained, TRF-BTS submits the HSP to the National Highway Traffic Safety Administration (NHTSA) for approval in accordance with 23 C.F.R. Part 1300, Uniform Procedures for State Highway Safety Grant Programs. NHTSA regional offices are required to determine if the HSP is in compliance with Chapter 4 of Title 23 U.S.C. as amended by the Moving Ahead for Progress in the 21st Century Act (MAP-21), and Part 1300 - Uniform Procedures for State Highway Safety Programs, and provide "best" practice recommendations to support program progress.

Once the HSP is approved, NHTSA sends TxDOT a letter acknowledging the State's submission of the Performance Plan, HSP, Certificates and Assurances, and Cost Summary comply with all federal requirements. The HSP is due on July 1 annually, and is submitted to NHTSA for review and approval.

Significant changes pertaining to the HSP were made in interim federal regulations as a result of the passage of MAP-21 on July 6, 2012. A consolidated application process for the Section 402 program and six national priority safety programs, codified into a single section as the Section 405 program, was established effective with the Fiscal Year 2014 application year.

NOTE: Beginning in FY 2018, 23 C.F.R. Part 1200 was recoded to 23 C.F.R. Part 1300, the part associated with NHTSA programs.

This section provides an overview of the traffic safety program planning and development process used by TRF-BTS to develop the annual HSP, which is the foundation of the State's highway safety program.

Influencing Factors

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

- Federal legislation.

- State statutes.

- Federal and national priorities and goals.

- State and local problems.

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

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

The HSP is intergovernmental in nature, functioning either directly or indirectly, through grant agreements, contracts, service purchase orders, and requisitions. State and local sources analyze data to identify traffic safety problems by identifying specific causes of motor vehicle crashes (see "Problem Identification and Community Assessment" in Section 3 of this chapter). They then submit proposals to TxDOT TRF-BTS for grants to address the problems (see Chapter 3 of this manual for more information on Traffic Safety Project Proposals).

A strong problem identification statement by an organization requesting a grant defines the nature and magnitude of the problem to be addressed, and is supported by verifiable and sourced data. Grant requests also identify specific traffic safety problems through archived and collected data from various sources, including community assessments, traffic analyses, local speed and occupant restraint use surveys, local law enforcement agencies, and hospital and emergency room reports. The proposals must provide specifics on site location (city, county, roadway section, statewide, etc.), population data, target audience, and over or under-representation comparisons (i.e., either over or under state or federal level crash data, or over or under the standard safety belt usage rate at the local level).

It is through the analysis and synthesis of the data described above, and the stringent requirements placed on potential subgrantees and contractors, that the State's traffic safety problems are identified and prioritized for inclusion in the annual Texas HSP.

TRF-BTS processes grant agreements and contracts for local jurisdictions, other state agencies, educational institutions, and non-profit organizations, and develops the HSP using the proposals approved for funding. TRF-BTS then submits the proposed funding amounts for the annual HSP to the Texas Transportation Commission for approval. After Commission approval, an approved project list is issued.

Highway Safety Program Areas

The Texas HSP typically addresses 14 program areas. These 14 program areas form the framework for providing detailed descriptions of the selected traffic safety projects. See the table below for a

complete listing of the HSP program areas with their respective and applicable federal two-letter alpha character accounting code designators.

HSP Program Areas

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

NOTE: TxDOT has designated additional priority program areas as eligible for funding based on needs assessments and NHTSA approval. Proposed projects must support the goals and strategies for the program areas in the HSP. Grant agreements implement the HSP.

Program Funding

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

Highway Safety Plan Development Process

The Texas HSP describes the processes used to identify the State's traffic safety problems, establish performance measures, and propose the projects and activities the State plans to implement to reach its performance targets. Performance measures for each target track progress from a baseline toward meeting the target by the specified date.

The Texas highway safety planning process consists of six stages:

1. Planning to select or review program strategies and performance goals and measures.

2. Problem Identification.

3. Issuance of Request for Proposals.

4. Internal Coordination.

5. Review, Comment, and Approval.

6. Implementation.

Explanations of these stages follow under separate subheadings.

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

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

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

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

Step	Responsible Party	Action	Approx. Date
1	TRF	Conducts strategic planning every several years to review performance goals and strategies for the HSP.	May–June
2	TRF-BTS	Performs statewide and local problem identification.	Sept.–Oct.
3	TRF-BTS	Announces Highway Safety Request for Proposals (RFP), posts RFP on the TxDOT website, and publishes RFP in the *Texas Register*. Contacts law enforcement agencies regarding possible participation in STEP grants.	November

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

Internal Coordination (Stage 4)

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

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

(4) Internal Coordination Process for HSP Development

Step	Responsible Party	Action	Approx. Date
1	Local & State Agencies	Submit project proposals to TxDOT through eGrants.	January
2	TRF-BTS	Collects project proposals.	January
3	TRF-BTS	Reviews and scores all project proposals.	Jan.–Feb.
4	TRF-BTS	Shares proposal results with proposing agencies.	Mar.–Apr.

Local community-based organizations, state agencies and other organizations submit their project proposals to TRF-BTS through the TxDOT Traffic Safety Electronic Grants Management System (eGrants). Once the Planner determines basic project eligibility, the project is assigned to a scoring team. Selective Traffic Enforcement Program (STEP) proposals are processed through the eGrants system. When all eligible general projects have been scored and STEPs processed, the results are calculated and reviewed by TRF-BTS and the TRF Director, and a recommended project list is generated. Based on this list, TRF-BTS prepares the program area module narratives to include the project descriptions for the HSP.

Review, Comment and Approval (Stage 5)

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

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

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

Step	Responsible Party	Action	Approx. Date
1	TRF Planner	Develops first draft of HSP project list.	March
2	TRF Planner	Develops first draft HSP.	April
3	TRF-BTS	Negotiates proposals as necessary.	April
4	TRF-BTS	Submits final HSP project list to TRF Director for review.	April
5	TRF	Prepares final copy of HSP funding recommendations and Minute Order for Texas Transportation Commission meeting.	May
6	Texas Transportation Commission	Approves HSP funding and Minute Order.	May

The HSP funding recommendations are prepared and submitted to the Texas Transportation Commission for approval in May, so the HSP can be submitted to NHTSA for approval no later than July 1. Federal approval of the State's HSP is in the form of a letter from NHTSA

acknowledging the State's submission of a certification statement that the HSP complies with all the requirements.

Implementation (Stage 6)

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

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

(6) HSP Implementation Process

Step	Responsible Party	Result	Approx. Date
1	TRF-BTS	Submits draft HSP to NHTSA for review.	June 1
2	TRF-BTS	Submits final HSP to NHTSA.	July 1
3	TRF	Project list is approved.	July
4	TxDOT	Processes and approves grant agreements and contracts.	Sept.
5	TxDOT	Receives NHTSA approval of HSP.	Sept.
6	TxDOT	Activates HSP and implements projects.	Oct. 1

When the funding for the HSP has received Commission approval, projects on the project list are approved. Grant agreements are then generated for approval by the subgrantees and TxDOT.

Projects can be activated only after federal funding approval for the State's HSP has been received. The negotiation of more than 300 project agreements usually requires 30 days to complete. The ultimate goal is to have all of the agreements ready for activation on October 1, the beginning of the federal fiscal year.

Required HSP Contents

The HSP is required by USDOT NHTSA regulations. The federal regulations outline the required content of the HSP, including the:

- Planning Process Performance Plan.

- Strategies and Projects Performance Report.

- Program Cost Summary.

- Certifications and Assurances.

- Teen Traffic Safety Program.

- Section 405 Grant Application.

Each of these elements is described in more detail in the following subsections.

For the most part, the HSP development is an internal activity conducted within TRF-BTS under the leadership of the TRF-BTS Program Planner. Input and information collected throughout the year from federal, state, and local traffic safety sources and partners is considered by TRF-BTS. In some cases, TRF-BTS may specifically solicit input from selected partners or others with experience in a selected program area. This process ensures state and local agencies, as well as public and private organizations using the program areas, targets, and strategies developed by TRF-BTS, can then propose projects that directly support and implement those strategies.

This guidance is provided to subgrantees annually in the TRF Traffic Safety Request for Proposals (RFP) publication. The RFP includes a synopsis of the State data and the selected funding priorities, key problem areas, targets and emphasis areas, and proven strategies.

Highway Safety Planning Process

The HSP contains the targets, strategies, performance measures and objectives Texas sets for each fiscal year.

The TRF-BTS Program Planner coordinates the strategic planning process for the Texas Behavioral Traffic Safety Program. This involves the development of an informal five-year strategic plan, which provides the general mission of the Traffic Safety Program and is created through a process that includes input from TRF-BTS project managers and other program partners.

Strategic Planning – The strategic planning process re-evaluates the program areas, goals, and strategies and reviews the traffic safety program mission statement.

As an outgrowth of the strategic planning process:

- Texas developed specific goals, strategies, and performance measures for the Texas Behavioral Traffic Safety Program.

- Objectives were established for all performance measures.

- TRF-BTS seeks public comments by posting a Request for Comments in the *Texas Register* and sending e-mail notifications to all registered users of eGrants.

The Texas HSP planning process includes a brief description of the data sources and processes used by the State to:

- Identify highway safety problems.

- Describe highway safety performance measures and define performance targets.

- Develop and select evidence-based countermeasure strategies and projects to address problems and achieve performance targets.

- Identify the participants in the processes (e.g., highway safety committees, program stakeholders, community and constituent groups).

- Discuss the strategies for project selection (e.g., constituent outreach, public meetings, solicitation of proposals), and list the information and data sources consulted.

- Describe the efforts to coordinate (and the outcomes from the coordination of) the HSP, data collection, and information systems with the Texas Strategic Highway Safety Plan (SHSP) as defined in 23 U.S.C. §148(a).

Performance Plan

The Texas HSP contains the following elements:

- A list of annual quantifiable and measurable highway safety performance targets that is data-driven, consistent with the [Uniform Guidelines for State Highway Safety Programs](#), and based on highway safety problems identified by the State during the State's planning process.

- Performance measures developed by TxDOT in collaboration with the Governor's Highway Safety Association (GHSA) and others, beginning with the MAP-21 directed [Traffic Safety Performance Measures for States and Federal Agencies](#) (DOT HS 811 025), which are used as a minimum in developing the performance targets identified in this section.

The performance measures common to the State's HSP and the State Highway Safety Improvement Program (HSIP) (fatalities, fatality rate, and serious injuries) are defined identically, as coordinated with the Texas SHSP. At least one performance measure and performance target that is data driven is provided for each program area that enables the State to track progress, from a specific baseline, toward meeting the target (e.g., a target "to increase seat belt use from X percent in Year 1 to Y percent in Year 2," using a performance measure of "percent of restrained occupants in front outboard seating positions in passenger motor vehicles").

For each performance measure, the State provides:

- Documentation of current safety levels.

- Quantifiable annual performance targets.

- Justification for each performance target that explains why the target is appropriate and data-driven.

For program areas where performance measures have not been jointly developed, Texas has developed its own performance measures and performance targets that are data-driven.

Highway Safety Strategies and Projects

The annual Texas HSP contains a description of:

- Each countermeasure strategy and project the State plans to implement to reach the performance targets identified. At a minimum, the State HSP describes one year of Section 402 and 405 countermeasure strategies and projects (which includes countermeasure strategies identified in the Texas SHSP), and identifies funds from other sources, including federal, state,

local, and private sector funds, that the State plans to use for the projects or use to achieve program area performance targets.

- The State's process for selecting the countermeasure strategies and projects described above. At a minimum, the State provides an assessment of the overall traffic safety impacts of the strategies chosen and proposed or approved projects to be funded.

- The data and data analysis or other documentation supporting the effectiveness of the proposed countermeasure strategies described above.

- The evidence-based traffic safety enforcement program to prevent traffic violations, crashes, and crash fatalities and injuries in areas most at risk for these incidents. At a minimum, the State provides:

  ○ An analysis of crashes, crash fatalities, and injuries in areas of highest risk.

  ○ Deployment of resources based on that analysis.

  ○ Continuous follow-up and adjustment of the enforcement plan.

- The planned high visibility enforcement strategies to support national mobilizations.

Performance Report

The Texas HSP also includes a program-area-level report on the State's success in meeting performance targets from the previous fiscal year's HSP.

Program Cost Summary and List of Projects

The Texas HSP contains a Summary of Planned Funding to reflect the State's proposed allocations of funds (including carry-forward funds) by program area. The funding level used is an estimate of available funding for the upcoming fiscal year based on amounts authorized for the fiscal year and projected carry-forward funds.

An accompanying list of projects that the State proposes to conduct for that fiscal year and an estimated amount of federal funds for each project must be provided for each program area.

Certifications and Assurances

The Texas HSP contains the required Certifications and Assurances for Section 402 Grants signed by the Governor's Representative for Highway Safety, certifying the HSP application contents, and providing assurances that the State will comply with applicable laws and regulations, financial and programmatic requirements, and, in accordance with 23 C.F.R. §1300.13, the special funding conditions for the Section 402 program.

Section 405 Grant Application

The Texas HSP includes an application for any of the national priority safety program grants, in accordance with the requirements of 23 C.F.R. Part 1300, Subpart C, including Appendix D to Part 1300 — Certifications and Assurances for Section 405 Grants, signed by the Governor's Representative for Highway Safety.

NOTE: The TxDOT Executive Director is the designated Governor's Highway Safety Representative.

Coordination with the Texas Strategic Highway Safety Plan

Under MAP-21 and the FAST Act, the State is required to include in the HSP a description of the efforts made to coordinate the HSP and the outcomes of the coordination, data collection and information systems with the Texas Strategic Highway Safety Plan (SHSP).

TRF-BTS coordinates closely with the State staff responsible for development of the SHSP to maximize integration and utilization of data analysis resources, fully represent driver behavior issues and strategies, and utilize any statewide safety committees to obtain input from state and local traffic safety partners for the Texas HSP. TRF-BTS will ensure the targets and objectives contained in the SHSP are considered in the annual development of the HSP and incorporated to the fullest extent possible. TRF-BTS will review the SHSP and HSP to identify any gaps in addressing driver behavior issues and eliminate any redundancy to ensure the maximum use of resources.

Section 3: Problem Identification and Community Assessment

Overview

A description of the data sources and processes used by the State to identify its highway safety problems is required in the Highway Safety Plan (HSP). The State is also required to identify the participants involved (committees, stakeholders, constituent groups, etc.). The information and data sources utilized in these processes must be listed.

This section describes the procedures and the data analysis process used by TxDOT Traffic Safety Division's Behavioral Traffic Safety Section (TRF-BTS) to identify state and local problems for the annual HSP.

What is Problem Identification?

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

Purpose of Problem Identification

The purpose of problem identification and assessment is to:

- Understand the crash problem and causation factors.

- Develop effective countermeasures to reduce or eliminate the problem.

- Design evaluation mechanisms to measure changes in problem severity.

- Manage influences (for example, using statistical crash data to highlight a particular problem area in order to obtain the necessary support for instituting an effective countermeasure in a jurisdiction).

General Problem Identification Procedure

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

- Support the available data.

- Be site specific, whether that site is a county, city, or roadway section.

TRF-BTS typically follows the procedures below in problem identification and analysis. Explanations of the requirements involved in these steps follow. Typically, TRF-BTS:

1. Identifies evidence that a traffic safety problem exists.

2. Collects applicable data in the target jurisdiction.

3. Analyzes the data to determine what factors or characteristics are overrepresented.

4. Determines if the problem "is of a magnitude that warrants action?"

    •   **If yes,** proceeds to the following steps.

    •   **If no,** considers the possibility that the initial indication may have been random.

5. Investigates all possible corrective actions.

6. Determines the best course of action.

7. Initiates corrective action.

Data Collection and Analysis

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

Collecting and Analyzing Data

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

Data Elements

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

Categories of Traffic Safety Data

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

Crash Specific Data

Crash specific data may include any of the following:

- Type and severity of crash (fatal, pedestrian, etc.).
- Location.
- Roadway characteristics.
- Violations.
- Time of day.
- Day of week and month.
- Type of vehicle.
- Direction of travel.
- Driver's age.
- Driver's gender.
- Weather conditions.
- Vehicle maneuver.
- Occupant protection usage.
- Alcohol or other drug involvement.
- Emergency medical services (EMS) data.
- Investigating agency.

Data Sources

Data sources may include any of the following:

- TxDOT Crash Records Information System (CRIS).

- Local police department.

- Department of State Health Services or regional or local health agencies.

- EMS providers.

- Evaluations.

- Surveys.

- National or statewide studies (such as Fatality Analysis Reporting System [FARS]).

- Local court system.

- TxDOT district traffic engineering and roadway analyses.

- Other sources (interest groups, task forces, school districts, colleges, universities, insurance companies, etc.).

Data Analysis and Interpretation

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

Data subgroups should be reviewed to determine over-representation. Such over-represented subgroups indicate highway safety problems. A good example of this would be the high percentage of teenage drivers involved in crashes versus the much lower percentage among all drivers.

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

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

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

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

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

Where test:

- *F* = fatality crashes.

- *A* = incapacitating injury crashes.

- *B* = non-incapacitating injury crashes.

- *Night* = 10 P.M. to 6 A.M.

Some Key Questions in Problem Identification

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

Questions to Help with Data Analysis and Problem Identification

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

Problem Analysis

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

Information That May Be Applied to Crash Problem Analysis

Causal Factors:	Crash Characteristics:	Factors Affecting Severity:
• violation • loss of control • weather • alcohol involvement • roadway design	• time of day • day of week • age of driver • gender of driver	• non-use of occupant protection • position in vehicle • roadway elements (marking, guardrail, shoulders, surface, etc.)

Impediments to Effective Problem Identification

The following factors may impede effective problem identification:

- Data access restrictions.

- Inability to link automated files.

- Lack of location-specific data.

- Poor data quality.

- Reporting threshold fluctuations (variations among jurisdictions in the minimum damage or crash severity they routinely report).

- Insufficient data (property damage only, non-reportable crashes, near misses, bicycle crashes, etc.).

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

Example Problem

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

Example Problem Identification

Step	Action	Example Events
1	Indication that traffic safety problem may exist	A vehicle crash description in a local newspaper reported that two unrestrained infants were severely injured in the incident.
2	Collection of applicable data in the target jurisdiction	1. The Traffic Safety Specialist (TSS) and a group of interested citizens conduct an observational survey of vehicles entering and departing a local shopping mall and find that only 63% of those transporting infant children were using child safety seats. 2. A check with the local police department confirms that child passenger safety is not routinely enforced.
3	Data analysis reveals overrepresented factor	Since the 63% usage rate falls well below the statewide average of 88.6%, an over-representation of non-usage has been identified. Thus the problem has been identified, but the reasons are not clear.
4	Determination that the problem warrants action	(same as above)
5	Investigation of all possible corrective actions	Is the problem due to: • Ignorance of the law? • The inability of the population to afford child safety seats? • Willful misconduct? • Lack of enforcement? The answers will reveal the best course of action.
6	Determination of best course of action	The best possible course of action may be multi-faceted, incorporating two or more of the following: • A strong public information and education campaign. • The establishment of a child safety seat distribution program. • An occupant protection STEP grant with the local enforcement agency. • An occupant protection violators training course. • Training of the officers in occupant protection enforcement.

Example Problem Identification

Step	Action	Example Events
7	Initiation of corrective action	(same as above).

Traffic Safety Community Needs Assessment

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

Purpose of Community Needs Assessment

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

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

Baseline Data

Establishing baseline data is a fundamental part of community needs assessment and goal setting. Baseline data is defined as the set of data representing the most current 12 months (or a comparable period) of complete data available prior to the start of the first year of the project. For example, if the most recent data available for a first-year project is through December 31, 2019, then the baseline year would be January 1, 2019 through December 31, 2019 for a grant starting in October of 2020. Potential subgrantees should use the most recent certified data available for establishing baseline data. Once the baseline is established, that figure will be used to compare subsequent years. Prior to the start of the grant, this data will be the baseline data for any subsequent year grants with the subgrantee.

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

Selective Traffic Enforcement Program (STEP) Projects

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

Baseline Information

Baseline information serves as a foundation for proposers to measure pre-grant traffic enforcement activity. Baseline information must be provided by the proposers to identify local traffic enforcement related activity and includes the total number of traffic and patrol hours by the subgrantee agency and the total number of vehicle stops in the past 12 months. The information must exclude any activity generated with STEP grant dollars. Once the baseline is established, these figures will be used to compare subsequent year's local and grant traffic enforcement activity.

Additionally, proposers must enter the three-year-average KA (injury crash) crash data for their jurisdiction as it appears on the RFP Budget Document. The baseline numbers are critical in establishing the causes and numbers of fatalities, injuries, crashes and property damage in a community and are used to measure the effectiveness of grant-related enforcement efforts in reducing crashes.

What the Community Needs Assessment Should Cover

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

- School district or school board educational programs.

- Occupant protection and safety belt usage.

- Alcohol and other drug impaired driving programs.

- Enforcement activities (including traffic records).

- Public information and education.

- Traffic engineering.

In each of these areas, the assessment should include:

- Crash data.

- Traffic safety legislation and ordinances.

- Engineering and environmental issues and policies.

- Key community players.

- Highway safety supporters.

- Past and current projects and programs.

- Networks, organizations, agencies, and volunteers.

- Resources available, including people, money, and contributions.

- Youth survey.

- Knowledge, skills, and attitudes of the community.

- Cost benefit analysis.

- Potential barriers, problems, or red flags.

- Past and present successes.

- Training needs.

NHTSA Website

The National Highway Traffic Safety Administration (NHTSA) website offers a wide variety of documents that contain information on organizations that have completed a Problem Identification and Community Needs Assessment. Visit the NHTSA website at http://www.nhtsa.gov/, and then enter "community assessment" in the search box.

Section 4: Program Area Strategies, Targets, and Performance Measures

Overview

This section describes the process for identifying program areas, targets and strategies for inclusion in the Texas Highway Safety Plan (HSP).

Using the data and information gathered through the problem identification process, the State selects key program areas for emphasis and coordinates the development of priority traffic safety performance targets, performance measures, and strategies for each program area using a planning process documented in the HSP.

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

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

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

Overall State Goal

The overall State goal is to identify traffic safety problem areas and programs to reduce the number and severity of traffic-related crashes, injuries, and fatalities.

Program Area Targets, Performance Measures, and Strategies

Beginning with MAP-21, 15 performance measures developed by the National Highway Traffic Safety Administration (NHTSA), in collaboration with the Governor's Highway Safety Association (GHSA) and others, described in [Traffic Safety Performance Measures for States and Federal Agencies](#) (DOT HS 811 025), are required to be used as a minimum in developing the State's performance measures and targets. These 15 measures include 11 core outcome measures, one core behavior measure, and three activity measures. Therefore, it is essential for TRF-BTS to examine each of the core measures as part of the initial problem identification process. The three activity measures must be reported annually. The outcome and performance measures are listed below:

- Outcome Measures:
  - Fatalities (Fatality Analysis Reporting System [FARS]).
  - Number of serious injuries (state crash file).

- ○ Fatality rate per 100 million Vehicle Miles Traveled (VMT) (FARS, FHWA).

- ○ Number of unrestrained passenger vehicle occupant fatalities, all seating positions (FARS).

- ○ Number of fatalities involving driver or motorcycle operator with a .08 Blood Alcohol Concentration (BAC) or above (FARS).

- ○ Number of speed-related fatalities (FARS).

- ○ Number of motorcyclist fatalities (FARS).

- ○ Number of un-helmeted motorcyclist fatalities (FARS).

- ○ Number of drivers age 20 or younger involved in fatal crashes (FARS).

- ○ Number of pedestrian fatalities (FARS).

- ○ Percent observed seat belt use for passenger vehicles – front seat outboard occupants (State survey).

- ○ Number of bicycle fatalities (FARS).

- Activity Measures:

  - ○ Number of seat belt citations issued during grant-funded enforcement activities (grant activity reports).

  - ○ Number of impaired driving citations issued and arrests made during grant-funded enforcement activities (grant activity reports).

  - ○ Number of speeding citations issued and arrests made during grant-funded enforcement activities (grant activity reports).

Performance targets and performance measures have been developed for each program area that receives funding by TRF and incorporated in the development of the HSP.

Program areas outside of the GHSA-NHTSA core performance measures have also been included as sufficient justification for addressing those issues that have been established in the problem identification process and the appropriate performance measures that have been developed by TRF-BTS. These performance measures contain:

- ○ Documentation of current safety levels.

- ○ Quantifiable annual performance targets.

- ○ Justification for each performance target that explains why the target is appropriate and data driven.

The strategies, targets and performance measures for each of the program areas can be found on in the Texas HSP. The Texas HSP provides the targets and strategies of the Texas Behavioral Traffic Safety Program and includes the most current status of the objectives for the strategies. Each project included in the annual HSP will address one or more of these

targets or strategies. The most current Texas HSP can be found in the Manuals and Reports
Section of the eGrants Help Page.

Section 5: Project Performance Measures and Targets

Overview

Potential subgrantees are required to include project performance measures and targets in all proposals which will be included in the grant agreement to provide guidance to determine the efficiency and effectiveness of the project. Each performance measure should be designed as an evaluative mechanism for measuring the project's level of success. Performance targets determine the degree of progress toward achievement of established performance measures and the effect on identified problems.

See "General Traffic Safety Proposals," Chapter 3, Section 2, for examples of completed proposal performance measures and targets.

See "STEP Yearlong Proposals," Chapter 3, Section 3 for assistance on Selective Traffic Enforcement Program (STEP) performance measures and targets.

Performance Measures

A performance measure is an indicator to express the activity that will be used to establish a performance target and must be directly aligned to the target(s) of a project. Performance measures, when combined with the performance target, provide the basis for determining the degree of achievement of established targets. Acceptable activity levels or outputs are established as part of each grant agreement.

Types of Performance Measures

There are two common types of performance measures: **direct** and **proxy**.

Direct measures are preferred. Examples of direct measures include: number of crashes, citations, people trained, units purchased, etc. Sometimes it is impossible to get direct measures. If such is the case, a proxy measure might be used.

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

Estimated Performance Indicators

When appropriate, the problem solution in the proposal will identify estimated performance indicators or measures (quantities of work units). Performance measures may be shown as specific requirements. For example:

- "50 workshops."

- "100 hours."

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

- "Submit one report."

- "Produce one public service announcement."

Measurement Characteristics

The characteristics of a good performance measure is that it is:

- Measurable.

- Reasonable and attainable.

- Directly linked to objectives.

- Accurate, clearly defined.

- Understandable.

- Objective.

- Practical.

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

- **S**pecific.

- **M**easurable.

- **A**ction-Oriented.

- **R**ealistic.

- **T**ime-Framed.

Summary

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

Section 6: Project Development Process

Introduction

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

- Statewide and local problem identification.

- State agency initiative.

- Community initiative.

- Key events.

Proposals are sought annually from all interested parties for projects to be included in the following year's Highway Safety Plan (HSP). TRF-BTS develops the Request for Proposals (RFP) and associated documents each fiscal year based on the priority traffic safety performance goals detailed in the HSP.

Project Development Process

The project development process consists of the following steps:

1. Problem identification (discussed in Section 3 of this chapter).

2. Community needs assessment (discussed in Section 3 of this chapter).

3. Countermeasure selection and strategy (discussed under the following subheading).

4. Evaluation planning (discussed in Chapter 6, Sections 6 and 7).

5. Proposal development (discussed in Chapter 3).

6. Negotiation (discussed in Chapter 4, Section 2).

7. Consensus (agreement between the proposing agency and TxDOT on grant agreement content).

8. Approval (discussed in Chapter 4, Sections 4 and 5).

9. Implementation or project activation (discussed under "Implementation or Project Activation" later in this section).

Countermeasure Selection

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

Example Target Audiences and Target Areas

Target Audiences:	Target Areas:
Impaired drivers	northeast quadrant of city
Speeding motorists	a specific segment of the roadway during nighttime, on weekends, or during daylight hours
Unbuckled vehicle occupants.	jurisdiction-wide.

Countermeasures should be such that a "reasonable person" would believe they would produce effective results and should relate directly to the problem identification and community assessment addressed in the problem statement.

Implementation or Project Activation

Project implementation or activation includes the following:

- Attending the grant delivery meeting (see Chapter 4, Section 6).
- Organizing the workforce.
- Scheduling activities and work hours.
- Taking care of incidental paperwork and setting up records files.
- Getting to know accounting personnel who will be administering the grant-related finances.
- Becoming familiar with reporting requirements and due dates.

Grant Agreement Content

The key elements of a grant agreement are:

- Problem identification, which includes:
  - Crash data analysis.
  - Program and community needs assessment.
  - Problem statement.
- Problem solution.
- Project objectives, which include:
  - Objectives performance measures.
  - Performance targets.
  - Tasks and activities.
  - Milestones and/or action plan for general grants.

- Budget.

- Reporting requirements.

- Boilerplate (general and special terms and conditions).

Summary

Proposed projects must support the goals and strategies established for the program areas in the HSP. Grant agreements implement the HSP. Chapter 3 of this manual details the specifics of developing grant agreement proposals specifically for the Texas Behavioral Traffic Safety Program.

Chapter 3: Traffic Safety Project Proposals

Contents:

Section 1: Overview

Introduction

State agencies and other organizations interested in traffic safety issues submit project proposals when requested by the Texas Department of Transportation (TxDOT) Traffic Safety Division (TRF). These project proposals constitute the organizations' traffic safety intentions and can be submitted for any program area, depending on the interests of the particular organization.

The TxDOT Traffic Safety Division - Behavioral Traffic Safety Section (TRF-BTS) uses these highway safety project proposals in the development of the State Highway Safety Plan (HSP). Proposals must be submitted through the TxDOT Traffic Safety Electronic Grants Management System (eGrants) by the announced deadline.

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

NOTE: TRF-BTS will conduct annual reviews of potential subgrantees by checking both the State of Texas and the Federal Systems to make sure they are not suspended or debarred prior to being eligible to receive grant funding. Any proposal from an agency or organization that has a debarment suspension will not be scored or considered for funding (2 C.F.R. Part 200.213 Suspension and Debarment).

Gaining Access to the eGrants System

Proposals must be completed online through the eGrants system, which is available on the TxDOT website at: https://www.txdot.gov/apps/egrants/.

Eligible organizations (state and local government agencies, educational institutions, and non-profit organizations) can request access to the eGrants system by creating a new user account.

NOTE: If you belong to an organization that already has an eGrants account, please contact your Subgrantee Administrator for access to the system.

The steps to create a new user account are outlined below.

1. From the eGrants Login Page, select the "New User" link in the "Login" section.

2. Complete the user form in its entirety.

   a. Fill in all required information. All items marked with an asterisk (*) are required to create an account.

   b. The **Username** field must consist of all letters and numbers.

c. The **Password** field must consist of all letters and numbers and must be seven characters in length.

d. The **Password** and **Confirm Password** fields must be the same.

3. Select "Save" to save the data.

After the account information is saved, the account must be approved by a TxDOT System Administrator before access to the system will be granted. When access is granted, an e-mail is sent to the subgrantee confirming that the account has been validated.

Title 1, Chapter 202 of the Texas Administrative Code states that measures should be taken by state agencies to protect information systems against unauthorized access, disclosure, modification, or destruction. In order to comply with this section, TRF-BTS will:

- Review, on a biannual basis, all TxDOT eGrants users and deactivate any user that does not have a further need for access.

- Activate new TxDOT users (non TRF-BTS staff or subgrantees or other agency users, e.g. non-TxDOT auditors), by assigning a time frame of one month upon activation. After one month, these users cannot access eGrants, as they will automatically be deactivated. The users can contact TRF-BTS to request another one-month activation period.

- Provide biannual notifications to all subgrantee administrators that they will review all staff with access and revoke any user that no longer should have access to eGrants.

Refer to the eGrants Traffic Safety Subgrantee User Guide for more information on security roles or for assistance on granting organization staff access to eGrants.

Completing Traffic Safety Proposals

There are two types of traffic safety grants requested by the TxDOT TRF-BTS annual Traffic Safety Program Request for Proposals - General Traffic Safety Grants and Selective Traffic Enforcement Program (STEP) Grants. Potential subgrantees may only submit a proposal for a yearlong (one-year) grant term. Organizations are responsible for ensuring they use the appropriate proposal forms based on the type of grant they are applying for.

The annual Traffic Safety Program Request for Proposals and instructions are located on the Traffic Safety e-Grants HELP RFP web page, and should be thoroughly reviewed by interested organizations before submitting a traffic safety proposal. The web page is located at: https://www.txdot.gov/apps/eGrants/eGrantsHelp/rfp.html and is only available when proposals are open.

Only a Subgrantee Administrator may initiate proposals. The steps to initiate a proposal in eGrants are outlined below.

1. From the Home menu in eGrants, go to the "View Available Proposals" section to initiate a traffic safety proposal. Make sure that the correct type of proposal is chosen - "Selective Traffic Enforcement Program" or "General" for non-law enforcement proposals.

2. Click on the "I Agree" button when a confirmation page appears asking for confirmation.

3. A proposal will be created and you will be taken to the Proposal Menu to initiate the proposal.

Once a proposal has been initiated and saved, the proposal can be found under the "My Tasks" section of the proposal.

The "View, Edit and Complete Forms" section is where a vast majority of the work on a proposal is completed. The person or persons completing the project proposal form pages in eGrants should make sure each page is fully completed, error free, and all pertinent information and supporting documentation is attached at the time of submission. See "Assistance on Completing Traffic Safety Proposals" in the section below.

Assistance on Completing Traffic Safety Proposals

There are several areas of instructions and additional information available to assist organizations in completing and submitting project proposals through eGrants.

The eGrants Traffic Safety Subgrantee User Guide provides detailed how-to procedural instructions on gaining access to eGrants, keeping contact information updated, navigating through the eGrants proposal form screens, assigning users to the system, completing the proposal form pages, and submitting a proposal. It is highly recommended that organizations submitting a proposal for the first time through eGrants become familiar with the *eGrants Traffic Safety Subgrantee User Guide*.

Each project proposal form page has a link to the applicable eGrants help page that provides further assistance and guidance in completing the page. To view all the eGrants performance report help pages, see eGrants Proposal Help in the eGrants system.

STEP grants are not awarded on a competitive basis and therefore proposers of STEP grants may ask TxDOT TRF-BTS for assistance in completing a proposal.

Technical questions regarding eGrants should be directed to the eGrants help system at eGrantsHelp@txdot.gov.

Section 2: General Traffic Safety Proposals

Introduction

General Traffic Safety Proposals may be submitted by state and local governments, educational institutions and non-profit organizations. Proposals may be submitted for funding consideration under any of the 14 highway safety program areas (see "Highway Safety Program Areas" in Chapter 2, Section 2) for a yearlong (one-year) grant term.

All General Traffic Safety Proposals must include:

- A problem identification (see Chapter 2, Section 3) that includes:
  - A problem statement.
  - Documentation of data.
- A project plan that includes:
  - A problem solution.
  - Objectives, performance measures, and targets.
- A budget (See Section 6 of this chapter) for detailed budget instructions.

Problem Statement

The problem identification process involves obtaining and analyzing historical motor vehicle traffic crash data that is relevant to the problem and proposed project to determine the who, what, when, where, how, and why of an existing problem.

The problem identification description is one of the most important parts of a proposal. It must:

- Contain a clear, concise, and accurate description of a clearly identified traffic safety problem that the project aims to address.

- Be supported by relevant traffic safety data, including:
  - Causes of fatalities, injuries, crashes and property damage, site location (city, county, roadway section, statewide), and target population data.
  - Traffic safety data that is current and specific to Texas/local communities.
  - Other pertinent data, such as safety belt use, which may be included or substituted for crash data.
  - Data that is sourced correctly for traffic safety purposes.

  NOTE: Data must show an over-representation, or data represented in excessive or disproportionately large numbers. For state projects, state data should be

compared to national data. For local projects, local data should be compared to state data.

A strong problem identification description accurately defines the nature and magnitude of the specific problem or problems to be addressed by the proposed project. Causes of fatalities, injuries, crashes and property damage, site location (city, county, roadway section, statewide), and target population data are important information to problem identification.

See Problem Identification and Solution in the eGrants help system for more information and assistance on entering the problem identification and solution into the eGrants proposal form pages.

Project Plan

The Project Plan consists of the following components:

- **Problem Solution:** The proposed solution must briefly describe the scope of work and activities that will be performed to address the stated traffic safety problem or problems. The solution must include methods, countermeasures, and strategies that could reduce problem severity, eliminate the problem, or increase traffic law compliance. The problem solution must also detail the "who-what-when-where-how" in order to assist in project evaluation. See Problem Identification and Solution in the eGrants help system for more information and assistance on entering the problem identification and solution into the eGrants proposal form pages.

- **Objectives, Performance Measures and Targets:** The objective briefly indicates the specific purpose of the project. It tells the reviewer what the proposal plans to achieve if a grant is awarded. Objectives must follow the SMART principle; that is, they must be Specific, Measurable, Action-oriented, Realistic and Time-framed. See the table below for examples of SMART objectives entered in eGrants.

NOTE: Projects may not extend beyond September 30 of the last fiscal year for which they are proposed.

Examples of SMART Objectives Entered in eGrants

	Objective 1	**Objective 2**	**Objective 3**
Action Verb	To conduct…	To train…	To increase…
Target	12	30	92%
Baseline	N/A	N/A	82%
Performance Measures	CPS Checkup Events	Drug Recognition Experts (DREs)	Child Safety Seat Usage
Completion Date	September 30, 2019	September 30, 2019	September 30, 2019

Performance measures and targets provide guidance to determine efficiency and effectiveness of the project and serve as measures of project progress. Each performance measure should be designed as an evaluative mechanism for measuring the project's level of success. Performance targets determine the degree of progress toward achievement of established performance measures and the effect on identified problems. Performance targets are expressed quantitatively (numbers of things) and are monitored and reported throughout the grant or contract period.

See "Objectives and Performance Measures" on the eGrants Proposal Help Page for more information and assistance on entering the problem identification and solution into the eGrants proposal form pages.

The National Highway Traffic Safety Administration (NHTSA) publication *Countermeasures that Work: A Highway Safety Countermeasures Guide for State Highway Offices* , Ninth Edition, 2017, provides a guide to selecting effective science-based traffic countermeasures for major highway safety problem areas. This publication can serve as a source for traffic safety project ideas.

NOTE: Proposals for potential statewide projects in public schools must include a plan for securing permission from superintendents to conduct the project in their schools.

NOTE: Proposals requiring safety seats must include the safety seats in the proposal as a budgeted item, including quantity and budget amount to support the purchase. The estimated value of a child safety seat is $65 per seat. Proposals must include storage, shipping and distribution method(s).

Public Information and Education (PI&E) material is to contain and communicate educational information. These items need to be listed separately in the grant agreement.

- **Educational** - Material that educates and informs an audience, not to generate goodwill or create an incentive behavior. These materials include items such as activity books, coloring books, brochures, posters, flyers, envelope stuffers, etc.

- **Promotional** - Materials that are not allowable and cannot be used as match.

Previously, promotional items were allowable. However, as a result of NHTSA's new guidance ruling, these items are no longer allowed. Please refer to the January 19, 2016 NHTSA Memorandum on the Use of NHTSA Funds to Purchase Items for Distribution for more information.

All PI&E being proposed must be presented in a PI&E objective, complete with activities and target numbers.

See Chapter 5, Section 9, "Public Information and Education," for more information concerning PI&E.

Section 3: STEP Yearlong Proposals

Introduction

Selective Traffic Enforcement Program (STEP) projects reimburse for overtime activities by local law enforcement to reduce crashes by focusing enforcement efforts on high-crash areas called Enforcement Zones. Officers should focus their enforcement efforts on reducing the incidence of speeding, failure to use occupant restraint systems, intersection traffic control violations, driving while intoxicated, and/or driving under the influence of alcohol by a minor, and enforcement of state and local ordinances on cellular and texting devices. Organizations eligible for STEP funds include the Texas Department of Public Safety (TxDPS), sheriff's offices, constable's offices, local police departments, and inter-governmental coordination entities, e.g. Councils of Government (COGs). STEP projects may only be proposed for a single year (yearlong) grant term.

All STEP yearlong proposals must include:

- A problem identification, (see Chapter 2, Section 3).

- A project plan, including objectives, performance measures and targets.

- An operational plan.

- A budget (See Section 6 of this Chapter for detailed budget instructions).

Eligibility

All jurisdictions are eligible for yearlong STEP grants regardless of population. Potential subgrantees choose the type of STEP grant they are interested in by completing the Program Element Selection Page (under the View, Edit and Complete Forms menu) in the project proposal.

For more information on completing the Program Element Selection Page and assistance on choosing the type of STEP grant and entering the information into the eGrants proposal form page, see " [Program Element Selection"](#) in the eGrants help system.

NOTE: Law enforcement agencies can apply for both STEP-Comprehensive (STEP-COMP) and STEP Commercial Motor Vehicle (STEP-CMV) grants.

STEP - Commercial Motor Vehicle (CMV) Proposals

Proposals for yearlong STEP Commercial Motor Vehicle (CMV) projects must include enforcement of **all** of the following components:

- Speed.

- Occupant Protection.

- Hazardous Moving Violations.

The objective of CMV campaigns is to reduce CMV crashes, injuries, and fatalities involving vehicles with a body type of "Semi-Trailer" or "Truck Tractor."

Texas Transportation Code, Section 522.003(5), defines a **Commercial Motor Vehicle** as a motor vehicle or combination of motor vehicles used to transport passengers or property that:

- Has a gross combination weight rating of 26,001 or more pounds, including a towed unit with a gross vehicle weight of more than 10,000 pounds.

- Has a gross vehicle weight rating of 26,001 or more pounds.

- Is designed to transport 16 or more passengers, including the driver.

- Is transporting hazardous materials and is required to be placarded under 9 C.F.R. Part 172, Subpart F.

```
 Agencies must document and report the numbers of such warnings,
citations and arrests made on STEP time to TxDOT at the end of
each month or enforcement period, but there will be no target
numbers established for each individual element. Agencies will be
considered to be in compliance with TxDOT performance expectations
as long as they maintain an average of one CMV stop or more during
each hour of STEP-CMV enforcement.
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NOTE: Law enforcement agencies that propose a yearlong STEP project may also apply for a STEP CMV project; however, a CMV project must be submitted as a separate proposal.

Problem Identification

Baseline information must be provided by the subgrantee in order to identify local traffic enforcement related activity. A baseline is a number serving as a foundation for subgrantees to measure pre-grant traffic enforcement activity. This information should exclude any activity generated with STEP grant dollars. Once the baseline is established, these figures will be used to compare with the subsequent year's grant traffic enforcement activity.

A baseline number is for the most current 12 months (or comparable time period) of complete data, excluding any activity generated with STEP grant dollars. Potential subgrantees should always provide the most recent certified local data available for baseline information. For example, if the most recent data available for a first-year project is through May 2019, then the baseline year would be June 2018 through May 2019.

See Baseline Information in the eGrants help system for more information and assistance on entering the problem identification into the eGrants proposal form pages.

Project Plan

The Project Plan requires each city/county to enter the KA crash data provided for their jurisdiction in the RFP document. Agencies not appearing on the budget document can request that information from their TSS. Each STEP proposal must show realistic enforcement numbers and that the enforcement hours match the proposed budget.

See "Objectives and Performance Measures" on the eGrants Proposal Help Page for more information and assistance on entering the problem solution into the eGrants proposal form pages.

STEP Indicator

Officers conducting enforcement on a STEP-COMP grant will make enforcement of Impaired Driving, Occupant Protection, Speed, Intersection Traffic Control, and Distracted Driving their top priority during enforcement, although any traffic-related probable cause may be used to initiate a vehicle stop.

In order for a vehicle stop to be counted as part of the agency's grant performance, the vehicle stop must be initiated for infractions witnessed inside of, or in route to an established Enforcement Zone.

For purposes of documentation, each officer's Daily Activity Report (DAR) should reflect the Enforcement Zone in which the stop was made, the time and specific location of the stop (i.e. 4800 block of South Broadway), and at what time individual car stops were made.

The officer should run the offender's driver license for warrants, run the vehicle registration for its history, and must document taking one of the following three actions:

- Issuing a written warning.

- Issuing a citation.

- Making an arrest.

Agencies will still document and report the numbers of such warnings, citations and arrests made on STEP time to TxDOT at the end of each month or enforcement period, but there will be no target numbers established for each individual element. Agencies will be considered to be in compliance with TxDOT performance expectations as long as they maintain an average of 2.5 vehicle stops or more during each hour of STEP-COMP enforcement.

Public Information and Education (PI&E) Activities

Law enforcement agencies are required to provide Public Information & Education (PI&E) activities, including the distribution of PI&E materials, throughout the project. Salaries being claimed for PI&E activities must be included in the budget. See Proposal Help for Salaries and Fringe Benefits (100 & 200) information. Minimum numbers of PI&E activities for a yearlong STEP are indicated below:

- Presentations required: - 5.

- Media Exposures required - 5.

- Community Events required - 2.

See PI&E Objective/Performance Measure in the eGrants help system for more information and assistance on entering the problem solution into the eGrants proposal form pages.

Operational Plan

The goal of the Operational Plan is to assist law enforcement agencies in defining roadways and locations where enforcement efforts will be concentrated when working on a STEP yearlong project.

Potential subgrantees proposing a STEP yearlong project must complete the Operational Plan, located on the Operational Plan page of the proposal. For assistance in completing the Operational Plan, see Operational Plan Instructions located on the eGrants Help Page.

Any modification made to the Operational Plan after the grant is executed does not require an amendment to the grant agreement. However, the subgrantee must follow the Operational Plan modification procedures found in "Supplemental Approvals" before any enforcement is conducted in the related sites.

The Operational Plan is located under "Supplemental Approvals," and can be found under "Examine Related Items" (beneath "All Submitted and/or Approved RFRs"). To submit an amended Operational Plan, follow the steps outlined below.

1. Select "Create New" under "Supplemental."

2. Select "I Agree," when prompted "Are you sure you want to create a Supplemental Report?"

3. Under "View, Edit, and Complete Forms," choose "Operational Plan."

4. Follow the instructions and complete the Operational Plan form and enter "Save."

5. Complete the checklist request process by changing the status of the form (found under "Change the Status") to "SR Submitted."

Once the status of the request has been changed to "SR Submitted," the request will be electronically forwarded to the appropriate Project Manager for review. Once the Operational Plan has been approved, the requesting agency will be notified and then will be able to conduct enforcement in the modified sites.

Maximum Funding Amounts for Yearlong STEP Proposals

A maximum funding amount has been established for STEP proposals using a three-year rolling average of fatal and incapacitating -injury crash (KA) crash data as reported to the state's CRIS

database. Maximum funding amounts are posted along with the agency's average crash numbers in the RFP document.

Section 4: Additional STEP Requirements

Grant Agreement General Terms and Conditions

The Grant Agreement General Terms and Conditions will be included in all grant agreements. It provides the terms and conditions governing the grant and certifies that a subgrantee will comply with the applicable regulations, policies, guidelines, and requirements, including 2 C.F.R. Part 200 (Uniform Guidance), as they relate to the application, acceptance, and use of federal or state funds for the project. This attachment further explains other federal and state acts and laws that a subgrantee must adhere to with the awarding of federal and state moneys for grant expenditure.

Potential subgrantees completing a proposal must certify that they agree to the terms and conditions, as well as the responsibilities of the subgrantee, by completing the Terms, Conditions, and Responsibilities Proposal Page in eGrants.

NOTE: Potential subgrantees are required to become familiar with the contents of the Grant Agreement General Terms and Conditions, because failure to do so will not excuse nonperformance or noncompliance once a grant has been awarded.

See the [Texas Behavioral Traffic Safety Program Grant Agreement General Terms and Conditions](#) to obtain more information on general terms and conditions for STEP grant agreements.

STEP Operating Policies and Procedures

All STEP agencies must either have established written Selective Traffic Enforcement Program (STEP) operating policies and procedures, or will develop written policies and procedures before STEP grants can be executed. Each STEP agency will certify that it has, or will, develop such procedures during the proposal process in eGrants. If an agency is selected for a grant award, a copy of the agency's written policies and procedures must be submitted with the executed grant. Local policies and procedures must include at a minimum:

- A description of which position serves as a STEP project director and a list of their main responsibilities.

- A description of how the agency selects individuals to work a STEP shift.

- A description of how prior approval is obtained for an individual authorized to work a STEP shift.

- A list of any restrictions imposed on working STEP, such as limitations on the number of hours an officer can work per shift, etc.

- A description on how the agency determines an individual's overtime status before working a STEP.

- A description of how the agency supervises officers working STEP shifts.

- A description of how an individual's time worked on a STEP shift is documented.

- A description of the paperwork required after the STEP shift ends (e.g., time sheets, overtime cards, STEP daily activity reports, citations, etc.).

- A description of the process supervisors use to approve and document the hours worked.

- A description of the process used to oversee the agency's performance toward meeting the grant's performance measures/target numbers.

TRF-BTS staff will compile a list of agencies that have indicated they will develop these policies (after the proposal process, but before grant execution) and have each of these agencies submit a copy of the agency's written policies and procedures for review. TRF-BTS will determine if the written policies and procedures are acceptable and contain the minimum requirements.

Responsibilities of the Subgrantee

The responsibilities of the subgrantee are included below to encourage potential STEP subgrantees to become familiar with the requirements that they will be held responsible for once a grant is awarded. Familiarity with these requirements will also assist potential subgrantees in submitting successful proposals. The responsibilities of the subgrantee for a STEP program are to:

- Carry out all performance measures established in the grant, including fulfilling the law enforcement objectives by implementing the Operational Plan contained in the Grant Agreement.

- Submit all required reports to TxDOT fully completed with the most current information and within the required time frames as defined in Article 3 and Article 7 of the [Grant Agreement General Terms and Conditions]. This includes reporting to TxDOT on progress, achievements, and problems in monthly performance reports and attaching necessary source documentation to support all costs claimed in Requests for Reimbursement (RFRs).

- Attend TxDOT-approved training.

- Attend meetings according to the following:

  ○ The Department will arrange for meetings with the subgrantee to present the status of activities and to discuss problems and the schedule for the following quarter's work.

  ○ The Project Director or other appropriate qualified persons will be available to represent the subgrantee at meetings requested by the Department, including on-site monitoring visits when required.

NOTE: For out-of-state travel expenses to be reimbursable, the subgrantee must have obtained the approval of TxDOT, through eGrants, prior to the beginning of the trip. Grant approval does not satisfy this requirement. Please see "Travel for Subgrantees" in Chapter 5, Section 10, for information on obtaining out-of-state travel approvals.

- Maintain verification that all expenses, including wages or salaries for which reimbursement is requested, is for work exclusively related to the project.

- Ensure that the grant will in no way supplant (replace) funds from other sources. Supplanting refers to the use of federal funds to support personnel or any activity already supported by local or state funds.

- Ensure that each officer working on the STEP project will complete an officer's daily activity report form. The form should include at a minimum: name, date, badge or identification number, type of grant worked, grant site number, mileage (including starting and ending mileage), hours worked, type of citations issued or arrests made, and officer and supervisor signatures. See "STEP Tool Box" section on the eGrants Help Page for samples of officers' daily activity reports.

- Ensure that the following language be added to officers' activity reports immediately above the signature lines of the officer and supervisor:

  > "I understand that this information is being submitted to support a claim against a federally-funded grant program. False statements on this form may be prosecutable under 18 U.S.C. §1001. The information on this form is true, correct, and complete to the best of my knowledge and ability."

- Ensure that no officer above the rank of lieutenant (or equivalent title) will be reimbursed for enforcement duty, unless the subgrantee received specific written authorization from TxDOT, through eGrants system messaging, prior to incurring costs. See "Step Rank Authorization Form" later in this section.

In addition to the requirements outlined above, subgrantees must also adhere to the provisions presented below.

- If an officer makes a STEP-related arrest during the shift, but does not complete the arrest before the shift is scheduled to end, the officer can continue working under the grant to complete that arrest. However, if the arrest is not due to a STEP element, the officer only has up to two hours to complete the arrest under the STEP grant.

- The subgrantee should have a safety belt use policy. If the subgrantee does not have a safety belt use policy in place, a policy should be implemented, and a copy maintained for verification during the grant year.

- Officers working DWI enforcement must be trained in National Highway Traffic Safety Administration/International Association of Chiefs of Police Standardized Field Sobriety Testing (SFST). In the case of a first-year subgrantee, the officers must be trained, or scheduled to be SFST trained, by the end of the grant year. For second or subsequent year grants, all officers working DWI enforcement must be SFST trained.

- The subgrantee should have a procedure in place for contacting and using drug recognition experts (DREs) when necessary.

- The subgrantee is encouraged to use the Law Enforcement Advanced DUI/DWI Reporting System (LEADRS) available through the Buckle Up Texas website at BuckleUpTexas.com.

STEP Rank Authorization Form

Some subgrantees may have the need for an employee above the rank of lieutenant to work enforcement in order for the STEP grant to be successful. The subgrantee is responsible for justifying in writing why an employee above the rank of lieutenant should be allowed to work STEP enforcement.

Subgrantees must complete a STEP Rank Authorization Request Form, located on the eGrants Help Page, to request authorization for an employee above the rank of lieutenant to work STEP enforcement. The form must be submitted to the appropriate TxDOT Project Manager for review and approval. Potential subgrantees may submit the STEP Rank Authorization Form as an attachment to their proposal.

Section 5: Other Traffic Safety Grant Awards

STEP - Click It or Ticket (CIOT) Grants

Click It or Ticket (CIOT) is a statewide, high visibility enforcement effort designed to detect violators of safety belt and child safety seat laws. Part of a national mobilization effort to increase safety belt use, CIOT uses a proven combination of highly visible enforcement and intense public awareness campaigns over a two-week blitz period during the Memorial Day holiday period. While the program is statewide, heavy emphasis is focused on the Houston, Dallas, Fort Worth, Arlington, Lubbock, Garland, Austin, San Antonio, Corpus Christi and El Paso metropolitan areas.

The goal of CIOT is to save lives and reduce injuries resulting from motor vehicle crashes. Television, radio, print, and billboard advertising aimed at raising awareness of safety belt laws and the consequences of not buckling up begins in late April and continues through early June.

If selected to participate in the two-week CIOT campaign, law enforcement agencies must conduct the following activities:

- Pre-Media Campaign.

- Enforcement Effort.

- Post-Media Campaign.

To view the appropriate timelines of these CIOT activities, see the STEP Mobilization Calendar, located under "STEP Tool Box" on the eGrants Help Page.

To review the grant procedures for CIOT, see the CIOT Mobilization Instructions located on the eGrants Help Page.

NOTE: CIOT grants require a minimum 20% matching share from the subgrantee.

STEP - Impaired Driving Mobilization (IDM) Grants

Impaired Driving Mobilization (IDM) provides grant money for local law enforcement agencies to conduct driving while intoxicated (DWI) enforcement Waves and increase DWI arrests as part of the statewide "Drink. Drive. Go to Jail" program, held in conjunction with the national Impaired Driving Mobilization (IDM) campaign. IDM grants require a 20% minimum matching share from the subgrantee.

TRF-BTS identifies areas of the state with the highest percentages of alcohol related crashes and then invites law enforcement agencies in these areas to participate in the IDM. These projects conduct quarterly enforcement mobilizations during the following holiday periods:

- Christmas/New Years.

- Spring Break.

- Independence Day.

- Labor Day (in conjunction with the National Impaired Driving Crackdown).

If selected to participate in the IDM campaign, law enforcement agencies must conduct the following activities:

- Pre-Media Campaign.

- Enforcement Effort.

- Post-Media Campaign.

To view the appropriate timelines on these IDM activities, see the STEP Mobilization Calendar, located under "STEP Tool Box" on the eGrants Help Page.

To review the grant procedures for IDM, see the Impaired Driving Mobilization Instructions located on the eGrants Help Page.

Project Celebration Mini-Grants

Project Celebration mini-grants are state-funded grants to approximately 600 high schools to assist in sponsoring alcohol-free events around prom and graduation time.

To review the grant procedures for Project Celebration, see the Project Celebration Instructions on the eGrants Help Page.

For more information on Project Celebration mini-grants, TRF-BTS has created a *Teen Project Celebration Guidebook* available on the Project Celebration web page on the TxDOT website.

Target-of-Opportunity Projects

TRF-BTS may recommend unanticipated or "target-of-opportunity" projects at any time. Such projects will require an amendment to the State Highway Safety Plan (HSP).

Disadvantaged Business Enterprises and Historically Underutilized Businesses

When possible, the Texas Behavioral Traffic Safety Program will seek Disadvantaged Business Enterprise (DBE) and Historically Underutilized Business (HUB) participation through contracts and subcontracts for the purchase of goods or services. This is one of the reasons that the call for traffic safety project proposals is published annually in the *Texas Register*.

Section 6: Budget

Overview

This section explains some of the considerations and requirements involved in preparing a proposal budget for Texas Behavioral Traffic Safety Program grants.

Allowable Costs

Allowable costs are defined by the Office of Management and Budget (OMB) through established cost principles outlined in 2 C.F.R. Part 200 (Uniform Guidance).

The purpose of the cost principles is to provide a consistent and uniform approach to determining the allowability of costs under federal grant programs. The principles are designed to ensure the local government "bears its fair share" of the costs associated with federal awards. The principles also dictate that organizations employ sound management practices in the administration of federal awards.

To be allowable, all costs must:

- Be necessary, reasonable and allocable to the grant program.

- Comply with limitations of the grant agreement as well as other applicable federal and state laws and regulations.

- Be allocated to the grant on a basis consistent with policies that apply to all activities of the subgrantee.

- Be accounted for on a consistent basis and in accordance with generally accepted accounting principles. The State of Texas and its political subdivisions may follow the standards (statutory modified accrual basis of accounting) as defined in Texas Government Code, Title 10, Subtitle F, Chapter 2262, when other accounting bases conflict with state law.

- Not be allocated or included as a cost or used to meet cost sharing or matching requirements of any other federal award in either the current or a prior period, except where federal law or regulation permits.

- Be adequately documented. Documentation required may include, but is not limited to, travel records, time sheets, invoices, contracts, mileage records, billing records, telephone bills, and other documentation that verifies the expenditure amount and appropriateness of the grant.

The laws and regulations of the State of Texas and TxDOT policy also govern the Traffic Safety Program.

Policy or legislation provided by the National Highway Traffic Safety Administration (NHTSA) contains cost restrictions in addition to 2 C.F.R Part 200 (Uniform Guidance) and state laws and regulations. For example, the NHTSA Highway Safety Grant Program Resources Guide provides

special rules regarding the use of federal NHTSA/Federal Highway Administration (FHWA) field-administered grants.

Buy America Act

The Buy America Act, 23 U.S.C. §313, prohibits states from using highway grant funds under 23 U.S.C. Chapter 4 to purchase products unless they are produced in the United States. This prohibition applies to steel, iron and all manufactured products, unless the Secretary of Transportation has determined that it is appropriate to waive the Buy America Act requirement. For compliance purposes, "American-made" covers any product that is manufactured or assembled in the United States.

For more information on the Buy America Act, see:

- [NHTSA Buy America Act Guidance](#).
- [NHTSA Buy America Act Guidance, Questions and Answers](#).

Both documents are located on the eGrants Help Page.

Unallowable Costs

In addition to the unallowable costs outlined in the Uniform Guidance, there are some costs that must be authorized in advance or are prohibited under federal, state or local laws or regulations. These costs include, but are not limited to:

- **Advertising.** Only for very special circumstances can federal funds be used to purchase television and radio time for highway safety public service messages. Such expenditures must be approved in advance.

- **Supplanting.** Federal funds cannot supplant (replace) funds from any other sources. The term "supplanting," as used in federal acts and guidelines, refers to the use of federal funds to support personnel or an activity already supported by local or state funds. Supplanting is prohibited.

- **Program Income.** Program-generated income can be used as project match as long as this is specifically approved in advance by TxDOT. See Chapter 5, Section 6, "Program Income," for more information.

- **Office Equipment.** Federal highway safety grant funds cannot be used to purchase office furnishings.

- **Other Equipment.** Equipment with a unit acquisition cost of $5,000 or greater is prohibited without prior written approval from TxDOT and NHTSA. See Chapter 5, Section 12, "Property Management," for more information on equipment/office furnishings.

- **Out-of-State Travel.** Out-of-state travel is prohibited without prior written approval from TxDOT. See Chapter 5, Section 10, "Travel for Subgrantees," for more information on travel.

- **Alcoholic Beverages and Food.** Federal traffic safety funds cannot be used to purchase alcoholic beverages or food.

- **Gratuities.** Tips and/or gratuities are unallowable.

- **Cash Prizes/Gift Certificates**. Cash prizes/gift certificates will be considered on an exception basis as allowable costs. TRF-BTS must approve a separate written request detailing special circumstances for their allowances. These authorizations will be considered on a limited basis.

- **Lobbying.** Federal and state grant funds cannot be used for lobbying activities.

- **Promotional Items Exclusively for Subgrantee Staff .** T-shirts, uniforms, polo shirts, caps, etc. cannot be purchased exclusively for subgrantee staff.

NOTE: `Equipment regularly purchased under NHTSA grants may be subject to 2 C.F.R. §200.216, Prohibition on certain telecommunications and video surveillance services and equipment. This provision prohibits purchasing items produced by certain companies. See` [2 C.F.R. §200.216](#) `for more information.`

Project Budget

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

Budget Categories

The approved project budget should be as detailed as appropriate for fiscal control of the project. Generally, the approved project budget will include the following line items:

Budget Category Line Items

Category	Accounting Code	Line Item
Labor Costs	100	Salary and Wages
	200	Fringe Benefits
Other Direct Costs	300	Travel and Per Diem
	400	Equipment
	500	Supplies (postage, printing, office supplies, etc.)
	600	Contractual Services
	700	Other Miscellaneous Costs (specify)

Budget Category Line Items

Category	Accounting Code	Line Item
Indirect or F&A Costs	800	(at specified and approved rate)

The proposed budget must be realistic and reasonable, allowable, and necessary and must include only cost-eligible line items. Potential subgrantees should include as much specific information as possible for all costs included in Salaries (100), Fringe (200), Travel and Per Diem (300), Equipment (400), Supplies (500), Contractual Services (600), Other Miscellaneous (700), and the Indirect Cost Rate (800). Funds that will be used as matching funds by the proposing agency must also be identified.

Potential subgrantees must complete all budget pages in the eGrants Project Proposal that are applicable to the proposed budget. If a budget page is not applicable to a proposed project, then that page should not be completed. For example, if a proposal budget does not include indirect costs, then the Indirect Cost Form Page should not be completed and saved.

See eGrants Proposal Help in the eGrants help system for assistance on entering budget items by budget category.

General Proposal - Salaries and Fringe Benefits (100 & 200)

Potential subgrantees must identify all staff positions by title, position description, salary and the percentage of time each position will be assigned to the project. Any person placed on this line must be an actual employee of the proposing organization, not a contractor, consultant, or volunteer.

Fringe benefit costs are those costs for employment of personnel other than the employee's direct income (e.g., employer's portion of FICA insurance, retirement, sick leave, holiday pay, vacation costs, etc.) that will be paid by the subgrantee.

See Salaries and Fringe Benefits on the eGrants Proposal Help Page for information on entering these costs into the eGrants General Salaries and Fringe Benefits Proposal Form Page.

STEP Proposal – STEP Overtime Rate and Salaries and Fringe Benefits (100 & 200)

The majority of projects involving increased enforcement of traffic laws rely on the payment of overtime hours for patrol officers. The overtime pay rate for officers is based on the actual cost per employee in accordance with the subgrantee's policy for payroll and salary rate. Therefore, law enforcement agencies submitting proposals for Selective Traffic Enforcement Program (STEP) grants should enter the total number of planned hours and an average overtime salary for officers/ deputies that will work the grant. For administrative duties, enter the position title and the position description in the budget.

When a project includes overtime salary or wages, traffic safety funds can pay for the additional cost of fringe benefits directly associated with the overtime hours not covered by the employee's basic benefit package (an example of an eligible fringe benefit cost associated with overtime would

be an employer's contribution to a retirement plan). The costs of fringe benefits are allowable to the extent that the benefits are reasonable and are required by law, employee agreement, or an established policy. If paid by the subgrantee on overtime grants, fringe benefits can also be used as local matches. Fringe benefits are defined as allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages.

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

STEP Salary Budget Limitations

It is the intention to maximize the enforcement activity in the STEP grants by including the maximum amount of funds in (100) Salaries, A, Enforcement (overtime). With this in mind, the subgrantee must develop their budget within the following levels:

- The TxDOT amount of Public Information and Education (PI&E) activities (overtime), under (100) Salaries, B, must not exceed ten percent (10%) of the total TxDOT salaries budgeted under (100).

- The TxDOT amount of Other (e.g., overtime staff, supervisory support, conducting surveys, etc.), under (100) salaries, C, must not exceed ten percent (10%) of the grand total of the TxDOT amount budgeted.

See [Salaries and Fringe Benefits](#) on the eGrants Proposal Help Page for information on entering these costs into the eGrants STEP Salaries and Fringe Benefits Proposal Form Page.

Travel and Per Diem (300)

Organizations with their own established travel-related expenditure rates should use their own rates in the submission of grant related reimbursement requests to the extent that they do not exceed current established State of Texas rates (not TxDOT established rates). All travel-related expenses must be reasonable, necessary and directly related to the grant project.

The maximum reimbursement rate amounts under Texas Behavioral Traffic Safety Program grants for travel-related expenditures are based on the Texas Comptroller of Public Accounts policies for state travel regulations. The most current version of the maximum reimbursement rates for travel expenditures is available on the [General Services Administration Per Diem Rates](#) web page.

Under Category 300, potential subgrantees must include only travel costs for project staff by identifying the number of trips planned, the destination for each trip, the number of travelers, and the estimated cost of each trip. If the potential subgrantee wants to travel through the course of the grant, but the location has not been determined, this should be stated in a budget narrative. Travel and Per Diem for subcontractors and non-grant employees must not be listed under Category 300.

See Travel and Per Diem in the eGrants help system for information on entering travel costs into the eGrants Proposal Travel Form Page.

Travel and Per Diem - STEP Enforcement Mileage (300)

Non-personal vehicle usage (enforcement mileage) will be reimbursed according to the subgrantee's rate, not to exceed the state vehicle mileage rate. The subgrantee must provide documentation verifying its average cost per mile to operate patrol or fleet vehicles prior to being reimbursed for vehicle miles traveled. These evidences must be available for audit if requested by state or federal officials.

To assist STEP subgrantees in documenting the operational cost per vehicle mileage rate for enforcement vehicles, subgrantees must complete the operational cost-per-mile worksheet located on the enforcement mileage page of the proposal. The worksheet must include actual historical vehicle purchase costs, and maintenance and fuel costs (which can include annual liability insurance costs) for all vehicles identified on the worksheet to adequately establish and substantiate the mileage rate. The documented rate can then be included in Texas traffic safety proposals/grants either for reimbursement (up to the current state rate per mile) or as a match (up to the documented rate per mile).

See Travel and Per Diem: Enforcement Mileage in the eGrants help system for more information on travel requirements.

See Match Guidelines in the General Tool Box section of the eGrants Help Page for further assistance on determining match eligibility and examples of match funding sources.

Equipment (400)

This category should include only those non-expendable, tangible personal property items with a useful life of more than one year, which cost $1,000 or more per item, and are specifically required to carry out traffic safety grant activities. The total cost of equipment includes modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for grant purposes, including tax, shipping, and installation. Subgrantees should enter a description, quantity, and unit acquisition cost for proposed equipment purchases. See Chapter 5, Section 12, "Property Management," for definition of equipment and subgrantee property management responsibilities under the Texas Behavioral Traffic Safety Program.

NOTE: See `2 CFR §200.216`, `Prohibition on certain`
`telecommunications and video surveillance services or`
`equipment. This provision prohibits purchasing items`
`produced by certain companies.`

NOTE: Prior approval must be obtained from TxDOT and NHTSA for any equipment with a unit acquisition cost of $5,000 or more. For information on how to request prior approval for these purchases, see "Procurement Standards," Chapter 5, Section 11.

NOTE: See [Equipment](#) on the eGrants Proposal Help Page for information on entering these costs into the eGrants Equipment Page.

Supplies (500)

Reasonable costs for the purchase of office and other supplies may be allowable when there is a clear association between the purchase and the corresponding benefit to the highway safety project. Large volume supply purchases made at or near the end of the project may be disallowed for reimbursement. Supplies purchased for the project must be kept separately and will be inventoried during on-site monitoring visits.

See [Supplies](#) in the eGrants help system for information on entering supply costs into the eGrants Proposal Supplies Form Page.

Contractual Services (600)

Contractual services are services of an individual, organization, firm or agency engaged in performing special services pertinent to traffic safety. All subgrantees awarding subcontracts shall comply with the terms and conditions of Sections 200.318 - 200.326 of the Uniform Guidance (2 C.F.R. Part 200).

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

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

> "A subcontract in excess of $25,000 may not be executed by the subgrantee without prior written concurrence by TxDOT. Subcontracts in excess of $25,000 shall contain all required provisions of the Grant Agreement Terms and Conditions. No subcontract will relieve the subgrantee of their responsibilities under the grant agreement."

All subcontracts must be entered into eGrants upon execution, with the exception that subcontracts in excess of $25,000 must obtain prior concurrence from TxDOT before execution. Subcontracts can be added to eGrants through "Supplemental Report," and can be found under "Examine Related Items" (beneath all submitted and/or approved RFRs). To submit an executed subcontract, or to request prior concurrence for a subcontract expected to exceed $25,000, follow the steps outlined below:

1. Select "Create New" under "Supplemental."

2. Select "I Agree," when prompted "Are you sure you want to create a Supplemental Report?"

3. Under "View, Edit and Complete Forms," choose "Subcontract."

4. Follow the instructions and complete the subcontract form and enter "Save."

5. Complete the checklist request process by changing the status of the form (found under "Change the Status") to "SR Submitted."

TRF-BTS shall periodically monitor all subgrantee contracts and professional service agreements to verify compliance with the established state and/or local procurement procedures.

See Chapter 5, Section 11, "Procurement Standards," for more information on subcontracts.

See Contractual Services in the eGrants help system for information on entering these costs into the eGrants Proposal Form Page.

Other Miscellaneous (700)

Other miscellaneous costs include the cost of planned production of PI&E materials (See Chapter 5, Section 9) and any other miscellaneous costs, such as volunteer hours that cannot be included in the other budget categories. Potential subgrantees must only request miscellaneous costs which are necessary to fulfill the problem solution of the grant agreement, are deemed necessary, reasonable and allocable to the traffic safety grant program, and comply with applicable federal and state laws and regulations.

See Other Miscellaneous in the eGrants help system for information on entering proposed costs into the eGrants Proposal Form Page.

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Examples of other miscellaneous costs include:
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- Internet services

- Cell phone services

- Copier leases

- Storage units.

Indirect Costs (800)

To claim indirect costs, the proposing agency must have an approved indirect cost rate and the indirect cost rate documentation must be attached. All indirect cost rates are subject to negotiation. See "Indirect Costs (Facilities and Administrative Costs)" later in this section.

For information on entering proposed costs into the eGrants Proposal Form Page, see Indirect Cost in the eGrants help system.

Reimbursement

Proposals selected for inclusion in the HSP become cost reimbursable grant-in-aid agreements. Federal guidelines prohibit payment or reimbursement before costs have been incurred. Reimbursement may only be made for costs incurred during the grant or contract period. Federal policy also requires that all contract and grant agreements include a maximum amount eligible for reimbursement. This maximum amount is the grant reimbursable amount and is TxDOT's share of the estimated project cost. Since highway traffic safety grants and contracts are on a cost-reimbursement basis, no capital advances are allowed, and the method of payment is a negotiated item, within federal guideline constraints.

Method of Payment

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

Actual Cost - Actual cost agreements authorize TxDOT to reimburse the subgrantee for all costs incurred under the project, subject to cost principles included in 2 C.F.R. Part 225 (formerly OMB Circular A-87, *Cost Principles for State and Local Governments*). Traffic safety grants are limited to amounts and items authorized in the project budget. Adjustments between cost categories within the budget of up to five percent of the total reimbursable budget are allowed without requiring an amendment.

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

EXAMPLE:

- $100 per person trained.

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

EXAMPLES:

- Salary: $50 per hour.

- current state rates.

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

Profit Prohibited

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

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

Allowable Matching (Cost Sharing)

Any project support can be in the form of cash or in-kind contributions, which generally consists of the value of services, supplies, and non-expendable personal property. This may also include program income, as long as this is specifically approved in advance by TxDOT (See Chapter 5, Section 6).

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

Concerning allowable matching (cost sharing), the Uniform Guidance, §200.306, "Cost Sharing or Matching," states that matching (cost sharing) requirements may be satisfied by the following:

- "Allowable costs incurred by the subgrantee...under the...agreement..." (For example, the purchase of land or office furniture is not allowable; therefore, the purchase price of these items cannot be considered as a matching cost.)

- "The value of third-party in-kind contributions applicable to the period to which the cost sharing or matching applies."

- Volunteer services furnished by third-party professional and technical personnel, consultants, and other skilled and unskilled labor may be counted as cost sharing or matching if the service is an integral and necessary part of an approved project or program. Rates for third-party volunteer services must be consistent with those paid for similar work by the non-federal entity. In those instances in which the required skills are not found in the non-federal entity, rates must be consistent with those paid for similar work in the labor market in which the non-federal entity competes for the kind of services involved. In either case, paid fringe benefits that are reasonable, necessary, allocable, and otherwise allowable may be included in the valuation.

Criteria for determining the acceptability of cash and in-kind contributions is established in 2 C.F.R. §200.306 of the Uniform Guidance. These criteria require the in-kind match to be:

- Verifiable from the subgrantee's records (See "Documenting Matching Costs" below).

- Not included as contributions for any other federally-assisted program.

- Necessary and reasonable for proper and efficient accomplishment of program objectives.

- Charges that would be allowable under the applicable cost circulars.

- Charges that are not paid by the federal government under another award, except where authorized by federal statute to be used for cost sharing or matching.

- Charges that are provided for in the approved budget when required by the federal agency.

Examples of Matching Costs

Examples of what might be considered as matching costs include:

- Allowable costs that are reimbursed by the subgrantee, such as:
  - Indirect costs, as supported by an approved indirect cost rate.
  - Donated staff time.
  - Vehicle use.

- Third-party in-kind contributions, such as:
  - Volunteer time.
  - Donated car safety seats.
  - Public service space or time.

Valuation of Donated Services

Volunteer Services. Unpaid services provided by volunteers for a subgrantee will be valued at rates consistent with those ordinarily paid for similar work in the subgrantee's organization. If the subgrantee does not have employees performing similar work, the rates will be consistent with those ordinarily paid by other employers for similar work in the same labor market.

Employees of Other Organizations. When an employee of an organization other than a subgrantee furnishes services free of charge in the employee's normal line of work, the services will be valued at the employee's regular rate of pay, exclusive of the employee's fringe benefits and overhead costs. However, if an employee is federally-funded, their donated services cannot be used as a source of match to traffic safety grants.

For example, if a local doctor helps stuff envelopes announcing a car safety seat check-up, that time spent would be estimated at local hourly clerical rates. However, if the same doctor donates time and medical expertise during a health fair, that time can be estimated at the doctor's going rate.

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

- Child Passenger Safety (CPS) Instructor Technicians.

- CPS Technicians.

- all other volunteers.

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

NOTE: CPS Instructor Technician and Technician rates are based on the National Safe Kids Volunteer Match Rate.

Documenting Matching Costs

Matching costs will be subject to the same financial review procedures as cash expenditures and must be supported with appropriate documentation. To the extent feasible, documentation for matching contributions should be supported by the same methods used by the subgrantee's organization to support all other costs.

Subgrantees and their subcontractors must retain records that clearly support the source, the amount, and the timing of all matching contributions. In addition, if a project has included within its approved budget contributions that exceed the required matching portion, the subgrantee must maintain records of these contributions in the same manner as it does the awarding agency funds and required matching share. The subgrantee has primary responsibility for subcontractor compliance with these requirements.

To adequately document matching costs, documentation should include:

- A description of the goods or services contributed.

- The purpose of the goods or services as related to grant performance.

- The basis for determining value and supporting calculations and documentation.

- Time sheets for volunteer personnel services.

- Any additional documentation necessary to authenticate the transaction.

NOTE: If there is a shortfall in the match provided, the subgrantee will potentially be required to pay back any federal funds because of their match shortage.

See Match Guidelines available on the eGrants Help Page for further assistance on determining match eligibility and examples of match funding sources.

Grant Matching Calculator

Because organizations need to calculate their matching amount for their proposal budgets, and also during the year monitor whether they are coming up with the appropriate matching amounts,

TxDOT has developed a tool to allow organizations to calculate the matching amount at any time. All that needs to be done is to fill in:

- The TxDOT amount that an organization is asking reimbursement for.

- The matching percentage that the organization is required to have or that was agreed to in the executed grant budget.

The calculator will do the rest and provide the TxDOT percentage, the matching amount, and the total grant amount. See the [Grant Matching Calculator](#) located on the eGrants Help Page to open up a simple table for the organization to fill in the required two fields. Despite the fact that an organization will not need it for this calculation, please remember that the matching percentage is of the total grant amount, not of the TxDOT amount.

Cost Allocation

Cost Allocation means the process of assigning to two or more programs the costs of an item shared by the programs. The goal is to ensure that each program bears its fair share, and only its fair share, of the total cost of the item. For purposes of cost allocation in traffic safety subgrantee agencies, cost allocation refers to the allocation of costs to various sources of funding, not to accounting categories.

Cost Allocation Plan means a written account of the methods used by the grantee agency to allocate costs to its various funding sources.

Costs incurred for a common or joint purpose benefiting more than one cost objective could be classified as an indirect cost if a subgrantee has an approved indirect cost rate. If no indirect cost rate exists, then a cost allocation plan can be used to allocate costs to its various funding sources.

NHTSA's Highway Safety Grant Funding Guidance, Part II, E., "Proportionate Funding," states:

> "For all activities and equipment to be funded which have components both related and unrelated to a highway safety grant, the federal share is based proportionately on the projected utilization for the federal (NHTSA) grant purposes."

This requirement to share (allocate) the costs of shared resources can be met by using logical and rational methods to ensure that each program is paying only its fair share of the cost of an item used in common, and that no program is subsidizing another. Generally, the methods used to allocate a shared cost should be the simplest, most straightforward way of allocating this type of cost fairly. Complex, highly detailed methods should be avoided when a simple one will achieve the objective.

The nature and use of each cost item determines the most suitable measure for that item and the best scheme for the allocation of costs. Taking an approach such as "Highway Safety has the largest budget, so Highway Safety should pay the largest share of costs" is not acceptable. The Highway Safety Program's share of an agency budget is determined by the allowable and reasonable cost of providing highway safety services as reflected in the cost allocation plan, not by the quantity of highway safety dollars going into the agency's total budget.

Methods, rules or formulas that use percentages or fractions of cost items are acceptable. For example, a method of allocating staff costs could be as simple as a statement of the percentage of time attributable to a funding source. If an individual spends half of the day on Traffic Safety activities, another 25 percent on activities supported by funding source A and 25 percent on activities supported by funding source B, then the cost allocation rule is 50 percent to Traffic Safety, 25 percent to funding source A and 25 percent to funding source B. These percentages may then be applied to all relevant personnel costs for that individual (or group of individuals) for a budget period. Minute-by-minute, hour-by-hour allocation is not required, but there must be a way to reasonably establish the basis for the allocation rule, such as agency or classroom schedules or prior year reports.

EXAMPLES:

Allocation based on usage. The cost of office supplies allocated based on the quantity used on each project:

- A Traffic Safety subgrantee uses five boxes of toner per month on its Traffic Safety grant and seven boxes of the same toner per month on another funding source, Project B. The department orders 12 boxes of toner per month at $37.99 per box (including tax and shipping). The total cost is $455.88. Traffic safety should be charged $189.95 ($37.99/box x 5 boxes) and Project B should be charged $263.93 ($37.99/box x 7 boxes).

Allocation based on number of hours. The cost of computer software allocated based on the number of hours logged for each project:

- A Traffic Safety assistant uses the same software program for two projects. The assistant is given an individual sign-on name for each of the projects. By signing on with individual user names, the computer is able to keep track of how many hours are spent on each project. The quarterly report indicates 55 hours were spent on Traffic Safety and 305 hours were spent on Project B. This is all of the work that will be done with this program. The software cost $390 total. Traffic Safety should be charged $59.58 (55 hours/360 hours x $390) and Project B should be charged $330.42 (305 hours/360 hours x $390).

Allocation based on percentage effort. The cost of office supplies proportionately allocated based on the percentage of effort charged to each project:

- A Traffic Safety subgrantee spends 70% effort on Traffic Safety and 30% effort on Project B. The Traffic Safety subgrantee uses office supplies totaling $6,000/year on the two projects. Traffic safety should be charged $4,200 (70% of $6,000) and Project B should be charged $1,800 (30% of $6,000).

To carry out the requirement of appropriation law, a cost allocation plan should:

- List the sources of federal and other revenue for the program supported by historical or other data to substantiate the amounts.

- Describe the methods used to determine the allocation of the costs of shared resources to the various funding sources.

Indirect Costs (Facilities and Administrative Costs)

Indirect costs are those that have been incurred for common or joint purposes. These costs benefit more than one cost objective and cannot be readily identified with a particular final cost objective without effort disproportionate to the results achieved. After direct costs have been determined and assigned directly to federal awards and other activities as appropriate, indirect costs are those remaining to be allocated to benefited cost objectives. A cost may not be allocated to a federal award as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been assigned to a federal award as a direct cost.

Indirect costs are normally charged to federal awards by the use of an indirect cost rate. A separate indirect cost rate is usually necessary for each department or agency of the governmental unit claiming indirect costs under federal awards.

For additional information, refer to 2 C.F.R. Part 200.

Allowable indirect costs, as defined in the regulations, shall be reimbursed at a negotiated predetermined fixed rate to agencies that have submitted to TRF-BTS a federally approved Indirect Cost Rate Plan and Approval Letter.

TRF-BTS requires that subgrantees approved by TxDOT to receive indirect costs provide annually a current Indirect Cost Rate Plan from the cognizant agency stating the negotiated Indirect Cost Rate (IDCR). Approved IDCRs are good until amended. If TRF-BTS wishes to reimburse an agency or any other subgrantee, governmental or nonprofit organization which otherwise cannot obtain an IDCR Agreement, it would have to negotiate and/or monitor the subgrantee's plan. If this is the case, TRF-BTS will partner with TxDOT's Compliance Division (CMP) to review the IDCR Agreement and make recommendations for approval. TRF-BTS will then negotiate and approve the IDCR Plan proposed by a subgrantee.

TRF-BTS shall establish annually a list of all subgrantees approved to charge indirect costs through a current IDCR, and monitor the list to determine that all required IDCRs and letters are current and maintained with the TRF-BTS files. TRF-BTS shall ensure that claims received from subgrantees, which include indirect costs, are determined to be charged accurately.

C.F.R. Part 200, Appendix III (formerly OMB Circular A-21, *Cost Principles for Education Institutions*), is the federal regulation that provides additional guidance on IDCRs for universities. Universities are allowed to apply the IDCR to a broader range of costs as specifically identified in the regulation and referred to as "modified total direct costs." The modified total direct costs, referred to as "Facilities and Administration (F&A) Costs," may include all salaries and wages, fringe benefits, materials and supplies, services, travel, and subgrants and subcontracts up to the first $25,000 of each subgrant or subcontract (regardless of the period covered by the subgrant or subcontract). Equipment, capital expenditures, charges for patient care and tuition remission, rental costs, scholarships and fellowships, as well as the portion of each subgrant and subcontract in excess of $25,000, must be **excluded** from modified total direct costs. Other items may only be excluded where necessary to avoid a serious inequity in the distribution of F&A costs.

C.F.R. Part 200, Appendix IV, Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Nonprofit Organizations, uses similar language:

"However, a cost may not be assigned to an award as a direct cost if any other cost incurred for the same purpose, in like circumstance, has been allocated to an award as an indirect cost."

Notes

- If a state/local governmental subgrantee is considering changing a position to direct federal funding, care must be taken to avoid supplanting (the substitution of federal funding for a general cost of government).

- **State Subgrantees**. A state agency may be paid the state's negotiated rate obtained from a cognizant agency as evidenced by a letter on file which is renewed annually.

- **Local and Nonprofit Subgrantees**. Where a local government is not a primary recipient of federal funds, TxDOT will negotiate and/or monitor the subgrantee's IDCR Plan and an annual approval letter approved by a local government containing a certification signed by a government official specifying the year applied. The rate proposal and related documentation must be made available for federal and state audit for four years after final payment and other pending matters are closed, and should be maintained annually in the subgrantee's file. See 2 C.F.R. Part 200, Appendix IV. The rate does not have to be federally approved. TxDOT cannot routinely grant an IDCR to subgrantees. Each subgrantee must have submitted an IDCR Plan for review and acceptance.

- Non-profit agencies must also provide an annual approval letter containing a certification signed by the Board of Directors, a CPA or an Executive Director and specifying the year applied and the rate. Local agencies, universities and contractors that have a negotiated rate by a cognizant agency may be paid that rate.

- TxDOT and the subgrantee may mutually agree to an IDCR lower than that established by the cognizant agency. If any proposing agency has never had a negotiated indirect cost rate by a cognizant agency or TxDOT, the proposing agency may include an indirect cost rate of up to ten percent (10%) of the total amount of federal funds awarded for all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and subawards and subcontracts up to the first $25,000 of each subaward or subcontract. `TxDOT will allow a subgrantee to use the 10% de minimus rate if they do not have a current negotiated rate.`

- The level of risk and exposure should be factors when determining the required oversight.

NOTE: The responsibility does not end after a signed agreement or certificate is placed in the project file. TxDOT must periodically review and monitor subgrantee IDCR plans to provide reasonable assurance that the requirements are being followed. This monitoring should ensure that the plan is current and accurately reflects indirect costs.

Chapter 4: Grant Development and Execution

Contents:

Section 1: Project Scoring

Introduction

Each year, during the project scoring process, scoring teams composed of Texas Department of Transportation (TxDOT) program managers and Traffic Safety Specialists (TSSs) score general traffic safety project proposals according to the criteria described in this section. Selective Traffic Enforcement Program (STEP) proposals are non-competitive and processed through the TxDOT Traffic Safety Electronic Grants Management System (eGrants). Approved proposals are then incorporated into the annual Highway Safety Plan (HSP).

The project selection teams are provided access to all general traffic safety proposals through eGrants. After evaluating the needs of various communities and statewide concerns and determining the quality of traffic safety problem identification, the proposed solution, and the proposed budget, a Traffic Safety Project Proposal Score Sheet is used to score each project against a number of selected criteria that are based on each element of the project proposal. The criteria are the same regardless of geographic coverage (local, multi-county, state, etc.).

The evaluations are conducted on the basis of the threats identified in the problem identification, the reasonableness of the problem solution, and other factors pertinent to the resolution of the identified problem. If a problem and solution are considered worthy of inclusion in the HSP, but the budget is considered inappropriate, the negotiation for project budget development will occur prior to HSP development.

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

Scoring Teams

Scoring teams are comprised of TxDOT Traffic Safety Division - Behavioral Traffic Safety Section (TRF-BTS) program managers, TSSs and other staff. Individuals on a scoring team serve one of the two functions identified below:

Reviewer. Reviewers assigned to a scoring team are responsible for scoring assigned proposals within a designated time period. Proposals can be scored via a computer with internet access that meets the system requirements specified on the eGrants login page. Scoring consists of:

- Adding internal comments to any of the proposal pages (Reviewers do not combine comments on one page, but post comments directly on the page in question.).

- Selecting the appropriate response to score each question.

- Saving the score sheet.

- Notifying the appropriate Team Leader upon completion of their scoring prior to final submission of their scores. A pre-scoring conference call is held with each scoring team.

Team Leader. The Team Leader does not score proposals and is responsible for organizing/ conducting conference calls with their assigned scoring team. A Team Leader's duties consist of:

- Serving as the point of contact for questions from the team and coordinating responses from reviewers during the scoring process.

- Checking the progress of the team during the scoring period.

- Reviewing proposal internal comments submitted by the reviewer to ensure they are grammatically correct and factually appropriate. The Team Leader is not, in any way, to persuade anyone to change their score or opinion about a proposal.

NOTE: All TRF-BTS staff must sign a Texas Behavioral Traffic Safety Program Non-Disclosure & Conflict of Interest Certification Agreement each year at the beginning of the proposal scoring process.

Recommendation

After scoring of all general traffic safety projects is complete, the TRF Planner tabulates the average of all scores and places the projects, along with all STEP projects scored by the eGrants system, on a draft proposed project list for further review and prioritization. Priorities are assigned based on point scores, rankings, past performance grades, and the estimated amount of federal dollars that will be available for the HSP for the coming fiscal year.

Scoring teams indicate the recommended funding for the project and provide a rationale statement if the recommended amount is lower than the amount requested in the proposal. In no case can an amount higher than that requested in the proposal be recommended.

Scoring Criteria

Scoring team members will review and evaluate each general traffic safety proposal for applicability to Texas and community traffic safety problems. Each qualifying project proposal will be scored based on the following criteria:

- Strength of problem identification supported with verifiable, current, and appropriate documentation of the state or local traffic safety problem.

- Quality of the proposed solution plan.

- Realistic objectives, performance measures, targets/goals and activities.

- Cost eligibility.

- Percent of matching funding proposed.

- Reasonable and necessary budget.

TRF-BTS staff will review each STEP proposal to ensure that:

- All information on the required proposal pages is complete and meets minimum acceptable TRF-BTS standards.

- Project target numbers appear reasonable based on the baseline numbers supplied in the proposal.

- Any required attachments have been submitted with the proposal.

- All budgeted items are necessary and reasonable for the project.

- The TxDOT budget amount does not exceed the maximum amount allowable based on the proposing community's population.

TRF-BTS staff reviewing STEP project proposals will add internal comments to any of the proposal pages, if warranted, to assist the Program/Project Manager in project negotiations.

Subgrantee Past Performance Grade Review

The subgrantee's prior performance and grade will be reviewed as a component of the subgrantee's "demonstrated effectiveness" in providing traffic safety projects and will be considered during the awarding of projects. With funding being cut across all federal/state agencies, including the National Highway Traffic Safety Administration (NHTSA), it is especially important that grants be awarded to those agencies that have proven to be capable of carrying out the terms and conditions of their awards and that have made a positive impact to the Traffic Safety Program.

After all proposals are scored, the TRF Planner will check the proposing agency's performance grade for the project's previous grant period. Agency projects that received a grade of A, B, or C will be determined to have provided sound performance in the administration of the grant during the previous grant period.

Agency projects that received a grade of D should not be awarded a grant during the current year's RFP process unless it is determined to be in the best interest of TRF-BTS to do so. In these cases, the agency will be considered a "high risk" subgrantee and will be expected to demonstrate improved performance during the first three months of the grant period.

Agency projects that received a grade of F should not be funded through the current RFP cycle.

NOTE: All **first-year** traffic safety projects will be considered neutral in the grading process and will be viewed as receiving a grade of C the prior year.

Agency project grades for the prior year can also be used in determining grant awards in certain circumstances. For instance, if two proposals competing for a similar project have an identical score (through the TRF RFP scoring process) and funding is limited, the agencies' prior year's performance grades may be used to determine the agency that is to be funded. A grade of A will beat a grade of B, a grade of B will top a grade of C, etc. If the (letter) grades of the agencies are the same, then TRF-BTS staff will view the numerical grade (created by eGrants) to determine the award.

Scoring Sheets

The General Traffic Safety Proposal Score Sheet is located on TxDOT Traffic Safety Request for Proposal (RFP) Page.

Process Overview

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

Grant Process Overview

Step	Action	Responsible Parties
1	Project Negotiation	Subgrantee and Project Manager (see Section 2 of this chapter)
2	Grant Preparation	Subgrantee (see Section 3 of this chapter)
3	Subgrantee Approval	Subgrantee (see Section 4 of this chapter)
4	Review	TRF Project Managers, including TSSs (see Section 5 of this chapter)
5	TxDOT Approval	Districts, TRF, or the Executive Director or his or her designee (see Section 5 of this chapter)
6	Execution	All parties (see Section 6 of this chapter)
7	Amendment (if necessary)	All parties (see Section 7 of this chapter)

Section 2: Project Negotiation Process

Introduction

The TxDOT Traffic Safety Division - Behavioral Traffic Safety Section (TRF-BTS) staff initiates grant agreement negotiations with state agencies and other organizations sponsoring approved projects with statewide impact. TRF-BTS Traffic Safety Specialists (TSSs) negotiate with local governments and other entities to finalize local projects.

TRF-BTS TSSs are assigned as project managers for local projects, and in some cases may be assigned statewide projects, and the TRF-BTS Program Managers are assigned projects under the applicable program areas. Project negotiation, also entitled "Project Modifications" by the Traffic Safety Electronic Grants Management System (eGrants), begins at this time, with project development negotiations.

Negotiation

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

- Problem identification (described in Chapter 2, Section 3).

- Project plan (described in Section 3 of this chapter).

- Performance measures, targets and objectives (described in Chapter 2, Section 5).

- Grant period (definition follows).

- Maximum amount eligible for reimbursement (not to exceed the amount shown on the Approved Project List).

- Budget content (described in Chapter 3, Section 6).

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

Negotiation Guidance

The following are some guiding questions to assist the Project Manager and the subgrantee to ensure adequate resource allocation and to determine if the project objectives, performance measures and goals are workable and achievable as proposed.

- Do the objectives and performance measures directly address the identified problem?

- Are the objectives clearly stated and achievable?

  - Is a completion date indicated for each objective?

  - Is sufficient time allocated to achieve each objective?

- Will performance measures provide adequate evidence of project activity and accomplishment of objectives?

- Are personnel needs accurately identified? For example:

  - If a grant objective requires engineering studies, an engineer must be involved.

  - If an objective involves Public Information and Education (PI&E), does the subgrantee have the resources available to perform and meet the objective? Is the subgrantee aware of TxDOT's traffic safety PI&E policies, and are they able to meet the requirements?

  - If the objective(s) involve law enforcement, are a sufficient number of appropriately trained officers available?

- Have all scoring team internal comments for the proposal been reviewed and addressed?

- Are there other considerations that might affect project performance? If so, are they adequately addressed?

Cost Analysis

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

To review all proposed costs, the Project Manager should:

- Ensure that all necessary costs have been identified in the proposal.

- Review any justifications for the proposed costs.

- Review each proposed cost element for necessity, reasonableness and consistency with the proposal.

- Identify any cost element that requires more explanation or justification and that appears too high or too low.

- Review subcontracts, when they are proposed, using the same steps.

See the following subsections for some guiding questions to assist the Project Manager in conducting a cost analysis of proposed costs to ensure that all budgeted items are deemed to be necessary and reasonable to carry out program objectives.

Salaries and Fringe Benefits

- Are the number of staff and staff hours proposed consistent with operational requirements? If not, are they too high or too low?

- Does the proposal contain a satisfactory rationale for determining the number of positions for each operational area?

- If subcontracted staff is proposed, is it excluded from the proposer's direct staffing? Has the proposing agency submitted a subcontractor's proposal or other data enabling the analysis of subcontractor staff levels and costs?

- Are position levels proposed commensurate with skill levels needed to carry out functions? Are they too high or too low?

- Are the proposed rates consistent with prevailing area rates? If not, can the reasons for the differences be identified and justified?

- Does the proposal break out the components of the fringe benefit package? Does the fringe rate package conform to the proposing agency's policy, and is it made up of usual and reasonable components?

Travel Costs

- Are local travel costs explained in the proposal? Are destinations, frequency, and distances identified? Are they necessary and reasonable?

- Is the mileage rate for local travel consistent with the proposing agency's policies as well as TxDOT's travel policies?

- Are out-of-town trips fully identified and justified in the proposal? Are they necessary and reasonable?

- Are airfare, hotel and lodging costs consistent with the proposing agency and TxDOT policy?

Equipment and Supplies

- Will any special equipment be needed? If so, will it be available for project implementation?

- Does the proposal for equipment and office supplies provide an explanation for the budgeted items? Does the proposal describe the basis for its proposed unit costs? Is it historical or based on current price quotes?

- Are the estimated quantity and/or unit prices reasonable and are the items necessary to fulfill project objectives?

Other Costs

- Are proposed PI&E purchases necessary, reasonable and consistent with the proposal to carry out program objectives?

- Where indirect costs are proposed, has the agency attached to the proposal an approved indirect cost rate or cost allocation plan? Are there costs included in the indirect rate that could be charged directly elsewhere in the proposal? If there is doubt, has the agency been requested

to demonstrate how it allocated these costs and how it segregated direct from indirect costs? Does the approved rate cover the period of proposal and grant?

- Does the subgrantee have a method of allocating costs which reflects the relative degree of benefit for all programs sharing the allocated cost (described in Chapter 3, Section 6)?

- Where printing or copying of materials is proposed, does the proposing agency present any explanation and justification of the nature and quantity of materials to be printed or photocopied?

- Are facility costs reasonable given the location of the facility and its proposed use? Are the costs of utilities and maintenance of the space broken out separately? If so, are these costs already included in the lease payment that the proposing agency will make and which it is already charging to the grant for the apportioned share of the space?

- Are telephone, postage and insurance costs adequately identified in the proposal? Are they necessary, reasonable and consistent with the proposal's problem solution?

Modification Process

If a proposal requires modifications, the Project Manager assigned to the proposal will initiate the modification process. Proposal issues to be negotiated or modified arise from the internal comments from the individual members of the proposal scoring teams and from the Project Manager if they did not score the proposal. The Project Manager reviews all internal comments and determines the applicability of the comments for proposal modification. A due date is established each year to submit modifications.

If proposal modifications are necessary, the modification process is as follows:

1. The Project Manager sets the proposal to "Modifications in Process."

2. The potential subgrantee logs into eGrants and accesses their proposal.

3. If the potential subgrantee agrees to suggested changes, they access the proposal pages and make the necessary modifications and submit the changes to TxDOT by choosing "Proposal Modifications Submitted," and clicking the "Change Status" button under the "Change the Status" section of the Proposal Menu.

4. If the potential subgrantee does not agree to suggested changes, they can withdraw their proposal by choosing "Proposal Withdrawn," and clicking the "Change Status" button under the "Change the Status" section of Proposal Menu.

5. The proposals that are ready are pushed forward to "Approved" status and then to generate grant agreements. The proposals that still need modifications are not pushed forward until necessary changes are made.

Process Overview

An overview of the eGrants proposal process can be found in the [eGrants Proposal Process Workflow](#).

Section 3: Grant Agreement

Introduction

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

Grant Agreement Purpose

The purposes for developing formal grant agreements are to:

- Produce a clearly defined problem statement.

- Produce a clearly specified work statement.

- Clearly define respective roles and responsibilities.

- Achieve understanding among all parties.

- Reach consensus.

- Ensure accountability.

Grant Agreement

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

Traffic safety grant agreements and amendments are executed by the Traffic Safety Division (TRF) Director, who may delegate according to TxDOT policy. The TRF-BTS Director can also approve a grant agreement of any dollar amount in the absence of the Deputy Division Director and Division Director.

Grant Period

The grant period is the time during which the subgrantee may incur reimbursable costs to carry out the project. The grant period should be long enough to allow the project to be completed. Traffic safety grant agreements are usually executed on October 1 (or upon approval, if after October 1) and end on September 30.

NOTE: Project activity begins and costs can be incurred on the effective day of the grant.

Currently, the annual Traffic Safety Program Request for Proposals (RFP) is for a yearlong (one-year) grant agreement.

Grant Agreement General Terms and Conditions

The Grant Agreement General Terms and Conditions will be included in all grant agreements. It provides the terms and conditions governing the grant and certifies that a subgrantee will comply with the applicable regulations, policies, guidelines, and requirements contained in 2 C.F.R. Part 200 (Uniform Guidance), as they relate to the application, acceptance, and use of federal or state funds for the project. The General Terms and Conditions further explain other federal and state acts and laws that a subgrantee must adhere to with the awarding of federal and state moneys for grant expenditure.

NOTE: Potential subgrantees are required to become familiar with the contents of the Grant Agreement General Terms and Conditions, because failure to do so will not excuse nonperformance or noncompliance once a grant has been awarded.

Click on the following link to view the [Grant Agreement General Terms and Conditions](#).

Reimbursement

Reimbursement will be made only for costs incurred during the grant period. The incurrence of costs depends on the accounting system used.

When Costs Are Incurred

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

Legal Authority

For local grants, the agreement must be made with the unit of local government or political subdivision of the state, not with an operating division or function of the local governmental unit or political subdivision of the state. Likewise, for statewide grants, the agreement is made with the parent agency, not a bureau or division. Please ensure that the organization, when entered into the Traffic Safety Electronic Grant Management System (eGrants), adheres to the following examples.

Local Grants

Incorrect	Correct
Austin Police Department	The City of Austin

Local Grants

Incorrect	Correct
County Health Department	Travis County
Statewide Grants	
Incorrect	Correct
Emergency Medical Services Division	Texas Department of State Health Services
DPS Highway Patrol Division	Texas Department of Public Safety

Attachments

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

Electronic Signatures

TRF-BTS created an electronic signature format to allow subgrantees to sign grant agreements, amendments, etc. electronically. `All grants are processed by electronic signature.` Electronic Signature Instructions can be found on the eGrants Help Page.

Process Overview

An overview of the eGrants proposal process can be found in the eGrants Proposal Process Workflow.

Section 4: Subgrantee Approval

Introduction

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

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

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

Local Resolutions and Ordinances

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

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

The authorizing resolution or ordinance must be retained by the subgrantee in order to verify the authority of the local government to enter into the agreement.

Section 5: TxDOT Approval

TxDOT Review

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

- Is legal and payable.

- Includes all required and applicable provisions.

- Complies with all applicable federal, state, and TxDOT regulations and laws.

- Has received federal approval when such approval is required.

- Has been budgeted with available funds.

- Is authorized for funding by the Texas Transportation Commission as part of the Highway Safety Plan (HSP).

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

NOTE: `If the prospective subgrantee is a first-time`
`subgrantee to be provided traffic safety funding, it`
`may be necessary to request a pre-negotiation or pre-`
`award review in accordance with 2 C.F.R. Part 200.`

When Problems Are Found

If the district or the Traffic Safety Division (TRF) detects problems with a grant agreement, the agreement is returned for resolution of the problems before signing.

Changes During Review and Approval

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

TxDOT Signature Authority

For information on TxDOT signature authority, see Chapter 1, Section 6, of this manual. Also, [Chapter 2 of the TxDOT Legal Manual](#) describes signature authority for the Texas Behavioral Traffic Safety Program. (Note: The *Legal Manual* is accessible online only through the TxDOT network).

Originals

For paper executed grants (prior to 2018), one original agreement document is prepared and is kept in the TxDOT file of record. For electronically executed grants, the agreement can be found in eGrants.

Section 6: Grant Execution

Effective Date

Yearlong traffic safety grant agreements are effective on October 1 (or upon approval, if after October 1). Effective dates of other types of grants may vary according to the nature of the grant. Project activity can begin and costs can be incurred on the day of grant execution.

Grant Delivery Meeting

On the effective date, or within 30 days from the effective date, the Project Manager will schedule a grant delivery meeting with the subgrantee to review and discuss the terms of the agreement. `This includes all types of grants (General, STEP Yearlong, Click It or Ticket Mobilization and Impaired Driving Mobilization).`

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

NOTE: `The grant delivery meeting can be conducted in-person or virtually at the discretion of the TxDOT Project Manager.`

Meeting Participants

Subgrantee participants at the grant delivery meeting should include:

- The Project Director.

- The Fiscal Officer and accounting staff persons responsible for preparing the Request for Reimbursement (RFR).

- Subcontractors (when appropriate).

- Other staff that will participate in project activity, especially those who will be responsible for completing reports and preparing RFRs.

TxDOT staff attending may include:

- The Project Manager.

- Fiscal staff.

- Auditors.

Meeting Agenda

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

- What is expected of the subgrantee, including:
    - Preparation and submission of the RFR.
    - Preparation and submission of the Performance Report (including information concerning underruns and overruns).
- What is expected from TxDOT personnel.
- How the project will be monitored.
- What costs will be eligible for reimbursement by TxDOT.
- Documentation required for expenditures.
- Project objectives.
- Evaluation of project results.
- Grant contents.
- Subgrantee and TxDOT responsibilities.
- Traffic Safety Program General Terms and Conditions.
- Audit requirements, records retention.
- Other, as dictated by the nature of the grant.

Points of contact (telephone numbers and email addresses) should be established at the meeting.

Record of Meeting

The Project Manager is required to make a record of the meeting by completing and submitting a Grant Delivery Meeting Report through eGrants.

Steps for submitting a Grant Delivery Meeting Report are outlined below.

1. Select "Create New" under "Subgrantee Monitoring."

2. Select "I agree" when prompted "Are you sure you want to create a monitoring report?"

3. Click on "View, Edit and Complete Forms" and select "Grant Delivery Meeting."

4. Complete and save the form.

5. Change the status of the form by going to the "Change Status" section of the grant menu to "Subgrantee Monitoring Submitted."

Section 7: Grant Agreement Amendment

Introduction

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

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

Some reasons for amending the grant agreement might include:

- Adding or deleting a performance goal.

- Increasing or decreasing the budgeted amount.

- Moving budget cost items from one cost category to another.

- Changing the project beginning or ending date.

- Changing, adding, or deleting listed objectives of the action plan.

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

NOTE: An amendment cannot be used to authorize new or different work not related to the scope of the original grant.

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

NOTE: All amendments to a grant agreement must be fully executed prior to the end of the grant.

Amendment Process

Amendment requests are initiated by the subgrantee and submitted to the TxDOT Project Manager through the Traffic Safety Electronic Grant Management System (eGrants). If the amendment request is approved, the Project Manager will open the grant pages in eGrants to allow for changes to be made to the existing grant agreement. Once these changes have been submitted, the Project Manager reviews the changes, and if the Project Manager approves the changes, the changes are submitted to the Traffic Safety Division - Behavioral Traffic Safety Section (TRF-BTS) Program Director and the TRF-BTS Section Director for review.

If approved, a notification will be submitted to the subgrantee approving the changes. At this point, the subgrantee will obtain the signatures necessary to fully execute the new amended agreement.

To review the procedures involved in the grant amendment process, see the Grant Amendment Instructions on the eGrants Help Page.

Approval Process

A formal amendment will follow the same approval processing procedures as the original agreement. The same signature authority that applies for the original agreement also applies for any amendment to that agreement (see Chapter 1, Section 6, "Signature Authority"). As with the original grant agreement, the amendment becomes effective when electronically signed by the appropriate authority.

Budget Amendments

No changes to a subgrantee's budget are allowed without a budget amendment approved by TRF, except as noted under the following subheading.

Allowable Cost Overruns

Subgrantees may overrun a budget category (see "Budget Categories" in Chapter 3, Section 6 of this manual) without a budget amendment, as long as the overrun **does not exceed 5 percent** of the maximum amount eligible for reimbursement **and** provided there is a commensurate underrun elsewhere in the budget. The maximum amount eligible for reimbursement under the approved budget must not be exceeded without an approved budget amendment.

Subgrantees must notify TxDOT TRF-BTS of any cost overruns and related underruns. This notification is accomplished by submitting an RFR, including completing the eGrants RFR Budget Summary Page. See [RFR Budget Summary Instructions](#) for assistance in completing the information necessary to provide the notification of budget overruns/underruns.

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

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

Process Overview

An overview of the eGrants amendment process can be found in the eGrants [Amendment Process Workflow](#).

Grant and Contract Agreement Termination

The executed traffic safety grant shall remain in effect until the subgrantee has satisfactorily completed all services and obligations described in the grant and these activities have been accepted by TxDOT, unless:

- The agreement is terminated in writing with the mutual consent of both parties.

- There is a written 30-day notice by either party.

- TxDOT determines that the performance of the project is not in the best interest of TxDOT and informs the subgrantee that the project is terminated immediately.

TxDOT will compensate the subgrantee only for eligible expenses incurred during the grant period specified in the grant agreement that are directly attributable to the completed portion of the work covered by the grant agreement provided that the work has been completed in a manner that is satisfactory and acceptable to TxDOT. The subgrantee will not be reimbursed for any new obligations after the effective date of termination.

For instructions on procedures for terminating or requesting to terminate a grant through the eGrants system, see the [Grant Termination Instructions](#) on the eGrants Help Page.

Process Overview

An overview of the eGrants Grant Termination Process can be found in the eGrants [Grant Closeout Process Workflow](#).

Chapter 5: Project Administration

Contents:

Section 1: Grant Management and Administration

Introduction

The TxDOT Traffic Safety Division - Behavioral Traffic Safety Section (TRF-BTS) employee responsible for the day-to-day oversight of a grant is called the Project Manager. The Project Manager is responsible for tasks associated with grant agreement preparation, execution, or administration. Failure to perform these tasks correctly can result in significant grant management and payment problems.

Cost Eligibility

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

Advances Prohibited

Payment will not be made before costs are incurred (when a recorded liability exists or a cash disbursement has been made). For more information, see "Reimbursement" in Chapter 4, Section 3.

Grant Administration Tasks

Project managers will monitor and evaluate the subgrantee's performance. Monitoring can be accomplished by site visits, telephone contact, or reviewing Performance Reports and Requests for Reimbursement (RFRs) from the subgrantee. See Chapter 6 for specific details regarding monitoring.

Project managers or program managers will expedite RFR processing without unnecessary delays.

The Project Manager or Program Manager will **not**:

- Impose any task upon the subgrantee or permit any substitute activity not specifically provided for in the grant agreement.

- Give direction to the subgrantee or to employees of the subgrantee, except as provided in this document.

- Approve expenses for activities that do not meet project performance specifications contained in the grant agreement.

- Authorize expenditure of funds except in accordance with the specific terms of the grant agreement.

- Offer advice to the subgrantee that may adversely affect project performance, compromise TxDOT's rights, or provide the basis of a claim against TxDOT that may affect any pending or future determination of fault or negligence.

- Authorize or agree to any change in the grant agreement, standard provisions, certifications, project period, delivery schedule, maximum amount eligible for reimbursement, or other terms and conditions of the grant agreement, unless such change is specifically authorized in the grant agreement.

- Promise or infer that a future grant for another year is approved prior to TxDOT TRF approval.

Section 2: Performance Reports

Content

As stipulated in 2 C.F.R. §200.328(b)(2)(i-iii), Performance Reports will contain brief information on:

- "A comparison of actual accomplishments to the objectives of the federal award established for the period. Where the accomplishments of the federal award can be quantified, a computation of the cost (for example, related to units of accomplishment) may be required if that information will be useful." (Performance Reports should correlate to the Request for Reimbursement [RFR] for the same period. Project managers will compare the reports and the RFR to ensure that the level of project activity is consistent with the fund expenditure claimed in the corresponding RFR.)

- "The reasons why established goals were not met, if appropriate."

- "Additional pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs."

Frequency

For short-term projects, there may be only one report submitted by the subgrantee at the end of the project. For yearlong projects, the subgrantee will submit reports monthly. For Selective Traffic Enforcement Program (STEP) Wave projects, the subgrantee will submit reports after each Wave period.

However, under certain circumstances provided for in 2 C.F.R. §200.328(d)(1)(2) and Article 7 of the Grant Agreement General Terms and Conditions, TxDOT must be informed as soon as the following types of conditions become known:

- Problems, delays, or adverse conditions, including a change of project director or other changes in subgrantee personnel that materially affect the ability to meet the objective of the award. (This disclosure must include a statement of the action taken, or contemplated, and any assistance needed to resolve the situation.)

- Favorable developments or events that enable meeting time schedules and objectives sooner at less cost than anticipated or producing more beneficial results than originally planned.

Such circumstances would call for timely correspondence to the TxDOT Project Manager.

Submission of Performance Reports

Subgrantees will submit Performance Reports by:

1. Selecting the applicable month's Performance Report, which will be accessible thirty days before the due date, under "My Tasks" in the grant agreement.

2.   Completing the Performance Report form pages.

3.   Submitting the Performance Report to the TxDOT Project Manager by changing the status of the Performance Report (found under "Change the Status") to "PR Submitted." Performance Reports must be submitted monthly within 30 days after the end of the billing cycle.

NOTE: Performance Reports are due within 30 days after the end of the billing cycle. After 30 days, eGrants will lock the Performance Report and a subgrantee will no longer be able to submit a Performance Report for that billing cycle. A subgrantee would then have to include the information from the previous billing cycle in the next scheduled Performance Report.

NOTE: Missed Performance Reports will have an impact on a subgrantee's overall performance for the year. For example, a subgrantee with a grant that includes a monthly Performance Report requirement must submit the October Performance Report by November 30.

NOTE: Performance Reports must be submitted and approved before the corresponding RFR is approved by the TxDOT Project Manager. For example, TxDOT will not approve an organization's October RFR until the October Performance Report has been submitted and approved. **Subgrantees must submit Performance Reports within 30 days of the end of the grant period.**

Assistance on Completing Performance Reports

Each project Performance Report form page has a corresponding eGrants help page that provides further assistance and guidance in completing the page. To view a help page, click on the "Help" link while on the Performance Report page that you are working on. To view all the eGrants Performance Report help pages, see [eGrants Performance Reports Help](#).

The [eGrants Traffic Safety Subgrantee User Guide](#) provides detailed how-to procedural instructions on accessing and completing required Performance Reports.

Documentation Requirements

All pages of the Performance Report form must be completed. It is particularly important for subgrantees to complete the entire Performance Report Narrative Page, especially if the goals and performance measures were not met for the reporting period. Project managers will review and evaluate all Performance Reports. Therefore, poor performance must be supported on the Performance Report Narrative Page by a detailed explanation of the reasons that the grant's goals and objectives were not met for the reporting period. Supplemental information and documentation may be submitted with the Performance Report through the eGrants Performance Report Attachments Page. Subgrantees may attach as many attachment pages as necessary.

Performance Report Review

If the review of the Performance Report reveals errors, incomplete information, or other problems, the Project Manager can send the Performance Report back to the subgrantee by changing the status of electronically submitted Performance Reports through eGrants to "Modifications in Progress" to allow a subgrantee to make any necessary corrections.

NOTE: Project managers must follow up on any Performance Report that has been sent back for modifications to ensure that the subgrantee has resubmitted the Performance Report to TxDOT for approval by changing the status to "PR Submitted."

While reviewing a Performance Report, TxDOT project managers **must** rate the subgrantee's performance for the reporting period by completing the Review and Comments form page found on the Performance Report. This rating includes checking the appropriate box that the subgrantee exceeded, met, or did not meet the goals and objectives established in the grant for the reporting period. Project managers can also recommend that a subgrantee be placed on high risk suspension or termination. The Project Manager's rating of the subgrantee's Performance Reports will play an integral role in determining the eGrants grading system's final grade for the project (see Chapter 6, Section 7). A comments box is included on this page and project managers are required to enter comments on the subgrantee's performance for the reporting period as well as for the year to date.

See eGrants [Project Grading System Guidance](#) for detailed information on reviewing and documenting Performance Reports and RFRs submitted via eGrants.

To approve a Performance Report, project managers change the status of the electronically submitted Performance Reports to "PR Approved." Once approved, subgrantees will be able to view the approved Performance Reports, including the Project Manager's Review and Comments form page.

NOTE: Project managers must approve a Performance Report before the corresponding RFR can be approved.

Process Overview

For an overview of the process of submitting Performance Reports to TxDOT, see the eGrants [Performance Report Approval Process Workflow](#).

Section 3: Requests for Reimbursement

Reimbursement Conditions

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

- The availability of appropriated funds.

- Actual costs having been incurred (services provided, hours worked, etc.) in accordance with the approved project budget within the time frame specified in the grant period of the grant agreement, attributable to work covered by the agreement, and which has been completed in a manner satisfactory and acceptable to TxDOT.

- Compliance with Article 3 of the [Texas Behavioral Traffic Safety Program Grant Agreement General Terms and Conditions.](#)

Payment of costs incurred under the Texas Behavioral Traffic Safety Program Grant Agreement General Terms and Conditions is further governed by the following cost principles, as appropriate, outlined in 2 C.F.R. §200.305 (Payment).

Submission of Requests for Reimbursement

Subgrantees submit Requests for Reimbursement (RFRs) by:

1. Selecting the applicable month RFR, which will be accessible thirty days before the due date (under "My Tasks" in the grant agreement).

2. Completing the appropriate RFR budget category form pages.

3. Submitting the RFR to the TxDOT Traffic Safety Project Manager by changing the status of the RFR (found under "Change the Status") to "RFR Submitted." RFRs are due monthly within 30 days after the end of the billing cycle.

NOTE: RFRs are due within 30 days after the end of the billing cycle. After 30 days, eGrants will lock the RFR and a subgrantee will no longer be able to submit an RFR for that billing cycle. A subgrantee would then have to include the billing information from the previous billing cycle in the next scheduled RFR. Missed RFRs will have an impact on a subgrantee's overall performance for the year. For example, a subgrantee with a grant that stipulates the submission of monthly RFRs should submit the October RFR by November 30.

NOTE: RFRs will not be approved until the corresponding Performance Report is submitted and approved by the appropriate project manager through eGrants.

NOTE: Project managers must review and approve the corresponding Performance Report before the RFR can be approved.

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

NOTE: In accordance with good accounting practices, the person submitting the RFR in eGrants should not receive monetary payment under the grant. If the person submitting the RFR is being compensated under the grant, someone of higher authority must approve the costs of the person submitting the RFR prior to inclusion in the RFR.

Payee Identification Number (PIN) (Texas Identification Number [TIN] and Mail Code)

Subgrantees must enter a valid Payee Identification Number (Texas Identification Number) (PIN/TIN) and mail code for their organization into the eGrants system in order to receive RFR payments or any other form of payments. If the PIN/TIN and mail code is not entered, not valid, or not entered correctly into the eGrants system, the RFR process cannot proceed.

The PIN/TIN and mail code can be entered into the eGrants system on the Legal Name Page for each organization prior to grant execution. The Legal Name link is located on the Organization Information Page. Select the link for the organization under the "My Organizations" section in eGrants in order to navigate to the Organization Information Page.

NOTE: If the organization PIN/TIN and/or mail code changes, the updated PIN/TIN and/or mail code must be entered and saved in eGrants.

For more information on entering or changing an organization's PIN/TIN and/or mail code in eGrants, see the [Payee Identification Number Instructions](#) on the eGrants Help Page.

For more information on obtaining a PIN/TIN and/or mail code, visit the [State Payee Payment Resources Page](#) on the State Comptroller's website.

Assistance on Completing RFRs

Each project RFR form page has a corresponding eGrants help page that provides further assistance and guidance in completing the page. To view a help page, click on the "help link" while in any RFR page that you are working on. To view all the eGrants RFR help pages, see [eGrants Request for Reimbursements Help](#).

The [eGrants Traffic Safety Subgrantee User Guide](#) provides detailed how-to procedural instructions for accessing and completing required RFRs.

An eGrants Payee Identification Number (PIN) Entry Tutorial is available for download from thePayee Identification Number (PIN)/Texas Identification Number (Tutorial) link in the Help section of the [eGrants Help Page](#) for any organization needing further assistance on entering or changing the organization's PIN in the eGrants system.

Summary of Documentation

With each RFR, the subgrantee must submit documentation to support program expenditures by cost categories 300 - 700. The TxDOT Traffic Safety Division - Behavioral Traffic Safety Section (TRF-BTS) recommends that source documentation (i.e., receipts, invoices) be attached to the individual RFR pages for all budget cost categories whenever practical. However, there are two budget categories, that due to the nature of the claimed expenditures, preclude the necessity of providing source documentation.

For Salaries and Fringe Benefits (100, 200), the source documentation need not accompany the request for payment unless there is a demonstrated need for the requirement. A summary or recap of salaries and fringe benefits costs by budget line item (called an "outlay detail") is sufficient for the RFR. These costs may be listed on the appropriate Outlay Detail form (see below). The listing must show invoice number and amounts, time worked, etc. Each item must be clearly identified and all extensions and totals verified as correct.

There are Outlay Detail forms available in the "General Tool Box" section on the eGrants Help Page for two of the cost outlay categories (Salaries and Fringe Benefits and Travel) shown in the following table.

Outlay Detail Form	Cost Outlay Category
Personnel and Fringe Benefits	100,200)
Travel	(300)
Program Income Received	(See Section 6)
Program Income Distributed	(See Section 6)

NOTE: The information shown on the outlay detail forms should be detailed enough so that a project manager performing a monitoring visit can select and review designated documents to verify that subgrantee source documentation exists to support all claims.

NOTE: **A project manager may, at any time, request that all source documents, including time sheets, invoices, and other records of costs incurred, be submitted with the RFR.**

Salaries and Fringe Benefits (100, 200)

To substantiate the expenditures listed on the RFR Salaries and Fringe Benefits budget page, a subgrantee must attach to the RFR **one** of the documents shown below:

1. A summary or list of documentation to support program salary and fringe expenditures on the Salaries and Fringe Benefits Outlay Detail Sheet (100, 200), found under "Outlay Sheets" on the eGrants Help Page, or

2. A Financial Statement from the subgrantee's organization that shows all employee's salaries and fringe benefits paid for the reporting period.

The Salaries and Fringe Benefits Outlay Detail Sheet or the Financial Statement should include:

- Dates incurred.

- Employee name.

- Time worked.

- Salary rate.

- Wages or salary paid.

- Fringe benefits paid.

- Date paid.

- Document type/number.

Each item must be clearly identified and all extensions and totals verified as correct.

For more information on entering "Salaries and Fringe Benefits" expenditures into an RFR, see the following pages in the eGrants help system:

RFR Help - STEP Salaries and Fringe Benefits

RFR Help - General Salaries and Fringe Benefits.

Travel and Per Diem (300)

All receipts or invoices must be attached to the RFR for incurred travel expenses such as airfare, hotels, meals and other travel-related expenses. The outlay detail sheet, or other supporting documentation, must be attached to substantiate the total number of enforcement or personal miles claimed for the RFR time period, or any other expenses requiring further clarification.

For more information on entering travel related expenses expenditures into an RFR, see the following pages in the eGrants help system:

RFR Help - STEP Travel and Per Diem

RFR Help - General Travel and Per Diem.

Subgrantee Documentation

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

Matching costs will be subject to the same financial review procedures as expenditures submitted for reimbursement and must be supported with appropriate documentation. To the extent

reasonable, documentation for matching contributions should be supported by the same methods used by the subgrantee's organization to support all other costs.

The subgrantee must retain all records, including source documentation for expenditures and matching costs, for four years from the date of final payment until completion of all audits, or until pending litigation has been completely and fully resolved.

Accounting for Program Income

Please see Section 6 for requirements on reporting program income.

Charge Numbers

eGrants automatically assigns a charge number to each proposal once the proposal is approved for funding.

Direct Deposit

Local subgrantees should be encouraged to use the direct deposit system whereby payments are directly deposited to the subgrantee's bank account using electronic transfer. An organization's PIN/TIN and mail code determines how payments are made. Contact the Texas Comptroller of Public Accounts to ensure that a PIN/TIN and mail code is set up to be paid via direct deposit.

Section 4: RFR Review and Processing

Introduction

The Project Manager reviews and verifies Requests for Reimbursement (RFRs). After review and verification, the TxDOT Financial Management Division (FIN) pays the subgrantee. This section explains RFR review and processing.

NOTE: RFRs will not be approved for payment without the approval of a Performance Report for the corresponding period. Final RFRs will not be approved for payment without approval of the final Performance Report.

TxDOT Review

In reviewing the RFR, the Project Manager will verify that:

- All entries, extensions, and attachments are correct.

- Each item is clearly identified.

- Documentation to substantiate the expenditures, or summaries of documentation for salaries and fringe benefits, has been submitted.

If the review of the RFR reveals errors, incomplete information or other problems, the Project Manager can send the RFR back to the subgrantee by changing the status of electronically submitted RFRs through eGrants to "Modifications in Progress" to allow a subgrantee to make any necessary corrections.

NOTE: Project managers must follow up on any RFR that has been sent back for modifications to ensure the subgrantee has resubmitted the RFR to TxDOT for approval by changing the status to "RFR Submitted." If an error is detected after the RFR has been processed, the Project Manager will prepare an e-mail requesting the subgrantee to make an adjustment on the next RFR. If the final RFR has been processed, the subgrantee will have to issue a refund check to TxDOT if they were overpaid. If underpaid, the subgrantee will be asked in writing to submit a revised final RFR.

The Project Manager will review RFRs and complete the Review Comments page of the RFR. There are three questions on this page that the Project Manager must answer concerning budget and supporting documentation submitted by the subgrantee. A comments box is also included on the page to allow the Project Manager the opportunity to provide any comments.

See eGrants Project Grading System Guidance for detailed information on reviewing and documenting Performance Reports and RFRs submitted via eGrants.

Approval for Payment

After reviewing and verifying the RFR, the appropriate TxDOT project manager will complete and approve the RFR in eGrants by changing the status of the RFR to "RFR Approved."

NOTE: **It is imperative that the Traffic Safety Division - Behavioral Traffic Safety Section (TRF-BTS) assign a high priority to RFRs in order for TxDOT to make payments in a timely manner.**

NOTE: `TxDOT will review and approve performance reports and requests for reimbursement in a timely manner not to exceed thirty (30) calendar days as long as there are no outstanding conditions beyond TxDOT's control that would cause further delays. Any delays beyond the 30 days should be documented in eGrants by the TxDOT Project Manager.`

Submission to Financial Management Division

After approval of RFRs by the appropriate project manager or TSS, the RFRs are electronically forwarded to the TxDOT Financial Management Division (FIN) through eGrants for payment.

Process Overview

See the eGrants [RFR Approval Process Workflow](#) for an overview of the RFR approval process.

Project Celebration Mini-Grants

Payments for Project Celebration mini-grants will be processed through eGrants. See [Project Celebration Instructions](#) located on the eGrants Help Page for details.

Questions and Assistance

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

Section 5: Vendor Invoice Processing

Overview

This section addresses processing of vendor invoices and applies to payment for goods and services procured through purchase orders and not to grants procured through the TxDOT Traffic Safety Division-Behavioral Traffic Safety Section's (TRF-BTS's) annual request for proposal process. Vendors include marketing firms and consultants who provide goods and services in support of the Texas Behavioral Traffic Safety Program.

In processing invoices for purchase orders, TxDOT will follow steps necessary to comply with the 30-day Prompt Payment Law (Texas Government Code, Chapter 2251). These standard operating procedures were developed in order to comply with TxDOT's policy to pay all vendors within the required 30-day time period.

The Prompt Payment Law

On September 1, 1999, the Texas Comptroller of Public Accounts implemented new payment requirements centered on the 30-day period for payment. The law states that payments must be made to vendors within 30 days from the latter of:

- The date the vendor completes its services.

- The date the agency receives the goods under contract.

- The date TxDOT receives the invoice for the goods or services.

When a state agency's payment is defined as overdue on the 31st day, an automatic payment of interest is assessed to the vendor. The Comptroller must automatically calculate any interest that an agency owes a vendor for late payment of goods received and/or services performed and must include that interest payment with the principal payment to the vendor.

Receiving and Date Stamping Vendor Invoices

According to the TxDOT Purchase Order language, vendor invoices should be mailed or e-mailed to the Financial Management Division's (FIN's) Voucher Processing Section. If the vendor sends the invoice via e-mail, it is recommended that they "carbon copy" the TRF Purchasing Manager or the TRF-BTS Program Manager in the e-mail, to expedite the review process. The following will serve as the invoice's "receipt date" and the beginning of the 30-day prompt payment deadline:

- If the vendor mails a hard copy invoice to FIN, the first TxDOT date stamp on the hard copy invoice is the "receipt date."

- If the vendor submits the invoice electronically, preferably by sending an e-mail to FIN_INVOICES, but on rare occasions TRF may receive an e-mail directly from the vendor, the date on the e-mail is the "receipt date."

If TxDOT fails to date stamp an invoice, FIN must use the vendor's invoice date to calculate the 30-day payment due date. The invoice date is usually three to five days earlier than the actual receipt date, so this reduces the time TxDOT is entitled to review, approve, and make payment on an invoice.

If the vendor submits their invoice via e-mail to FIN_INVOICES, one of the following two steps will occur:

1. If the TRF Purchasing Manager or TRF-BTS Program Manager is copied on the vendor e-mail to FIN_INVOICES, FIN personnel will not send a separate e-mail to TRF to start the invoice review process.

2. If the TRF Purchasing Manager or TRF-BTS Program Manager is not copied on the e-mail to FIN_INVOICES, FIN will sort the invoices by services and commodities, and the invoices are assigned to certain individuals in FIN for tracking purposes. The responsible party in FIN will send an e-mail to TRF to include the vendor invoice plus all attachments.

This process, where FIN e-mails the invoice or date stamps and sends the hard copy invoice to TRF, should take no more than two working days.

FIN e-mails all vendor invoices to the TRF Purchasing Manager. The TRF Purchasing Manager date stamps and logs all services invoices into a tracking spreadsheet. Information entered into the spreadsheet includes vendor name, PO number, invoice number, dates of services rendered, invoice amount, date received by FIN, date received by TRF, and date sent to the TRF-BTS Program Manager.

The TRF Purchasing Manager will forward the originals to the appropriate TRF-BTS Program Manager for review and approval. The TRF Purchasing Manager will include a date that the TRF-BTS Program Manager should submit the approved invoices back to the TRF Purchasing Manager. The TRF Purchasing Manager's process should take no longer than two working days.

TRF-BTS Program Manager Review

The appropriate TRF-BTS program manager is responsible for reviewing the invoice to ensure the following items are correct:

*   All services were actually performed and/or all goods and supplies were received.

*   All services were performed and/or all goods and supplies were received within the appropriate time frame indicated on the invoice.

*   All unit costs, quantities, and total costs that TxDOT will pay from the invoices are correct and match the PO.

*   All attachments (i.e. for vendor's detailed travel expenditures) are verified according to PO requirements.

NOTE: Some TRF-BTS program managers may also require Traffic Safety Specialists (TSSs) to review parts of the invoice. In these cases, the TRF-BTS Program

Manager should immediately email the appropriate parts of the invoice to the TSS, with a due date when the TSS should submit the approved invoice to the TRF-BTS Program Manager.

After ensuring the invoice is correct, the TRF-BTS Program Manager will sign the first page of the invoice to note that he/she has reviewed the invoice and it is now ready for payment. If the TRF-BTS Program Manager discovers any errors in the invoice, it should be immediately handled as outlined in the subsection entitled "How to Handle an Invoice Discrepancy" below.

Some TRF-BTS program managers may need to identify chart fields (charge information) on the invoice as part of their approval process. The chart field should include the following:

- Department.

- Account.

- Appropriation Year.

- Appropriation.

- Fund.

- PC Business Unit.

- Project.

- Activity.

- Source.

If a single invoice will be charged to more than one chart field, the TRF-BTS Program Manager should specify on the first page of the invoice the exact amount to be charged to each detail number.

The TRF-BTS Program Manager should submit the signed and approved invoice to the TRF Purchasing Manager (inclusion of attachments is optional).

The TRF-BTS Program Manager's entire review process should take no more than 10 calendar days.

How to Handle an Invoice Discrepancy

Government Code §2251.042 requires a government entity to notify a vendor of an error in an invoice submitted for payment by the vendor no later than the 21st day after the date the entity receives the invoice. This means that the TRF-BTS Program Manager should not wait until the last possible day to review the vendor's invoice packet. As soon as the TRF-BTS Program Manager has identified an error, he/she should notify the vendor and request they submit a corrected invoice.

Just as the vendor is required to submit their original invoice directly to FIN, any revised and corrected invoices should also be submitted to FIN. The same process will be followed (as stated in

the "Receiving and Date Stamping Vendor Invoices" subsection) with any revised invoices, and the most recent receipt date will be used for the purposes of calculating the 30-day payment due date.

In summary, if the original invoice proves to be incorrect, the payment clock starts when a corrected invoice is received. After further review and/or discussion with the vendor, if the original invoice is determined to be correct, the clock starts on the date the invoice was first received by TxDOT. In other words, TxDOT does not get a reprieve on the payment due date for "debating" with the vendor on questionable costs, if in fact the original invoice is eventually processed.

If, for some reason, the TRF-BTS Program Manager and vendor decide to manually revise the original invoice, lining through the incorrect charges and agreeing to pay a reduced amount on the invoice, the Program Manager should retain complete and thorough documentation of the agreed-upon revisions. This information would be best documented through e-mail instead of verbal conversations. All documentation/e-mails should be printed and filed with TRF's copy of the approved invoice.

In the case that the vendor's original invoice is manually revised, a new date should be assigned for the purposes of calculating the 30-day payment due date. TRF should forward all e-mail documentation to FIN and then work with FIN personnel in determining the appropriate due date.

FIN will not typically pay a partial invoice to a vendor, so all receipt discrepancies must be resolved in a timely manner to avoid late penalty charges.

Receipt Entry Into the Enterprise Resource Planning (ERP)/Oracle PeopleSoft (OPS) System

The TRF Purchasing Manager will use the approved invoice to perform the receipt function in OPS.

NOTE: For services, enter the last day of the service period (i.e. July 31, 2019) as the receipt date in OPS.

Once the receipt is completed in OPS, the TRF Purchasing Manager will make a notation on the first page of the invoice that the receipt has been completed and include the completion date.

The TRF Purchasing Manager will notify FIN via the notify function in OPS that the receipt has been completed and the invoice is ready for payment processing.

The TRF Purchasing Manager will retain a copy of the invoice with full notations in the purchasing/contract files. The Purchasing Manager is not required to retain the attachments.

There is no need for the TRF Purchasing Manager to send the signed/approved invoice back to FIN because the receipt in OPS serves as approval to pay.

Verification of Payments Made to Vendor

The TRF Management Support Section's Resource Management Analyst will verify payments have been made to the vendors in the appropriate time frames, utilizing the Uniform Statewide Accounting System (USAS) access.

Section 6: Program Income

Definition

As defined in 23 C.F.R. Part 1300 for State Highway Safety Programs and outlined in 2 C.F.R. §200.307, program income means gross income earned by the subgrantee from grant-supported activities. Such earnings may include, but are not limited to:

- Income from service fees.

- Sale of commodities fabricated under the grant.

- Usage or rental fees of property acquired with grant funds.

- Conference or training registration fees when the subgrantee is the host agency.

Exceptions

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

- Royalties as a result of copyrights or patents produced under the grant or other agreement (unless the grant agreement provides otherwise).

- Rebates, credits, discounts, or refunds.

- Special assessments, levies, or fines.

Program Income as Project Match

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

Requirements

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

> "All program income earned during the grant period shall be retained by the subgrantee and, in accordance with the grant or other agreement, shall be added to federal funds committed to the project and be used to further eligible program objectives. Program income that remains unexpended after the grant ends shall continue to be committed to the original grant objectives."

Disposition

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

- Deducting the program income from the total project costs for the purpose of determining the net costs on which the state or federal share of costs will be based, or

- Using the program income to continue the project after the end of the project period as long as the objectives and scope of the project are continued.

NOTE: `Federal regulations require program income to be spent in the current fiscal year. If, for any reason, program income funds are not able to be spent in the current fiscal year, NHTSA should be notified to allow for any needed authorization.`

Reporting Income Received

Subgrantees must record the receipt of revenues (program income) as a part of grant project transactions in accordance with the grant agreement. Program income should be recorded on the Report of Program Income Received form and attached with the Request for Reimbursement (RFR) through eGrants.

The [Report of Program Income Received Outlay Sheet](#) can be found on the eGrants Help Page.

Reporting Income Disbursed

Subgrantees must also record and report the expenditure and disbursement of program income revenues as a part of grant project transactions in accordance with the grant agreement. Program income expenses should be recorded on the Report of Program Income Distributed form and attached with the RFR through eGrants.

The [Program Income Distributed Outlay Sheet](#) can be found on the eGrants Help Page.

Section 7: File Maintenance

Introduction

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

Background

The TxDOT Traffic Safety Electronic Grants Management System (eGrants) electronically houses the official records of the administration of Traffic Safety Division - Behavioral Traffic Safety Section (TRF-BTS) funds. These files document that proper management and accounting methods were used to allocate and disburse public funds to an approved project. The proper and careful management of these files and the documents they contain helps to ensure that:

- The project is established and the subgrantee is selected in a competitive, equitable, and legal manner.

- Appropriate management of the project occurs during implementation, including proper disbursement of funds for approved and incurred costs.

- The project is adequately monitored and evaluated to ensure the effective use of funds.

- Documents are readily available to state and federal auditors, reviewers, and managers to verify completed work, legitimate expenditures, and adequate oversight.

File of Record

The TxDOT Traffic Safety Division (TRF), located at TxDOT's Riverside Annex in Austin, Texas, is the record keeper for the State and Community Highway Safety Grant Program. Subgrantees are required to retain all source documents to support incurred expenditures.

File of Record Content

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

- Project proposal/grant agreement and any amendments.

- Correspondence.

- Requests for Reimbursement (RFRs) with all supporting documentation.

- Performance Reports with all supporting documentation.

- Monitoring reports.

- Pre-approvals (Supplemental Requests).

- Equipment inventories.

- Project accomplishments.

- Other supporting documentation.

Managing File Contents

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

File Security

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

NOTE: TxDOT policy requires that we safeguard confidential/sensitive information. Therefore, as a reminder, all attachments submitted via eGrants must not contain confidential/sensitive information. Before submitting any attachments, redact, blank-out, or block such information, including social security numbers (even if it is only the last 4 digits of an SSN), items such as bank account numbers (generally found at the bottom of a check), credit card data (displaying the last 4 digits is acceptable), and/or any other confidential/sensitive data that is not required/needed to support grants-management, performance reports, reimbursement requests, or monitoring reports.

File Retention

Texas Government Code §441.1855, enacted by Senate Bill 20, requires that all grant agreement records, including each grant contract entered into by a state agency and all grant contract solicitation documents related to the grant, must be retained for seven years from the date the grant is completed or expires, or all issues that arise from any litigation, claim, negotiation, audit, open records request, administrative review, or other action involving the grant contract or documents are resolved, whichever occurs last. TRF eGrants records are purged annually, according to the TxDOT Records Retention Schedule, and based on the annual federal fiscal year closeout on

December 31. The term "records" is explained to include all books, documents, papers, accounting records, and other evidence pertaining to costs incurred and work performed.

NOTE: The file of record (eGrants) will retain all grant agreements and grant related documents for seven years.

As stated in the Grant Agreement General Terms and Conditions, the subgrantee is required to retain the agency's grant agreement and grant related documents for four years from the date of final payment under this agreement, until completion of all audits, or until pending litigation has been completely and fully resolved, whichever occurs last.

Section 8: Training

Introduction

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

TxDOT provides opportunities for staff and project personnel to participate in various TxDOT management and other training programs. TRF-BTS develops and coordinates training for traffic safety staff. TxDOT training will be provided through workshops and other modes in an effort to make training readily available to all and to limit costs. In addition, the National Highway Traffic Safety Administration (NHTSA) has developed a series of training courses to support traffic safety efforts around the country.

Traffic safety training:

- Transfers important knowledge, skills, and expertise to police, prosecutors, and other traffic safety professionals.

- Provides traffic safety professionals with essential information and tools.

- Promotes the enforcement of occupant protection, impaired driving, and other traffic safety laws.

- Facilitates communication and cooperation among diverse interests.

- Supports community efforts to make our streets and highways safer.

- Improves the quality and financial integrity of traffic safety programs and projects.

NHTSA offers a variety of professional development courses. For more information see the[Course Catalogue](#) on the United States Department of Transportation (USDOT) Office of the Assistant Secretary for Research and Technology Transportation Safety Institute Website.

Summary

The success of traffic safety programs often depends on how well people are trained. In addition to professional development training, other training is available to support program efforts. For more information on training opportunities, contact TRF-BTS.

Section 9: Public Information and Education

Introduction

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

- Promoting compliance with laws and enhancing enforcement efforts.

- Building public support for programs.

- Informing motorists of safe driving habits.

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

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

Public Information and Educational (PI&E) Materials

The National Highway Traffic Safety Administration (NHTSA) issued significantly revised guidance regarding PI&E materials, which became effective on January 19, 2016. See the [NHTSA Memorandum on the Use of NHTSA Funds to Purchase Items for Distribution](#) for more information.

Promotional Material

No promotional items or memorabilia are allowable costs and cannot be used as match under federal grants. Use of NHTSA grant funds to purchase promotional items or memorabilia is illegal and could result in a Management Review finding and the requirement to repay the misused funds.

An unallowable promotional item is an item whose purpose is to be used as an incentive to increase goodwill, or is a giveaway. Distribution of items where the recipient keeps the item after the event (whether to members of the public at a state fair, to groups at a training event, or to police officers to maintain partnerships) is never a necessary expense for performance of projects under the grant.

Subgrantees may use state funds or privately collected funds/private sponsorships to purchase promotional items subject to applicable state laws and policies. Items donated by private entities are considered program income.

Educational Material

Any use of NHTSA grant funds must support traffic safety goals. When determining whether to purchase educational materials, a state or subgrantee should use good judgment as a responsible caretaker of tax dollars intended to support traffic safety. As always, all costs charged to NHTSA highway safety grants must be within the scope of the grant, address a highway safety problem, and help meet performance measures. Paper, pamphlets, flash drives and CD-ROMs that contain educational materials are allowable because their purpose is to contain and convey educational information.

In order to be considered educational, distributed material must provide substantial information and educational content (not merely a slogan) to the public and have the sole purpose of conveying that information. If a subgrantee chooses to provide educational content on a flash drive or CD-ROM, that device must be an economical method of conveying the information.

Examples of allowable educational materials include traffic safety themed coloring books, activity books, pamphlets, brochures, posters, flyers, etc.

Production Approval Required

All **newly** developed PI&E materials using federal or state funds must be submitted to the TxDOT Traffic Safety Division - Behavioral Traffic Safety Section (TRF-BTS) for written approval by a project manager prior to final production.

Reproduction of NHTSA or other federal government endorsed material already approved is permissible without TxDOT approval. The items must, however, be included in the grant agreement objectives and budget.

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

Limitations on Purchase of Advertising

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

Only TxDOT media vendors that are selected through a separate competitive process can purchase paid media-related projects or activities.

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

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

Ownership of Art Work

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

Use of Educational Items

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

- Activity.
- Educational item type.
- Quantity.
- Cost.
- Targeted audience.
- Explanation of how the activity will help meet the objective of the project.
- Explanation of how the results of the activity will be used and reported.

To assist with tracking the distribution of material, districts and subgrantees should use the PI&E Material Distribution Form described later in this section under "Forms," to record the items given out. For more information, see "Inventory Records" later in this section.

Criteria for Production Approval

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

- The material must be an allowable cost item in the grant agreement budget.
- A plan outlining the use of the material must be included in the grant agreement and a supplemental request must be submitted for approval in eGrants. The plan must include the item, purpose, quantity, cost, targeted audience, how the activity will help meet the project objective, and how the results will be used and reported.
- The material must be relevant to the objectives stated in the agreement.
- The information must be accurate, current, and technically correct.
- The material design and message must be appropriate to the intended audience.

- The material must not conflict with Texas Behavioral Traffic Safety Program priorities, objectives, or directives.

- Dated material (material with a year or date printed on it) should be produced in a quantity appropriate for the size of the audience so it can be distributed within the specified time frame.

- The quantity must be cost effective and sufficient to meet the objectives stated in the grant agreement.

- The activity where the items will be distributed must be appropriate to the objective and the audience.

- Each item must display the approved "Save a Life™" logo. Items that are too small for the logo must display one of the following credit lines (whichever is appropriate):

  ○ "In cooperation with the Texas Department of Transportation."

  ○ "Texas Department of Transportation."

NOTE: Omission of the logo requires TxDOT TRF-BTS approval.

Requesting Approval

When federal or state grant funds are budgeted for PI&E material, a plan will be included in the grant agreement or by using the PI&E Material Approval Checklist. This plan should be discussed during the negotiation phase of the grant proposal process. Requirements for the subgrantee should be reviewed, including policies, procedures, and reporting.

Material Approval Checklist. When a material production request is developed, it must be completed by using the PI&E Material Approval Checklist. The checklist is located under "Supplemental Approvals," and can be found under "Examine Related Items" (beneath the RFR reporting periods). To submit a PI&E Material Approval Checklist, follow the steps below:

1. Select "Create New" under "Supplemental."

2. Select "I Agree" when prompted "Are you sure you want to create a Supplemental Report?"

3. Click on "View, Edit and Complete Forms."

4. Choose the "PI&E Materials Plan."

5. Complete and save the form.

6. Complete the checklist request process by changing the status of the form (found under "Change the Status") to "SR Submitted."

7. Once the status of the request has been changed to "SR Submitted," the request will be electronically forwarded to the appropriate project manager for review.

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

Local Subgrantee. Local subgrantees obtain approval for material production by submitting material art work (does not have to be in camera ready form), or a copy of the item to be reproduced, to the appropriate TxDOT Traffic Safety Specialist (TSS). The request must include the item, quantity, audience, purpose and estimated cost.

Review and Approval

When a material production request is received at TRF-BTS headquarters in Austin, the appropriate program area manager reviews and approves it for state subgrantees with limited distribution or for statewide distribution. TSSs review and approve material production requests for local projects. The Project Manager will approve the request through eGrants by changing the request status to "SR Approved." Upon receiving this approval, the subgrantee may proceed with production. If the request is denied by TRF-BTS, the subgrantee will be notified by receiving a status of the request stating "SR Denied."

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

For more information on the PI&E material production approval process, see the[Supplemental Report Approval Process Workflow](#).

Importance of Local Participation

Participation at the local level is important to the effectiveness of statewide campaigns. TRF-BTS headquarters in Austin will develop a plan for conducting campaigns that includes the role of the TSSs and other local organizations.

Outside-of-TxDOT Participation

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

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

Obtaining PI&E Material

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

District Inventory

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

Receiving Materials

Upon receipt of PI&E materials, the TxDOT TSS will verify that:

- The quantity is correct as reported by the source.

- The vendor has met all packaging and shipping requirements.

- Items are in satisfactory condition and not damaged.

- Items have arrived when expected.

For items produced outside of TxDOT, the TSS must fill out a receiving report and email TRF-BTS and TRF-Management Support (MS) to report items received in good or other condition. Instructions for this will be sent out in the distribution and delivery notice. For material printed within TxDOT, a receiving report is not required, but the TSS will verify the quantity received.

Inventory Records

TSSs, program managers, subgrantees, and outside organizations will maintain records of all PI&E materials received and distributed.

The PI&E Materials Distribution Form, described under the subheading "Forms" later in this section, is an integral part of the inventory.

This record should be maintained until the supply of the material is depleted, and then kept in the office for seven years after the project ends, or until any disputes are resolved.

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

Forms

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

Forms Used for PI&E Activities

Form Name	Purpose
Inventory Log Sheet (required)	Filled out by the district TSS or subgrantee upon receipt of material by TRF-BTS headquarters or a district TSS. Allows for entries when material is distributed.
PI&E Material Distribution Form (as required)	Used when quantities of 100 or more are distributed to individuals or organizations.

All PI&E Forms are located in the "General Tool Box" section on the eGrants Help Page.

Professional Service Contracts and Subcontracts

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

Sources for PI&E Material

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

PI&E Workgroup

A PI&E workgroup will be utilized to provide recommendations regarding PI&E materials.

Section 10: Travel for Subgrantees

Introduction

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

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

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

Criteria for Reimbursement

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

- **Necessary** to assist in the completion of project and program goals and objectives.

- **Specific** to the purpose of the project (for example, an anti-DWI conference for a community alcohol project).

- **Appropriate** to the position and responsibility of the individual or individuals traveling (for example, community project director to community project seminar).

- **Of direct benefit** to the state, with such benefit unavailable through other means (for example, travel for a national, one-of-a-kind event).

Grant Inclusion

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

Requirements for Approval of Travel Under a Grant

Requirement	Explanation
Sufficient Travel Funds.	The grant budget should contain funds for travel. A line item for out-of-state travel or specific trips is not required. However, an indication of specific trips is recommended when known at the time of grant negotiation and approval.
Sufficient funds in the "Other Direct Cost" category of the budget to cover registration fee, if required.	If the conference or out-of-state event requires a registration fee, sufficient funds will need to be budgeted and included in the "other miscellaneous cost" category (700) in the approved project budget.
Provisions for out-of-state travel.	The grant must contain a provision that allows for out-of-state travel upon TxDOT approval and requires this approval prior to travel and reimbursement. (See example following this table.)

The provision for out-of-state travel reads as follows:

> "For out of state travel expenses to be reimbursable, the subgrantee must have obtained the written approval of the Department, through eGrants, prior to the beginning of the trip. Grant approval does not satisfy this requirement."

Requesting Approval

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

1. Ensure that the grant contains necessary provisions and that there are sufficient funds to cover the cost of the trip.

2. Submit an Out-of-State Travel Request (through eGrants) for approval to the Traffic Safety Project Manager. The Out-of-State Travel Request is located under "Supplemental Approvals" and can be found under "Examine Related Items."

3. Select "Create New" under "Supplemental." Select "I Agree" when prompted "Are you sure you want to create a Supplemental Report?"

4. Click on "View, Edit and Complete Forms" and choose "Out-of-State Travel."

5. Complete and save the form.

6. Complete the checklist request process by changing the status of the form (found under "Change the Status") to "SR Submitted." Once the status of the request has been changed to "SR Submitted," the request will be electronically forwarded to the appropriate project manager for review.

7. The request must include the:
    *   Purpose of the trip.
    *   Trip dates.
    *   Location.
    *   Registration fee (if applicable).
    *   Persons involved and the relationship of the individuals to the particular trip.
    *   Estimated cost (travel, per diem, registration fee, etc.).
    *   Benefit to the grant.

Travel to attend in-state meetings or training does not require written authorization from TRF if the travel is included in the grant budget; **however, the Project Manager must be notified by e-mail or correspondence prior to the trip**. Following completion of the meeting or training attended,

either out-of-state or in-state, each attendee will provide a summary of the meeting or training and submit this information in the next Performance Report.

The "Report of Meeting Attended," located under "General Tool Box" (on the eGrants Help Page), is an excellent tool to assist in documenting meetings or training and can be submitted to the Project Manager for the file of record by attaching the report to the corresponding Performance Report or Request for Reimbursement (RFR). The Project Manager can request the mandatory use of this form at any time for any project(s).

Out-of-State Travel Request Processing

A TxDOT TSS receiving an out-of-state travel request can review and approve the request or can forward it to the appropriate program manager at TRF-BTS headquarters in Austin.

Upon receiving a travel request through eGrants, TRF-BTS will evaluate it and send a response through eGrants to approve or deny the trip.

Requesting Reimbursement

To request travel reimbursement, the subgrantee must:

- Include the cost of the trip in a monthly RFR.

- Include a receipt for registration fee paid (if the registration fee includes certain meals, then these meals should not be claimed again for reimbursement).

- Include a brief trip report with the RFR (the length and content will be determined by the type of trip involved).

Section 11: Procurement Standards

Introduction

This section highlights the procurement standards that must be adhered to when purchasing goods or services for TxDOT Traffic Safety Division-Behavioral Traffic Safety Section (TRF-BTS) grants. Specific requirements are provided for sole source procurements, procurement records, contractual services, and contract management. These standards are furnished to ensure that materials and services are obtained in an effective manner and in compliance with the provisions of applicable federal statutes and executive orders. In general, subgrantee agencies must follow the same policies and procedures it uses for procurements from its non-federal funds provided they conform to applicable federal laws and standards.

Federal Laws and Standards

The federal laws and standards contained in 2 C.F.R. §§200.318-200.326 must be adhered to when procuring goods or services for TRF-BTS grants.

NOTE: State agencies must comply with contract and procurement policies and procedures as set forth in the State of Texas Procurement Manual, Texas Government Code and Texas Administrative Code. All other subgrantee agencies must have copies of established procurement procedures available for audit purposes upon request by TRF-BTS.

Subgrantee Responsibilities

The standards contained in this section do not relieve the subgrantee of the contractual responsibilities arising under its contract(s). The subgrantee is the responsible authority, without recourse to the State, regarding the settlement and satisfaction of all contractual and administrative issues arising out of procurements entered into in support of an award or other agreement. This includes disputes, claims, protests of award, source evaluation or other matters of a contractual nature, as well as civil liability arising out of negligence or intentional misconduct of the subcontractor(s). Matters concerning violation of statute are to be referred to the federal, state or local authority that may have proper jurisdiction.

Codes of Conduct

The subgrantee must maintain written standards of conduct governing the performance of its employees engaged in the award and administration of subcontracts. No employee, officer, or agent shall participate in the selection, award, or administration of a subcontract supported by federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer or agent, any member of his/her immediate family, his/her

partner, or an organization which employs or is about to employ any of the parties indicated above, has a financial or other interest in the firm selected for an award.

The officers, employees, and agents of the subgrantee shall neither solicit nor accept gratuities, favors, or anything of monetary value, from subcontractors or parties to subcontracts. However, subgrantees may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct shall provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the subgrantee.

Competition

All procurement transactions must be conducted in a manner to provide full and open competition consistent with the standards outlined in 2 C.F.R. §§200.318 - 200.326. The subgrantee shall be alert to organizational conflicts of interest as well as noncompetitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade. In order to ensure objective subcontractor performance and eliminate unfair competitive advantage, subcontractors that develop or draft specifications, requirements, statements of work, invitations for bids and/or requests for proposals shall be excluded from competing for such procurements.

Awards shall be made to the bidder whose bid or offer is responsive to the solicitation and is most advantageous to the subgrantee, price, quality and other factors considered.

Solicitations shall clearly set forth all requirements that the bidder shall fulfill in order for the bid or offer to be evaluated by the subgrantee.

Any and all bids or offers may be rejected when it is in the subgrantee's interest to do so.

Procurement Procedures

(a) All subgrantees shall establish written procurement procedures. These procedures shall provide, at a minimum, that the conditions in paragraphs (a) (1), (2), and (3) of this section apply.

- (1) Subgrantees avoid purchasing unnecessary or duplicate items.

- (2) Where appropriate, an analysis is made of lease and purchase alternatives, and any other appropriate analysis, to determine which would be the most economical and practical procurement for the use of federal funds.

- (3) Solicitations for goods and services provide for all of the following: A clear and accurate description of the technical requirements for the material, product or service to be procured. In competitive procurements, such a description shall not contain features which unduly restrict competition.

  - (i) Requirements which the bidder must fulfill and all other factors to be used in evaluating bids or proposals.

- ◦ (ii) A description, whenever practicable, of technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards.

- ◦ (iii) The specific features of "brand name or equal" descriptions that bidders are required to meet when such items are included in the solicitation.

- ◦ (iv) The acceptance, to the extent practicable and economically feasible, of products and services dimensioned in the metric system of measurement.

- ◦ (v) Preference, to the extent practicable and economically feasible, for products and services that conserve natural resources and protect the environment and are energy efficient.

(b) Positive efforts shall be made by subgrantees to utilize small businesses, minority-owned firms, and women's business enterprises, whenever possible. Subgrantees of federal awards shall take all of the following steps to further this goal.

- (1) Ensure that small businesses, minority-owned firms, and women's business enterprises are used to the fullest extent practicable.

- (2) Make information on forthcoming opportunities available and arrange time frames for purchases and subcontracts to encourage and facilitate participation by small businesses, minority-owned firms, and women's business enterprises.

- (3) Consider in the subcontract process whether firms competing for larger subcontracts intend to subcontract with small businesses, minority-owned firms, and women's business enterprises.

- (4) Encourage subcontracting with consortiums of small businesses, minority-owned firms and women's business enterprises when a subcontract is too large for one of these firms to handle individually.

- (5) Use the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Department of Commerce's Minority Business Development Agency in the solicitation and utilization of small businesses, minority-owned firms, and women's business enterprises.

(c) The type of procuring instruments used (e.g., fixed price contracts, cost reimbursable contracts, purchase orders, and incentive contracts) shall be determined by the subgrantee, but shall be appropriate for the particular procurement and for promoting the best interest of the Traffic Safety Program or project involved. The "cost-plus-a-percentage-of-cost" or "percentage of construction cost" methods of contracting shall not be used.

(d) Subcontracts shall be made only with responsible subcontractors who possess the potential ability to perform successfully under the terms and conditions of the proposed procurement. Consideration shall be given to such matters as subcontractor integrity, record of past performance, financial and technical resources or accessibility to other necessary resources.

Methods of Procurement

2 C.F.R. §200.320 states that a subgrantee must use one of the following methods of procurement. Since Traffic Safety subgrantees rarely exceed the Simplified Acquisition Threshold (small purchase) of $150,000 in the acquisition of goods or services, the particulars of sealed bid or RFP requirements can be found in the Uniform Guidance (2 C.F.R. Part 200) or Title 41 of the United States Code (Public Contracts).

- **Procurement by micro-purchases.** Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed $3,000 (or $2,000 in the case of acquisitions for construction subject to the Davis-Bacon Act). To the extent practicable, the subgrantee must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the subgrantee considers the price to be reasonable.

- **Procurement by small purchase procedures.** Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold ($150,000). If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.

- **Procurement by sealed bids (formal advertising).** See 2 C.F.R. §200.320 or Title 41 of the United States Code for details.

- **Procurement by competitive proposals.** See 2 C.F.R. §200.320 or Title 41 of the United States Code for details.

- **Procurement by noncompetitive proposals.** See below for more information.

Cost and Price Analysis

Some form of cost or price analysis shall be made and documented in the procurement files in connection with every procurement action in excess of the small purchase threshold. Price analysis may be accomplished in various ways, including the comparison of price quotations submitted, market prices and similar indicia, together with discounts. Cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocability and allowability.

Procurement Records

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

- A rationale for the method of procurement and selection of contract type.

- Written selection procedures and documented reasons for rejections.

- The basis for the subcontract price.

NOTE: Procurement documentation must be made available for audit purposes upon request from TRF-BTS.

Non-Competitive (Sole Source) Procurements

Purchases or award of subcontracts by noncompetitive processes may be used only when small purchase procedures, sealed bids, or competitive proposals are not feasible and one of the following applies:

- Goods or services are only available from a single source.

- Public exigency or emergency for requirement will not permit a delay resulting from competitive solicitation.

- After solicitation of a number of sources, competition is determined inadequate.

NOTE: Sole source approvals must be in accordance with the subgrantee's procurement and contracting directives regarding noncompetitive procurement and contracting.

Sole Source Records

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

- Justification why the purchase/service cannot logically and reasonably be made through a competitive bidding process, including consequences if not approved.

- A list of the vendor's/subcontractor's unique qualifications, experience, etc.

- A cost analysis, i.e., verifying the proposed cost data, the projections of data, and the evaluation of the specific elements of cost is necessary, unless reasonableness can be established on the basis of a catalog or market price of a commercial product sold in substantial quantities to the general public, or based on prices set by law or regulation.

Subcontract Administration

The subgrantee must maintain "oversight" to ensure that subcontractors perform in accordance with the terms, conditions and specifications of the subcontract and to ensure adequate and timely follow up on all purchases. Subgrantees shall evaluate subcontractor performance and document, as appropriate, whether subcontractors have met the terms, conditions, and specifications of the subcontract.

The subgrantee is responsible for the management of all subcontracts issued using TRF-BTS funds, and must:

- Ensure that no services are performed, or any expenses are incurred, until a subcontract is fully executed. Project activity and costs can be incurred on the day of grant execution.

- Ensure the subcontractor's compliance with subcontract provisions.

- Ensure services are performed according to the quality, quantity, objectives, time frames, and manner specified in the subcontract.

- Ensure that all work is completed and accepted by the agency before the subcontract expires.

- Assess and request amendments, renewals, or new subcontracts as required, allowing sufficient time to process and execute the changes before the subcontract expires in order to prevent a lapse in service.

- Ensure that subcontracts are amended subsequent to any grant agreement revision that affects the subcontract terms.

- Review and approve invoices for payment to ensure payments are made in accordance with subcontract terms, costs are budgeted and allowable, and work has been performed.

- Monitor subcontract expenditures to ensure there are sufficient funds to pay for all services rendered as required by the subcontract.

- Verify all requirements of the subcontract are fulfilled before submitting the final invoice.

- Ensure all Personnel Activity Reporting (PAR) requirements are met ([NHTSA Highway Safety Grants Program Resources Guide]).

Subcontract Terms and Conditions

If approved as part of the grant agreement, and after a subcontractor is selected in accordance with all requirements of the grant agreement and this section, the subcontractor is subject to all of the Texas Behavioral Traffic Safety Program Grant Agreement General Terms and Conditions of the Grant Agreement and the required provisions outlined in 2 C.F.R. §200.326. Specifically, all terms and conditions outlined in 2 C.F.R. §200.405 (Allowable Costs), and Appendix II to Part 200 (Contract Provisions for Non-Federal Entity Contracts Under Federal Awards). Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion must be adhered to. The subgrantee is responsible for verifying the subcontractors' eligibility by checking the [Debarred Vendor List] on the Texas Comptroller's website or by adding a self-certification clause or condition to the subcontract.

Potential subcontractors are required to become familiar with the contents of the Texas Behavioral Traffic Safety Program Grant Agreement General Terms and Conditions, because failure to do so will not excuse nonperformance or noncompliance once a subcontract has been awarded.

Subcontract Template

A subcontract agreement template is available in the "Instructions" section on the [eGrants Help Page] under "Subcontract Agreement." The template has been approved for use in all subcontracts and contains all applicable terms and conditions of the Texas Behavioral Traffic Safety Program. The use of this subcontract agreement template is not mandatory, but is highly encouraged.

Subgrantees that use their own subcontract agreement must ensure that it contains all components and the terms and conditions contained in the template.

Section 12: Property Management

Introduction

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

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

Buy America Act

The Buy America Act, 23 U.S.C. §313, prohibits states from using highway grant funds under 23 U.S.C. Chapter 4 to purchase products, unless they are produced in the United States.

For information concerning the Buy America Act, see the [NHTSA Buy America Act Guidance](#) and the [NHTSA Buy America Act Questions and Answers](#).

Both documents are located on the eGrants Help Page.

Definitions

The following definitions apply in regard to property management:

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

Controlled Assets: Assets that qualify as personal property but do not meet the equipment threshold of $5,000, but must be secured and tracked due to the nature of the items. Currently, Traffic Safety Controlled Inventory Assets include, but are not limited to:

- Signs, portable message, trailer mounted.

- Trailers up to 5400 lbs. Gross Vehicle Weight Rating (GVWR).

- Personal computers and peripherals, regardless of cost.

- Intoxilyzers.

Equipment: Tangible, non-expendable, personal property having a useful life of more than one year and an acquisition cost of $1,000 or more per unit.

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

Exempt Property: Tangible personal property acquired in whole or in part with federal funds and where the federal awarding agency has statutory authority to vest title in the recipient without further obligation to the federal government.

Federally-Owned Personal Property: Property furnished by the federal government and whose title remains vested in the federal government. Federally-owned property does not include property purchased through traffic safety grants and agreements.

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

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

Major Equipment: Tangible, non-expendable, personal property having a useful life of more than one year and an acquisition cost of $5,000 or more per unit (as defined by the NHTSA Highway Safety Grants Program Resources Guide).

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

Real Property: Land, including land improvements, structures, and appurtenances thereto, excluding movable machinery and equipment.

Supplies: Personal property having a useful life of less than one year or an acquisition cost of less than $1,000 per unit.

Acquisition of Equipment

The Texas Behavioral Traffic Safety Program generally prohibits the acquisition of Major Equipment ($5,000 or more). However, there are exceptions when TRF-BTS may determine that a requested acquisition would benefit the program.

Requesting Prior Approval

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

- The purchase is specifically authorized in the grant agreement, and

- TxDOT and the NHTSA have approved the purchase, determining it to be in the best interest of the program.

Before initiating the acquisition of equipment, the intended purchaser must obtain written notice from the TRF-BTS Director stating that both TxDOT and the NHTSA Regional Administrator have formally approved the equipment purchase. (This procedure is required by 23 C.F.R. §1300.31(d) and NHTSA Highway Safety Grants Program Resources Guide. The approval may be part of the approval of the Highway Safety Plan (HSP) or part of a separate written request describing how the equipment would support the State's Highway Safety Program.

To request approval for equipment (unit acquisition cost of $5,000 or greater) a subgrantee must:

1. Ensure that the grant contains necessary provisions and that there are sufficient funds to cover the cost of the equipment.

2. Submit an Equipment Request through eGrants for approval to the Project Manager. The Equipment Request is located under "Supplemental Approvals," and can be found under "Examine Related Items."

3. Select "Create New" under "Supplemental." Select "I Agree" when prompted "Are you sure you want to create a Supplemental Report?"

4. Click on "View, Edit and Complete Forms" and choose "Equipment."

5. Complete and save the form.

6. Complete the checklist request process by changing the status of the form (found under "Change the Status") to "SR Submitted." Once the status of the request has been changed to "SR Submitted," the request will be electronically forwarded to the appropriate project manager for review.

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

Property Procurement

The subgrantee's procurement of property under a grant will follow the same policies and procedures used for procurement with its non-federal funds, provided their procurement procedures conform to the standards specified in 2 C.F.R. §200.313.

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

The NHTSA Highway Safety Grants Program Resources Guide states that costs for construction, rehabilitation, or remodeling of any buildings or structures or for purchase of office furnishings and fixtures **are unallowable**. The following are **some** examples of unallowable items:

Unallowable Items

• desks • chairs • tables • shelving • coat racks	• credenzas • bookcases • filing cabinets • floor covering • office planters	• storage cabinets • portable partitions • picture or wall clocks • draperies & hardware • fixed lighting or lamps

Notification of Property Purchase

When any personal property is purchased, subgrantees must notify TRF-BTS by completing the "Equipment" (400) page of the RFR forms with the subgrantee's monthly RFR.

Property Management Standards

Each subgrantee receiving traffic safety funds for the purchase of property must maintain procedures for managing property that comply with 2 C.F.R. §200.313. The subgrantee's written property records must ensure that:

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

- Maintenance procedures are adequate to keep the property in good condition.

- Proper sales procedures are established to ensure the highest return in the event the subgrantee is authorized or required to sell the property.

NOTE: Subgrantees must provide a copy of their inventory policies and procedures to the Project Manager.

Certification of Subgrantee Property

A database of all Texas Behavioral Highway Safety Program equipment and controlled assets is maintained by TRF-BTS. Entries of federally funded equipment and controlled assets are performed by the TRF-BTS Policy and Procedures Coordinator, based on the information submitted on the "Equipment" (400) page of the monthly RFR. Inventory items are then grouped according to the agency in possession (for example, Texas Department of Public Safety, Texas A&M Transportation Institute, TxDOT, Austin District, etc.).

Once every two years, the TRF-BTS Policy and Procedures Coordinator sends a Certification of Existence and Condition for Traffic Safety Program Inventory Form listing all reported traffic safety personal property to all agencies receiving grants. The form must be completed and returned to TRF-BTS and verifies the status of property condition, current and future usage for traffic safety activities, and date of the last physical inventory.

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

- The necessary information has been entered.

- The forms are signed.

- The property is in operating condition.

- The property is being used for traffic safety activities.

TxDOT project managers physically verify the existence and traffic-safety use of each item. This verification is typically completed during on-site monitoring.

Property Insurance

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

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

Tagging

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

Disposition

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

- Transfer from federal inventory to state inventory.

- Declaration of inoperability and relegation to salvage or sale at auction.

- Return to TRF-BTS from the subgrantee.

- Declaration that equipment is damaged beyond repair or salvage.

- Sale at auction and return of proceeds to TxDOT for reconciliation with federal funding.

- Allowing the organization to use the equipment and/or supplies for other than traffic safety activities provided compensation is made to the Traffic Safety Program, based on fair market value.

NOTE: See the "Useful Life and Residual Value" section and accompanying table on Pages 3 and 4 of the of the Department of Information Resources publication <u>"Guidelines for Lease vs. Purchase"</u> to assist in determining the useful life of equipment.

Fair Market Value (FMV)

Fair Market Value (FMV) may be determined in several ways.

1. The first and preferred method is to have property appraised by a licensed appraiser.

2. *Kelly Blue Book* can be used to determine the FMV for passenger vehicles. TRF-BTS will accept "low" *Blue Book* value as reimbursement for the vehicle.

3. For personal property, such as computer systems or office equipment, written quotes from two local vendors will be acceptable.

4. FMV, established through a fair market value website, is acceptable.

Section 13: Oracle PeopleSoft

Introduction

The TxDOT Financial Management Division (FIN) plays an important role in Texas Behavioral Traffic Safety Program funds management. This section explains the Oracle PeopleSoft (OPS) system used by FIN to track and manage the federal, state, and local expenditures in support of the Texas Behavioral Traffic Safety Program. The system uses alpha-numeric designators to track subgrantee expenditures by task as listed in the Highway Safety Plan (HSP).

Oracle PeopleSoft (OPS)

OPS is TxDOT's official record where all obligations and expenditures are recorded. The eGrants interface with OPS is responsible for entering information into OPS.

This section provides specific information on the Texas Behavioral Traffic Safety Program's relationship to OPS. OPS requires that various data elements be coded for the authorization of expenditures to be accepted into the system.

Assignment of Charge Numbers

The TxDOT TRF-BTS Planner inputs the elements required to build charge numbers. The eGrants system creates these unique charge numbers for each project. These numbers are stored in the eGrants database, displayed on all grant agreements, and passed to OPS via the eGrants-OPS interface. The charge numbers, along with other project details, are entered in OPS.

Section 14: Federal Payment Voucher Processing

Requests for Reimbursement Review

Subgrantees complete Requests for Reimbursement (RFRs) in eGrants and submit them to their TxDOT Traffic Safety Division - Behavioral Traffic Safety Section (TRF-BTS) Project Manager. The Project Manager reviews and approves the RFRs in eGrants. A bi-weekly batch process picks up the approved RFRs and sends them to the TxDOT Financial Management Division (FIN) for processing with the eGrants-Oracle PeopleSoft (OPS) interface. A similar interface submits feedback to eGrants when the RFRs are paid.

Voucher Processing

Approved RFRs are batched into a file containing the Payee Identification Number (PIN)/Texas Identification Number (TIN), mail code and the amount to be reimbursed, along with other invoice details, and placed on an FTP server. The OPS system processes the invoice/payment data and updates relevant accounts payable tables in the financial system.

Another process in OPS sends the payment information to the Texas Comptroller's Office where a warrant or direct deposit is issued to the subgrantee to the PIN/TIN and mail code they entered in eGrants.

The OPS-eGrants interface will extract the voucher/payment data from voucher-related tables and generate an output file. This output file contains the status of all vouchers and their payment details (USAS warrant number and payment date) as well as the voucher distribution line information. This file is then read into eGrants and updates the status of the appropriate RFR.

Electronic Transfer of Funds

After vouchers have been processed successfully and a sufficient amount of federal receivables have accrued, FIN submits a voucher transaction to the National Highway Traffic Safety Administration (NHTSA). About two days later, funds are electronically transferred from Washington to the Texas State Treasury.

Grants Tracking System

The Grants Tracking System (GTS) is a Windows-based database program developed by NHTSA to assist the states in the financial management of federal grants. GTS was designed primarily to automate the financial information process, produce the required federal financial documents at the program area level, and electronically transmit this information to NHTSA's accounting department.

NOTE: In FY 2018, NHTSA began assigning a unique Federal Award Identification
Number (FAIN) to every financial assistance award. The new FAIN for each state
is incorporated into GTS by NHTSA. A FAIN is comprised of numbers and letters.

GTS handles five major types of automated transactions. Each transaction type depends on the order of completion, validity, and accuracy. The five transaction types are:

1. Obligation Limitation.

2. Obligation Cost Summary.

3. Advance of Funds.

4. Advance Reduction.

5. Voucher.

Explanations of each of these transaction types follow under separate subheadings.

NHTSA is developing a new Grants Management Solutions Suite (GMSS) and will switch to the new system when it becomes available.

Obligation Limitation Transaction

The Obligation Limitation Transaction establishes the amount of federal funds available for expenditure under NHTSA 402, 405 alcohol incentive, or other designated incentive grant funds. The amounts of these funds available for the "Obligation Limitation" are downloaded into GTS.

Obligation Cost Summary Transaction

The Obligation Cost Summary Transaction produces financial documents that obligate funds for the federal computerized accounting system. The overall process involves entering obligations for the current year and carry-forward funds into the GTS system. All entered information is verified and posted. After all posting has been processed, GTS automatically sends an electronic approved copy to the NHTSA Regional Office and to the Federal Accounting System.

Advance of Funds Transaction

The Advance of Funds Transaction allows the state to request federal funds electronically and prior to submission of a voucher. Prior to requesting federal funds or an advance request, federal funds must be obligated.

Advance Reduction Transaction

Only states using the advance method of reimbursement with an outstanding advance balance can complete this transaction (Texas uses this method). Advance Reduction Transactions result when a state issues a check to NHTSA for either:

- Reducing an outstanding advance balance, or

- Paying NHTSA an amount owed that resulted from an audit finding.

Paying an amount that resulted from an audit finding can also be accomplished through a Voucher Reduction Transaction.

Voucher Transaction

Voucher Transactions allow the state to process vouchers. Expenditures of funds must be vouchered at the same level that the funds were obligated - at the program, project, task, or sub-task level.

Voucher reductions can also be entered just like a regular progress voucher, except that the amount entered will be a credit entry only.

NOTE: As of January 1999, the federal voucher is not able to be imported to the Grants Tracking System (GTS). In order for the federal voucher to be entered into the GTS, FIN has to prepare a spreadsheet from the OPS billing report. This spreadsheet shows current federal expenditures, state or local expenditures, and the required local benefit expenditures.

NHTSA Grants Tracking System (GTS) Reports

A variety of GTS reports are available to streamline the states' fiscal management process and reduce the workload associated with meeting federal reporting requirements. These reports include:

HSP Transactions Report. This report itemizes all Highway Safety Plan (HSP) transactions, provides detailed information on federal funds, and assists in finding data entry errors.

HSP Cost Summary Report. This report reflects detailed information by project, program area, specific funding sources sub-totaled by NHTSA 402 or 405, or other incentive funds. The format of this report replicates the HS-217 and shows the increase or decrease for each program area. This report can be printed in detail, showing each project or task, or summarized by program level amounts only.

HSP Approved Program Amounts Report. This report details the same information as the HSP Cost Summary Report, but does not report the decrease or increase for each program area.

Obligated Program Amounts Report. This report itemizes all detailed information by project, program area, NHTSA 402, 410, or other obligations. It also shows the amount of current and carry-forward funds.

Highway Safety Program Cost Summary. This report is strictly for obligation purposes. The report format replicates the HS-217 and shows the increase or decrease for each program area. It can be printed in detail to reflect each project or task, or summarized to show program-level amounts only.

Voucher Transactions Reports. This report details all voucher transactions.

Status of Obligations and Expenditures. This report is for informational purposes only, and shows the unobligated and unexpended amounts for each program area.

Status of Current and Carry Forward Funds. This report separates the obligations, expenditures, and unexpended funds by current fiscal year and by carry-forward (from previous years). This report also shows federal share-to-local benefit, and state and local expenditures.

Audit Exceptions

If an audit exception in a closed-out fiscal year results in the subgrantee returning funds to TxDOT, or TxDOT having to provide funds to the subgrantee, then these funds will be applied to the appropriate task and funding source for the current year.

Chapter 6: Monitoring and Evaluation

Contents:

Section 1: Overview

What is Project Monitoring?

Traffic safety grant project monitoring is used by project managers and state and federal reviewers to track progress and achievement of project objectives and performance measures and compliance with procedures, laws, and regulations. Since the process is ongoing throughout the duration of the project, it serves as a management tool for project control. Project monitoring also presents a good opportunity for sharing information and technical assistance, and includes a set of procedures and forms for project review and documentation.

Purpose

Monitoring is required in order to:

- Ensure compliance with state and federal requirements.

- Ensure that objectives and performance measures are being achieved.

Project monitoring also serves as a management tool for:

- Detecting and preventing problems.

- Helping to identify needed changes (grant modifications or amendments).

- Identifying training or assistance needed.

- Providing data necessary for daily operations, planning, and evaluation.

- Identifying exemplary projects and best practices.

Monitoring is a sound management practice to ensure compliance with project objectives and generally accepted accounting principles, which ensures that the State is receiving what it is contracting for. The TxDOT Traffic Safety Division - Behavioral Traffic Safety Section (TRF-BTS) expends considerable time and funds to annually develop the Highway Safety Plan (HSP) goals, objectives and strategies.

Monitoring ensures that the selected strategies are fully implemented as planned in order to achieve the best possible results. If a project fails to achieve the anticipated positive impact, one of the first things to consider should be the monitoring results to determine if a poor strategy or poor strategy execution was a factor. Based on the answer, TRF-BTS should then identify what should be done differently the next time to ensure future project success.

Types of Monitoring

Monitoring is formal and informal, financial and operational. The most common types of monitoring are:

- Ongoing contact with the subgrantee through phone calls, e-mails, correspondence, and meetings.

- On-site monitoring reviews of project operations, management, and financial records and systems.

- Review of project Performance Reports.

- Review and approval of Requests for Reimbursement (RFRs) (reimbursement is addressed in Chapter 5, Section 3).

- Desk review of other documents in the project-grant files for timely submission and completeness.

- Review of reports from the Traffic Safety Electronic Grants Management System (eGrants).

- Monitoring of division traffic safety activities and grant management and oversight practices.

Major Elements of Monitoring

The following elements are important to consider when determining the appropriate level of monitoring:

- The frequency of the monitoring.

- The items to cover.

- The procedures to follow.

- The persons to involve.

- The documentation to complete.

- The evidence of present or potential problems.

- The training and assistance provided.

Answering the questions of how often, who to involve, and how to monitor depends on the following criteria.

Monitoring Criteria (Risk Factors)

Criteria	Explanation
The size and complexity of the project	The larger and more complex the project, the more frequent and formal the monitoring should be.
The capabilities and experience of the subgrantee, including relevant training attended	Lower capabilities and/or lack of experience of the subgrantee normally requires more frequent and formal monitoring.
Any indications of problems, lack of performance, or change in direction	The more problems and changes, the more frequent and formal monitoring should be.

NOTE: The grant agreement should define how and how often monitoring will occur.

 Example 1 — Minimally Monitored Project: The Jovial School District has a $300 mini-grant to conduct a Project Celebration. Monitoring may consist only of reviewing the activity report that describes the Project Celebration activities and reviewing and approving the reimbursement. Monitoring might also consist of attending part or the entire Project Celebration event to ensure that the event is alcohol and drug free with a strong emphasis on safety. This attendance is not mandatory.

 Example 2 — Project Needing Extensive Monitoring: The City of Sly has a $200,000 grant to conduct a community traffic safety program. Previously, the city has had difficulty in meeting deadlines for Performance Reports. The first deliverable in the grant is the completion of an assessment and then development of a detailed plan for addressing the community's needs as identified in the assessment. The city has submitted a $20,000 RFR, but submission of the assessment and plan is one month behind schedule. In such a case of obvious non-performance or lack of meaningful activity, payment of the RFR should be withheld pending receipt of the assessment and plan. This project should be closely monitored from the beginning. The city should be advised of its responsibilities for reporting and explaining any delays. An on-site monitoring visit should be conducted as soon as possible.

Based on the above criteria, traffic safety grants requiring annual on-site formal compliance monitoring include:

- All General (non-STEP) grants.

- STEP yearlong grants.

- Impaired Driving Mobilization (IDM) grants.

- Media vendors.

Traffic safety grants that generally do not require formal on-site monitoring include:

- STEP Click It or Ticket (CIOT) mobilizations.

- Project Celebration mini-grants.

Section 2: Ongoing Monitoring

Introduction

Ongoing monitoring occurs in the ordinary course of operations and includes regular management and supervisory activities and other actions personnel take in performing their duties to assess the quality of internal controls and system performance.

Ongoing monitoring occurs every time a project manager holds a discussion or communicates with a subgrantee project director about the project and its performance.

Frequency

Ongoing monitoring can occur daily, weekly, or monthly. Weekly phone calls may be appropriate if there are problems. Monthly status meetings might be needed for complex projects or those with significant problems. Written correspondence, including e-mails, should address routine matters, unless problems are encountered. Quarterly review meetings between the subgrantee and the Project Manager are required.

The Project Manager is usually responsible for monitoring the project throughout the entire grant period, providing technical assistance as needed, and ensuring that the grant provisions are being followed. Regular and close communication between the Project Manager and subgrantee Project Director is encouraged to assist in the early detection of problems.

Items

Any item related to the progress and management of the grant might be covered in ongoing monitoring. Although usually limited to monitoring progress on activities, ongoing monitoring should also cover the timely submission of complete and correct reports and required documentation, and close examination of budget issues, overruns or underruns, problems encountered, procurement procedures, projected changes, the need for any amendments, best practices, etc.

Warning Signs

Through on-going and/or on-site monitoring, the Project Manager should become aware of any warning signs that can indicate subgrantee noncompliance issues or problems, such as lack of performance, a change in project direction, or fraudulent activities.

Ongoing Monitoring Warning Signs

Late project start	Frequent revision requests to the grant
Low activity level	No records or inconclusive records

Ongoing Monitoring Warning Signs

Slow expenditure rate	Evasive answers
Late reports or discrepancies	Failure to obtain required TRF-BTS approvals
Low morale/poor attitude	Salaries claimed did not reconcile with documents
Incorrect claims	Payment for activities not specified in grant
Frequent personnel changes	Submission of questionable invoices or backup documentation

Procedures

To ensure that effective ongoing monitoring is occurring, the Project Manager should:

- Routinely set aside time to call or meet with subgrantee personnel.

- Make a list of issues or questions to cover prior to the contact.

- Ensure that all issues are covered and that a deadline has been agreed upon to resolve any issues.

Documentation of these contacts, such as notes or e-mails, should be kept in the project files and made available for monitoring. Notes or e-mails can also be documented through the submission of On-going Monitoring Reports through eGrants (See the subheading "Documentation" below.). Each grant agreement includes a provision that the subgrantee will arrange meetings with the Project Manager, at least quarterly, to present the status of activities, discuss problems, and present a schedule of activities for the following quarter's work.

Participants

Ongoing monitoring should involve grant personnel with management or oversight responsibility for the project. In addition to the Project Director, this would include a financial officer, possibly an agency grants manager, and any other key project personnel.

Each TxDOT district has an Internal Review Analyst (IRA) who works for the District Engineer and is trained to monitor and audit grants. This person is an excellent resource who can possibly assist the Traffic Safety Specialist (TSS) and provide guidance on laws, regulations, policies, and procedures.

The TRF-BTS Policy and Procedures Coordinator is another excellent resource, and may be asked to assist if there is a history of poor performance, or in the case of particularly large and/or complex grant projects such as grants with state agencies or STEP projects. The TRF-BTS Policy and Procedures Coordinator can also provide guidance for determining when to request assistance from management, senior program coordinators, or financial specialists based upon the nature and severity of problems encountered, or if fraud is suspected.

Documentation

Originals of all checklists, reports, and correspondence must be documented in the eGrants file of record maintained by TRF-BTS. A note to the file should be provided to document meetings and discussions. This documentation becomes important during the course of the project in case of changes in project activities, budget, or grant personnel. The documentation is also important at the end of the project since it is used to evaluate project and subgrantee performance.

To document on-going subgrantee monitoring activities, project managers should create and submit an On-Going Monitoring Report in eGrants. The subgrantee monitoring reports can be found by viewing a subgrantee's grant in eGrants. "Subgrantee Monitoring" can be found under "Examine Related Items." The procedures for completing the on-going monitoring report are:

1. Select "Create New" to create a Monitoring Report.

2. Click on "View Edit and Complete Forms," and select "On-Going Monitoring."

3. Complete and save the On-Going Monitoring Report Form.

4. Add additional information and/or attachments, if necessary, by opening and completing the applicable "Attachments" form page.

5. Click on "Change the Status" to change the status of the On-going Monitoring Report to "Subgrantee Monitoring Submitted."

NOTE: Once the status has been changed to "Subgrantee Monitoring Submitted," the subgrantee will be able to view the monitoring report.

Section 3: Project On-Site Monitoring

Background

Calls, letters, and occasional meetings are generally not sufficient to adequately monitor a project. `A project manager will conduct on-site monitoring to review project status, documents, and subgrantee grant management and financial records and systems. On-site monitoring should involve all project personnel with management or oversight responsibility for the project, including a financial representative.`

NOTE: `The on-site monitoring can be conducted in-person or virtually at the discretion of the TxDOT Project Manager.`

Frequency

`For first-time subgrantees or existing subgrantees with a new project, on-site monitoring must be completed within the first quarter of the project.` On-site monitoring for projects beyond the first year must be conducted at least once during the first three quarters of the fiscal year. Projects evidencing any problems or displaying any of the warning signs (identified in Section 2 of this chapter) may need additional on-site monitoring during the fiscal year.

Items to Review

On-site monitoring includes all issues related to the effective and efficient operation of the project. The following, though not all-inclusive, are the most important items to review:

- Progress toward achievement of objectives and performance measures.

- Adherence to all objective's activities (for General grants).

- Timely submission of complete and correct reports, including required documentation.

- Status of expenditures as they relate to the budget, including any overruns or underruns.

- Protection of programs and resources from waste, fraud and mismanagement.

- Adherence to laws and regulations.

- Subcontracts, and all related documentation.

- Accounting records.

- Personnel records and time sheets.

- Personnel changes.

- Any necessary pre-approvals (Supplemental Approvals).

- Supporting documentation (training documentation, verification of average cost-per-mile to operate patrol or fleet vehicles, etc.).

- Noteworthy accomplishments (best practices).

- Deficiencies or recommendations for corrective action.

In addition, the Project Manager will inventory and inspect annually any equipment purchased or leased as part of the project to ensure that it is being used for the purpose for which it was bought or leased under the grant agreement.

The Project Manager can access an on-site monitoring visit checklist and monitoring forms in eGrants under each grant. The forms are located under "Examine Related Items" and "Initiate a Subgrantee Monitoring."

Advance Preparation

Prior to the on-site monitoring, the Project Manager should:

- Plan each on-site monitoring visit well in advance (preferably at least three to four weeks).

- Refer the Project Director to the appropriate procedures in Section 3 of this chapter.

- Carefully review the grant agreement to determine which of the objective's activities should have been accomplished by the on-site monitoring date (for General Grants).

- Note any special terms, conditions, problems, or warning signs that need monitoring.

- Review all correspondence, Performance Reports, and Requests for Reimbursement (RFRs) submitted prior to the visit.

- Set up appointments with key project staff (management and fiscal).

- Provide a list of the types of documents to be reviewed, including time sheets, purchase vouchers, and forms.

- Note any items requiring follow-up from a previous monitoring visit.

Review of Source Documents

During at least one on-site monitoring visit, the Project Manager will review source documents and evidence of task completion depending upon the activities to be conducted and the types of costs involved in the project. Examples of source documents to be included in the financial review are presented in the table below.

Financial Documents Reviewed During On-Site Monitoring

Document Type	Notes
Requests for Reimbursement	Any supporting documentation to support the validity of appropriate outlay detail forms submitted through monthly RFRs.
Time Sheets	Time sheets, pay records, payroll registers, and possibly personnel (salary rate) records must be reviewed to determine that salary and wage costs are fully supported. Time sheets must account for 100% of time, regardless of the amount charged to a grant. If only a percent of time is to be reimbursed, then the prorated amount must be correct.
Fringe Benefits	If reimbursable, fringe benefits (such as health insurance, pension plan, etc.) must correspond to the amount or percent in the executed grant budget.
Travel Costs	Only travel directly associated with the grant may be reimbursed. This might include, for example, travel to meetings called by TxDOT.
Invoices and Payments	Only those costs in the approved budget may be reimbursed. Any payments must be directly attributable to the grant costs.

In reviewing these documents, a sampling methodology may be used, either randomly or selectively (such as, every fifth voucher or every other time sheet). Choose 10% (at a minimum) of total hours worked on the grant for a two-month period. Review all documentation associated with these reported hours. Compare the summary of hours worked (submitted with the RFRs) with the subgrantee's source documents. Examples of documents include STEP daily activity reports (DARs), time sheets, overtime slips/cards, citations, supplies invoices, travel documents, etc. The purpose of the financial document review is to ensure that costs claimed reconcile with the approved grant budget and the documentation.

For STEP grants and other grants claiming personnel services, the Project Manager must closely examine and compare personnel log sheets to actual activity documentation (such as date and time worked as recorded on paper tickets and time reports) to ensure that only actual time worked on grant-funded, approved activities is submitted for reimbursement. Review original documents (not copies) at the subgrantee or third-party subcontract level (See Fraud Prevention in Section 4 of this chapter).

Review of Project Status

The Project Manager will review the status of project activities. Examples of evidence of progress toward task completion might include:

• Attendance rosters for training projects or events.

• The number of citations and warnings for enforcement projects.

• Newspaper clippings of events and public information activities.

• Written analyses and reports for data or problem identification projects.

• Survey or questionnaire results.

- Personnel training records.

- Subcontractor performance.

Review of Budget Requirements

The Project Manager will review appropriate program and financial documents for adherence to budget requirements to determine whether:

- Expenditures are on schedule.

- Costs are in the approved budget category or any subsequent amendment.

- Any necessary prior approvals for travel, equipment purchases, or changes have been obtained.

- Appropriate procedures have been followed for all expenditures, including subcontracts.

- Appropriate supporting documents, including those related to matching funds, are available and filed.

Direct Observations

On-site monitoring could also include direct observation of activities performed. These might include attendance or participation in:

- Meetings, workshops or training courses.

- Press conferences or other media events.

- Presentations to schools, organizations or civic clubs.

- Task forces, subcontractor, or committee meetings.

- Shifts of STEP enforcement.

Documentation

The Project Manager will complete in a timely manner, through eGrants, all on-site monitoring form pages and attach copies of all appropriate records and other documents reviewed during the visit. To document on-site subgrantee monitoring activities, Project managers must create and submit an On-site Monitoring Report in eGrants.

The subgrantee monitoring reports can be found by viewing a subgrantee's grant in eGrants ("Subgrantee Monitoring" can be found under "Examine Related Items.").

To complete the On-Site Monitoring Report, follow the steps listed below.

1. Select "Create New" to create a Monitoring Report.

2. Under "View, Edit and Complete Forms," select "On-site Monitoring."

3.   Complete and save all on-site monitoring forms.

4.   Add additional information and/or attachments by opening and completing the applicable Attachments form page.

5.   Click on "Change the Status" to change the status of the on-site monitoring report to "Subgrantee Monitoring Submitted."

NOTE: Once the status has been changed to "Subgrantee Monitoring Submitted," the subgrantee will be able to view the monitoring report.

Management Oversight of Grant Monitoring

TRF-BTS management will review the program monitoring plan at least once a year on a formal basis to document compliance with the policy to perform an on-site monitoring visit for all subgrantees requiring a visit on an annual basis.

Section 4: Fraud Prevention

Background

Investigations by the Federal Office of the Inspector General (OIG) and National Highway Traffic Safety Administration (NHTSA) have detected cases of fraud involving some subgrantees receiving federal highway safety grant funds. A comprehensive monitoring program is one of the most effective ways to prevent fraud. Such a program includes the elements outlined in Sections 1-3 of this chapter. Sufficient management oversight is essential to ensure that the monitoring program is fully implemented. On-site monitoring of grants that include personnel services is essential.

TxDOT will notify NHTSA in writing within three (3) business days from TxDOT receiving notification of any potential fraudulent activity or other violation of federal criminal law in accordance with the regulatory requirement.

NOTE: Personnel services grants, including Selective Traffic Enforcement Program (STEP) grants that include law enforcement overtime and grants containing subcontracts, have been identified as high risk for fraud. These grants require strong internal supervision by the subgrantee and extra attention/supervision by the TxDOT Traffic Safety Division - Behavioral Traffic Safety Section (TRF-BTS).

Based on the results of investigations conducted in Texas and other states, the OIG, NHTSA and the Governors Highway Safety Association (GHSA) have compiled the following information to assist State Highway Safety Offices (SHSOs) in communicating with subgrantees, implementing safeguards, monitoring, and taking action when fraud is detected (See *NHTSA Fraud Prevention and Detection* under "Manuals and Reports" on the eGrants Help Page).

Identification of High Risk Grants and Activities

To distinguish grants that may be considered high risk, the Project Manager should:

- Identify law enforcement and other types of grants which contain claims for personnel services that require special attention to detect fraud.

- Closely examine and compare personnel log sheets to actual activity documentation (such as date and time worked as recorded on paper tickets and time reports) to ensure that only actual time worked on grant-funded, approved activities is submitted for reimbursement.

- Ensure that only approved hourly rates for subcontractors and vendors are charged to the grant, and that legitimate original invoices from subcontractors and vendors for actual work completed are available for examination.

Recognition of Risk Factors for Personnel Services Grants

The Project Manager should become familiar with any of the following warning signs that may indicate subgrantee noncompliance or fraudulent activities:

- Lack of communication of specific and clear benchmarks, goals and deliverables for enforcement and other contracts.

- Lack of training for supervisors and officers to emphasize unique conditions of grant programs.

- Lack of supervision of grant procedures during overtime patrols, time and attendance quality checks, and use of paper forms.

Incorporation of Prevention Strategies into Policies and Monitoring Practices

The following prevention strategies can be incorporated into monitoring practices to help eliminate noncompliance and fraudulent activities:

- Provide specific pre-award guidance to subgrantees to explain the federal requirements and discuss the need for their own internal control systems.

- Require subgrantees to submit their policy/internal controls to certify compliance with generally accepted practices. Questions to ask include:
  - Do supervisors sign off on completed work?
  - Do officers check in and out of shifts with a supervisor or dispatch?
  - Do supervisors conduct reviews and spot checks of officer records?
  - Are work schedules prepared in advance?
  - Do managers have access to Global Positioning System (GPS) records or other location records for patrol vehicles?

- Review original documents (not copies) at the subgrantee or third-party subcontract level and ask the following questions:
  - Could an officer falsify elements like date and time of the violation?
  - Are records retained for review?

- When conducting on-site monitoring, oversample vouchers.

- Establish clear performance benchmarks and expectations.

- Develop an action plan to follow when possible fraud is detected.

- Use TxDOT auditors to randomly audit selected subgrantees and follow up on fraud allegations.

- Document and disseminate information on identified cases of fraud and the consequences to law enforcement officers, project personnel, and their departments as a deterrent.

Preventive Oversight for Law Enforcement Agencies

Law enforcement agencies should take the following actions to effectively prevent fraudulent activities.

- Build supervision into the grant project.

- Develop and implement an enforcement or project action plan based on the data.

- Utilize GPS units on patrol vehicles.

- Use log sheets or Daily Activity Reports (DARs) to verify actual hours worked on shifts.

- Provide training, including refresher roll call reviews of expectations, and ask the following questions:
  ○ Are officers informed about requirements and expectations?
  ○ Are veteran officers asked to complete refresher training?
  ○ Do managers have adequate training on grant administration?
  ○ Is there any emphasis placed on detecting fraud or conducting periodic reviews?
  ○ Are training records maintained?

- Review the type of ticketing system. Automated systems are less likely to be subject to fraudulent activities than hand-written paper citations.

TRF Review and Actions

All the above information and questions under "Preventative Oversight for Law Enforcement Agencies" have been incorporated into a comprehensive STEP On-Site Monitoring Checklist. This checklist is required to document a project manager's on-site compliance monitoring visit of a STEP site. The checklist can be accessed by viewing a STEP subgrantee's grant in eGrants. The checklist, under "Subgrantee Monitoring," can be found under "Examine Related Items."

To complete the STEP on-site monitoring checklist, follow the steps listed below:

1. Select "Create New" to create a Monitoring Report.

2. Under "View, Edit and Complete Forms," select "On-site Monitoring" (eGrants will automatically pull up the STEP Monitoring Checklist if the "Create New" Monitoring Report is initiated while in a STEP grant).

3. Complete and save all on-site monitoring forms.

4. Add additional information and/or attachments by opening and completing the applicable Attachments form page.

5. Click on "Change the Status" to change the status of the on-site monitoring report to "Subgrantee Monitoring Submitted."

NOTE: Once the status has been changed to "Subgrantee Monitoring Submitted," the subgrantee will be able to view the monitoring report.

TRF Compliance Monitoring

It is TRF-BTS's responsibility to monitor TxDOT federally-funded traffic safety grant agreements and project files of record in order to review compliance with TxDOT's established project management procedures, and with other state and federal regulations and laws.

TxDOT compliance responsibilities include the Project Manager's monitoring responsibilities outlined in Sections 1-3 of this chapter. To assist TxDOT in its oversight efforts, TRF will provide an additional level of monitoring and oversight of TRF-BTS-managed grants that will assist in the prevention of program mismanagement and fraud. The TRF Compliance Monitor will provide desk reviews of selected projects through the eGrants system. The TRF Compliance Monitor has full access to all files in eGrants, and therefore, can view all projects along with all attached documentation. The TRF Compliance Monitor will annually review 10% of all yearlong TRF-BTS traffic safety projects. The desk review process will begin upon completion of the Onsite Monitoring Report by the TxDOT Project Manager.

These periodic program area monitoring reviews help provide operational consistency, ensure that laws and regulations are followed, and that programs and resources are protected from waste, fraud and mismanagement. All subgrantees must be treated fairly and the TRF Compliance Monitor should be watchful for lengthy relationships between subgrantees and the Project Manager which might imply or result in favored treatment. Projects to be reviewed, by program area, will be selected based on the criteria identified below.

In addition to TxDOT's normal compliance monitoring and management review function, TRF assists project managers with procedural compliance and provides appropriate assistance and training.

Frequency

To determine the need and frequency of program compliance monitoring reviews, TRF uses a risk assessment process. This process focuses on the following risk factors:

- The program's total number of grants.

- The program's total dollar amount in grants.

- Past performance history (eGrants grading system).

- Use of subcontractors.

- Size and complexity of project.

- Personnel costs (high risk factor).

- Equipment purchase with a value over a specified amount.

- New subgrantees to Traffic Safety.

- Potential program income.

- Project Manager request.

- Receipt by TRF of adverse audit findings or other adverse information.

- A stated combination of frequency and risk factors.

Identifying these risk factors allows the prioritization of grants within TRF-BTS program areas representing the greatest need for compliance monitoring, which helps TRF better allocate its resources.

For program areas with a large number of projects, multiple projects may be considered for desk reviews during the year.

Advance Preparation

Prior to each program area desk monitoring review, the TxDOT TRF Compliance Monitor will:

- Review the list of projects (based on the risk assessment) that have the highest priority.

- Determine the list of projects to be reviewed.

- Notify the Project Manager that his/her project will be reviewed and provide a timeline for the review.

Review of Project Files

The TxDOT TRF Compliance Monitor will review the contents of grant files for selected projects managed by the TRF-BTS Project Manager. Items to be reviewed include:

- The copy of the signed grant agreement with all required pages, attachments, any amendments, transmittal correspondence, and jurisdiction ordinance or resolution, if appropriate.

- The use of subcontractors.

- The completed grant delivery form.

- On-site monitoring checklists and reports.

- Project Performance Reports (to review progress toward objectives and performance measures).

- RFRs with appropriate backup and/or source documentation (to review status and appropriateness of expenditures).

- Necessary pre-approvals (supplemental approvals).

- Copies of all required documents.

- Timely submission of accurate and complete reports.

- Time frame of project manager review and approval of submitted Performance Reports and RFRs.

- Project manager review and comments on Project Grading activities for monthly Performance Reports and RFRs.

- Traffic safety federally-funded equipment inventory.

- Promotional materials directly related to project objective and inventory.

- Program income.

- Routine correspondence and other records of communication between the Project Manager and the subgrantee organization.

- Professional development, training, and assistance needs.

- Exemplary projects and best practices (from contacts and reports).

- Any warning signs.

The TRF Compliance Monitor may contact the Project Manager for any needed assistance during the review, or if there are any problem areas that require detailed scrutiny or questioning.

Post Review Process

Following the desk review of selected projects, the TRF Compliance Monitor will:

- Complete the desk review compliance monitoring report form in eGrants for each project file reviewed.

- Identify the criteria for citing any discrepancies found and potential actions to be taken for acceptable resolution.

- Establish a deadline for completion of corrections.

- Submit the completed desk review report in eGrants to the TRF-BTS Section Director. The TRF-BTS Section Director will then disseminate the report to the appropriate TxDOT personnel for review and comments. After all personnel have addressed comments and completed the review, the report goes to the TRF-BTS Director for approval.

If the TRF Compliance Monitor's desk review identifies any adverse or severe issues, then a request may be made to the subgrantee to schedule an on-site compliance review with the appropriate project manager. The Project Manager will set up all on-site monitoring visits of selected projects. The TRF Compliance Monitor and key subgrantee project management and fiscal staff should attend these reviews. If possible, project activity will also be observed, such as enforcement efforts, ongoing classroom or field training activity, or project personnel performing project-related activities.

On-Site Monitoring Documentation

If an on-site monitoring visit is conducted, the Project Manager will document the review by completing all applicable on-going monitoring form pages and creating a monitoring report in eGrants (See Section 3 of this chapter.).

The subgrantee is expected to respond in writing within 30 business days to the items identified in the report, with specific actions to be taken and dates.

Section 5: Resolution of Findings

Introduction

During the course of a project, circumstances may arise that accelerate project activities, delay the project, or are otherwise outside of the scope of the project. According to 2 C.F.R. §200.328, and Article 7 of the Grant Agreement Terms and Conditions, the subgrantee must inform the grantor (TxDOT) of any events that may have "significant impact upon the supported activity" as soon as these become known. These conditions are defined under "Frequency" in Chapter 5, Section 2 of this manual.

Notification and resolution of adverse or favorable conditions, as appropriate, between a subgrantee and TxDOT, or TxDOT and the federal grantor agency (National Highway Traffic Safety Administration [NHTSA]), are described below.

NOTE: An incomplete or incorrect Performance Report or Request for Reimbursement (RFR) should be immediately returned to the subgrantee Project Director for correction. Appropriate documentation of the nature of the problem should be included in the transmittal. Project managers can send an RFR or Performance Report back to the subgrantee for corrections by changing the status of electronically submitted performance reports and/or RFRs through the Traffic Safety Electronic Grant Management System (eGrants) under "Change the Status" to "Modifications in Progress." While in "Modifications in Progress," the subgrantee will be allowed to make the necessary corrections and then resubmit the documents for project manager review.

First-line Resolution - Minor Findings

The TxDOT Project Manager notifies the subgrantee's Project Director in writing upon any initial indication of minor discrepancies or errors in reporting, project implementation, or accounting. Examples of minor discrepancies include:

- Delays in activities that will not adversely affect the timely completion of the project.

- The omission of secondary performance data.

A notification of any finding must include the following information:

- A detailed description of the finding.

- A description of any actions or options the subgrantee may make in response to the finding.

- A date by which the subgrantee should have implemented the recommended action or advised the Project Manager of a proposed alternative, or both. Under most circumstances, this date should be no more than 30 days after written notification by the Project Manager.

Copies of this correspondence, including copies of e-mail exchanges, should be included in the eGrants file of record via the creation and completion of an On-Going Monitoring Report. See Section 2 of this chapter for more details on completing an On-Going Monitoring Report through eGrants.

Resolution of Minor Findings: Options

Minor findings should be corrected before they become major problems. The following table shows examples of ways in which a project manager may resolve minor findings. Left undetected or unresolved, minor discrepancies may become major problems.

Resolution of Minor Findings

Finding	Resolution
Unapproved or ineligible cost in the RFR	Return report to subgrantee and ensure correction in the re-submitted RFR.
Delay in reporting	Provide written reminder of due dates; provide assistance.
Data omitted from reports	Return the report to subgrantee and provide a written reminder and explanation of purpose of data.
Delay in activity	Discuss the delay with the subgrantee's Project Director; ensure the objective(s) activities are current, if applicable.

Second-line Resolution - More Serious Error or Discrepancy

Upon a repeated incidence of a finding or a more serious error or discrepancy, the Project Manager must provide a notice in writing to the subgrantee.

Examples of more serious errors or discrepancies include:

- An RFR for an unallowable item.

- Omission of a significant amount or type of reporting information.

- Actions taken without prior approval when the grant stipulated prior approval.

- Significant delay in achievement of objectives and performance measures.

In addition to the information required for a first notification, this second-line notice would include any potential ramifications or imposed requirements. These, as defined in the *Uniform Grant Management Standards*, might range from temporary delays in reimbursement to a designation of "High Risk" status or cancellation of the grant agreement.

Resolution of Significant Findings

Significant findings must be addressed immediately with notification to the subgrantee. For local and statewide projects, this notification must come from the Director of the TxDOT Traffic Safety Division - Behavioral Traffic Safety Section (TRF-BTS), or his or her designee.

Examples of significant findings include:

- Delays that are likely to significantly impact successful implementation of the project.

- Discovery that an amendment was made in which the state-local share formula is inaccurate.

- Indication of fraud or other illegal activity associated with management or implementation of a project.

- Continuing delays or omissions in the submission of required documents.

- Consistent failure to abide by a provision in the grant agreement.

In the event of significant findings, notification must be made to the subgrantee's signatory with single copies to:

- The Project Director.

- The file of record.

Options for Resolution of Major and/or Significant Findings

The following table provides examples of ways a project manager can resolve significant findings.

Resolution of Major, Significant Findings

Finding	Resolution
Significant delays due to unforeseen circumstances	Renegotiate grant objectives and activities; ensure completion of project grant amendment, if necessary.
Failure to submit a Performance Report	Ensure the subgrantee is aware that TxDOT will not approve a Request for Reimbursement (RFR) until the corresponding Performance Report has been submitted and approved. Also, ensure that the subgrantee is aware that Performance Reports must be submitted within thirty (30) days after the end of the reporting period.
Unapproved or ineligible costs	Return unapproved RFR for corrections or demand that the necessary correction or adjustment be made to the subsequent RFR or final RFR.
Inability to complete necessary tasks	Cancel grant agreement, preferably on a mutual basis.
Illegal activity	Ensure investigation is being conducted; initiate a Stop Work Order if appropriate.

Project Audit

If serious financial problems are identified, TxDOT TRF may request that the TxDOT Compliance Division (CMP) perform an audit.

High Risk Designation

A subgrantee may be considered "High Risk" if TxDOT determines that a subgrantee:

- Has a history of unsatisfactory performance.

- Is not financially stable.

- Has not conformed to the terms and conditions of the award.

- Is otherwise not responsible.

Special conditions and/or restrictions must correspond to the high-risk condition and must be included in the notification to the subgrantee. Special conditions and restrictions may include:

- Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given time period.

- Requiring additional, more detailed financial reports.

- Additional project monitoring.

- Requiring the subgrantee to obtain technical or management assistance.

- Establishing additional prior approvals.

If TxDOT decides to impose such conditions, the TxDOT Project Manager will notify the subgrantee as early as possible, in writing, of:

- The nature of the special conditions/restrictions.

- The reasons for imposing the special conditions/restrictions.

- The corrective actions which must be taken before special conditions/restrictions will be removed.

- The time period allowed for completing the corrective actions.

- The method of requesting reconsideration of the conditions and/or restrictions imposed.

Mediation or Cancellation

If actions are not taken to resolve findings, or if actions taken (including placing a subgrantee on "High Risk" status) are not successful in resolving the problems, then the project must be canceled. However, mediation by TxDOT may be initiated prior to cancellation in a final attempt to resolve differences and come to terms on actions needed. Mediation may be initiated by the subgrantee or

a TxDOT official, including the Project Manager, Program Director or administrator, or TRF Director in the division. Results of mediation are considered final for all parties. Work may continue at a reduced level during mediation if approved by TxDOT. If the grant agreement ends during mediation, a new grant is not to begin until the mediation has been successfully completed.

Right to Appeal

The subgrantee may appeal a decision made by TxDOT according to the provisions of the grant agreement. This appeal does not apply to any situation that has gone into mediation.

Section 6: Evaluation Overview

Background

Traffic safety efforts involve four basic steps:

1. Problem identification.

2. Countermeasure development.

3. Countermeasure implementation.

4. Evaluation.

Project evaluation brings the traffic safety process full circle, as the results help managers determine whether or not any of the preceding steps need adjustments. For this reason, evaluation is an ongoing process in the management of the Texas Behavioral Traffic Safety Program.

Purpose of Evaluation

Evaluation allows all involved to:

- Assess project or program effectiveness.

- Improve countermeasures.

- Allocate scarce resources more efficiently.

Without evaluations, subgrantees, project directors, and program directors and managers could not know:

- When to make adjustments to countermeasure development or implementation.

- If programs and individual projects are accomplishing their intended results.

- If one program is more or less effective than another.

Why Evaluation is Sometimes Neglected

Evaluation is sometimes neglected because it:

- May be time consuming.

- Does not by itself enhance program or project effectiveness.

- Sometimes yields unwelcome or discouraging results.

Decision Outcomes

Using evaluation results, project managers arrive at one of three possible decision outcomes:

- To continue with the activity as it is.

- To modify the activity to improve performance.

- To place the subgrantee on "High Risk" status or cancel the activity for lack of progress or poor performance.

Section 7: Project Evaluation

Introduction

Project evaluation is an ongoing process conducted throughout the grant agreement period. This evaluation process is performed at different levels of administration. The following table shows the phases of project evaluation and who performs them.

Performance of Project Evaluation

Type of Evaluation	Performed by
Periodic project monitoring (described later in this section)	Project Managers
Review of Performance Reports	Project Managers
Risk Assessment	TRF-BTS Director through eGrants
eGrants project grading	Project Managers
Final project evaluation	Project and Program Managers
Annual Report (covered in Section 8 of this chapter)	TRF-BTS Planner

Periodic Project Monitoring

The project monitoring process (covered in Sections 2 and 3 of this Chapter) is an important part of evaluation of the project.

Project Performance Reports and Requests for Reimbursement (RFRs) normally give an evaluator some sense of whether or not the project is proceeding according to the project's objectives in terms of activities reported and expenditures included. Anything that appears out of the ordinary can then be followed up with an on-site monitoring visit. In addition, on-site monitoring visits provide an opportunity to determine progress and detect problems. In this way, the evaluator might discover a minor problem early and recommend an early correction in activity or tighter fiscal control to avoid a major problem later.

In addition, the reports should also indicate whether substantial overruns or underruns are occurring, and if so, they should be explained in the report. In the event of substantial underruns, the Program Manager might recommend reallocation of these resources to other areas where additional funds can be better utilized. For overruns, the Program Manager should ensure that all costs are expended according to the approved budget and that the grant can sustain itself throughout the effective term period. Otherwise, an amendment to the grant may be required. Project and program managers should submit these recommendations to the TxDOT TRF-BTS Director for approval prior to implementation.

Risk Assessment

Beginning with FY 2016 grants, TxDOT started conducting a risk evaluation for each subgrantee receiving National Highway Traffic Safety Administration (NHTSA) funds. Under the Uniform Grant Guidance, TxDOT is required to evaluate each subgrantee's risk of noncompliance with federal statutes, regulations and terms and conditions of the grant for purposes of determining the appropriate level of subgrantee monitoring. TxDOT will conduct the risk assessment annually and will document the outcome of the risk assessment process.

eGrants Project Grading

2 C.F.R. §200.318(h) states:

> "The non-Federal entity must award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of the proposed procurement. Consideration will be given to such matters as contract integrity, compliance with public policy, record of past performance, and financial and technical resources."

TRF-BTS has developed the eGrants Project Grading System in order to comply with the above and to assist TRF-BTS in reviewing project accomplishments (performance measures completed, targets achieved), to determine whether or not the grant provided a beneficial service to the Traffic Safety Program, and to determine the continued need for the project.

Each subgrantee receives a grade of A through F at the end of the grant year based on a possible 100 points. Subgrantees start with 0 points and earn points throughout the grant year. Points are earned by the timely submission of Performance Reports, RFRs, subgrantee's performance (per reporting period) and adherence to the project budget (per reporting period).

Points are awarded by the review and grading of Performance Reports and RFRs by the TxDOT Project Manager. Both the STEP and general grants are graded on 10 criteria. eGrants automatically calculates and grades five criteria for STEP grants and three criteria for general grants. Project managers review and grade the remaining criteria by reviewing Performance Reports and RFRs and completing the Review and Comment pages of these reports. These criteria include:

- STEP Indicator, based on grant target number (for STEP projects only).

- Matching contribution.

- Performance Report submission dates:
  - On time (met the submission deadline).
  - Missed the submission deadline.

- RFR submission dates:
  - On time (met the submission deadline).
  - Missed the submission deadline.

- Public Information and Education (PI&E) activity objectives (for STEP Projects only).

- Project manager review of Performance Reports.

- Citations/arrests for STEP grants/objectives, applicable activities, and performance measures for general grants.

    ○ Less than target – Justified.

    ○ Less than target – Not justified.

    ○ Meets.

    ○ Exceeds.

- Risk assessment:

    ○ Termination.

    ○ "High Risk" suspension.

    ○ Below.

    ○ Meets.

    ○ Exceeds.

- Overruns/Underruns:

    ○ Yes.

    ○ No.

NOTE: Subgrantees that meet all grant objectives, including submitting all reports within the 30-day time frame, meeting all grant goals and target numbers, and staying within the grant budget by 10% through the grant year, will receive a score of 90, or an A.

NOTE: The grading process is cumulative and can be viewed at any time by the subgrantee or the Project Manager by clicking "Project Grading," found on the bottom right side of the grant.

TxDOT review includes the following:

- The Project Manager reviews Performance Reports and completes the Review Comments page of the Performance Report. This page contains questions concerning the subgrantee's performance and the Project Manager's risk assessment of the subgrantee to date. A comments box is also included on the page to allow the Project Manager the opportunity to provide any comments.

- The Project Manager reviews RFRs and completes the Review Comments page of the RFR. There are three questions on this page that the Project Manager must answer concerning budget and supporting documentation submitted by the subgrantee. A comments box is also included on the page to allow the Project Manager the opportunity to provide any comments.

- TRF-BTS project managers must complete the questions on the Review/Comments pages of the reports to the best of their ability. Each question is answered by selecting the appropriate radio button that best represents the subgrantee's performance for the reporting period. Therefore, careful review of information contained in the Performance Reports and RFRs, including supporting documentation, is required.

Each Review/Comment page includes a comment box, which is a mandatory field. This is an excellent place to document any concerns or reminders, or praise a subgrantee for excellent work. The comments box should be used in conjunction with the Project Manager's assessment and grading of the performance period through the use of the radio button selections. The file of record, including the subgrantee's performance, must be thoroughly documented (especially for a subgrantee that is struggling to meet performance measures/target numbers) to include evidence of continued communication between the Project Manager and the subgrantee.

NOTE: "Justified" means the subgrantee has included adequate information in the Performance Report Narrative Page explaining difficulties/obstacles encountered by the subgrantee that directly impacted their ability to meet the objectives and/or activities of the grant for the reporting period. Project managers must use their best judgment, based on the available information, that a valid reason existed that caused the subgrantee to fail to meet one or more objectives or target numbers for the reporting period in order to be considered justified. Valid reasons would have to be considered exceptional and beyond the subgrantee's control.

NOTE: "Not justified" means insufficient information is included on the Performance Report Narrative Page to substantiate the reason(s) for failing to meet the grant's goals and objectives. Therefore, the Project Manager must choose the "Not Meeting Target - Not Justified" radio button on the Comments/Review Page.

The eGrants Project Grading Page can be accessed through the eGrants Project Grading link located on the eGrants Help Page. The page provides the latest information concerning the automated grant grading system, including the values of the above criteria.

End-of-Grant Performance Report

Within 30 days of the end of the project period, the subgrantee is required to submit the end-of-grant Performance Report to the Project Manager (See Chapter 5, Section 2, "Performance Report."). This report is intended to be an overall and brief synopsis of the project performance for the year. The final end-of-grant Performance Report:

- Tells whether or not the project objectives were met, and

- Lists accomplishments (performance measures completed, targets achieved).

After review by the Project Manager, end-of-grant performance reports are used by TRF-BTS for compilation and use in developing the annual report.

Final Requests for Reimbursement

Within 45 days of the end of the project, subgrantees must submit all final RFRs to TxDOT. The final RFR is critical to the final closeout of the fiscal year budget because it allows any residual monies to be carried forward to fund the next year's projects.

Section 8: Annual Report to NHTSA

Introduction

The TxDOT Traffic Safety Division - Behavioral Traffic Safety Section (TRF-BTS) is responsible for submitting the Annual Report to the National Highway Traffic Safety Administration (NHTSA). The report describes the accomplishments of the Texas Behavioral Traffic Safety Program and is due within 90 days after the end of the federal fiscal year (December 31).

Report Contents

As prescribed in the Uniform Procedures for State Highway Safety Programs (23 C.F.R. 1300.33), the annual report must include the following:

- The State's progress in meeting its highway safety goals, using performance measures identified in the Performance Plan. Both baseline and most current level of performance under each measure must be given for each goal.

- A description of how the projects and activities funded during the fiscal year contributed to meeting the State's highway safety goals. When data becomes available, a state should report progress from prior year projects that has contributed to meeting current state highway safety goals.

Based on the above federal requirements, the TRF-BTS Annual Report to NHTSA consists of the Annual Evaluation Report (compiled by TRF-BTS) and the Financial Obligation Closeout (compiled by the TxDOT Financial Management Division [FIN] in coordination with TRF-BTS). The TRF-BTS Annual Report includes:

- A three to five-page overview of statewide highway safety accomplishments.

- A summary report by program area describing the results of the completed projects that includes a synopsis of:
  - Activities.
  - Costs and accomplishments.
  - Contributions of independent groups.
  - Any program income earned or used.

- Significant legislative and administrative accomplishments.

Final Administrative Evaluation

To satisfy the NHTSA's requirement of accumulating data and submitting the annual report, TRF-BTS compiles information contained in the final performance reports, program area summaries

and analyses, year-end statistics, and other pertinent information at the end of each project and conducts a final administrative evaluation. The final administrative evaluation provides a judgment of value or worth based on:

- The measurement of actual tasks or activities compared with planned levels of performance of each program area project.

- The listing of major accomplishments.

- The assessment of unit cost and other aspects of operational efficiency.

The above information is included in the TRF-BTS Annual Report submitted to NHTSA.

Financial Obligation Closeout

The Financial Obligation Closeout is a final accounting of expenditures. As required in the Uniform Procedures for State Highway Safety Programs (23 C.F.R. §1300.22, §1300.23, and §1300.24), the Financial Obligation Closeout will include:

- The final official voucher for total expenses incurred containing the following information for expenses claimed in each program area:
  - Program area or project number.
  - Federal funds obligated.
  - Amount of federal funds allocated to local benefit.
  - Cumulative total cost to date.
  - Cumulative federal funds expended.
  - Previous amount claimed.
  - Amount claimed this period.
  - Special matching rate (if applicable).
- Final Highway Safety Performance Program Cost Summary.

TRF-BTS is responsible for completing the Financial Obligation Closeout and submitting it to the appropriate signature authority for transmittal to NHTSA for approval.

Chapter 7: Program Closeout

Contents:

Section 1: Overview

Introduction

This chapter addresses the activities that occur after the cessation of Texas Behavioral Traffic Safety Program project and program activity for a given fiscal year.

Project closeout activities begin when all required Performance Reports and final Requests for Reimbursement (RFRs) have been received. When final claims are processed, the TxDOT Financial Management Division's (FIN's) procedures for preparation of the submittal of the final federal reimbursement must be followed. Included in this process is the final determination of what program funds were actually expended and what the underrun amount is for carry forward to the next program year. Part of this process also involves the final determination of how much Section 402 funds were expended for local benefit (40 percent minimum required) and that the state and local match to the program met or exceeded the required minimum of 20 percent.

Section 2: Project Closeout and Final Federal Reimbursement

Final Federal Voucher

TxDOT has until December 31 of each year to turn in the Texas Behavioral Traffic Safety Program Annual Report to the National Highway Traffic Safety Administration (NHTSA), which includes closing out the fiscal portion of the program. Final Requests for Reimbursement (RFRs) are due from subgrantees no later than 45 days after the end of the fiscal year. Between the RFR due date and December 1, the TxDOT Traffic Safety Division-Behavioral Traffic Safety Section (TRF-BTS) processes the RFRs to the TxDOT Financial Management Division (FIN). FIN sets a date each year when final RFRs are due.

NOTE: RFRs received after the deadline cannot be processed and approved for payment. FIN requires about two weeks to process RFRs and to complete the final voucher.

NOTE: Subgrantees will be liable to pay monetary damages for any shortfall of match.

Federal law also requires that the final voucher's local benefit must equal at least 40 percent of total State and Community Highway Safety Program (402) funds expended to date, and that state and local funds match at least 20 percent of the total (federal, state, and local) program expenditures.

Final vouchers are submitted to NHTSA in the same manner as progress vouchers. They are routed through TRF-BTS so that the final Highway Safety Program Cost Summary Form can be reconciled with the final voucher.

Closeouts

After the final voucher has been submitted, FIN closes out each project number for that fiscal year. After the closeout is completed, the automated accounting system does not allow an expenditure to be charged for that fiscal year.

Section 3: Single Audit Procedures

Introduction

The single audit concept provides that recipients of federal funds use their own procedures to arrange for independent audits to be made on an organization-wide basis, rather than on a grant or project basis. If the organization-wide audit complies with the specific requirements of 2 C.F.R. Part 200, then no additional audit requirements are normally imposed and all grantor agencies will rely on such audits.

The State and TxDOT have subscribed to the spirit and principles of the single audit concept. Therefore, the audit work of others will be relied upon to the extent indicated by prudent judgment. Acceptance will be on the basis of written notice or other valid document, wherein, the validity of the audit work involved is reasonably assured.

Background

The basic directive pertaining to the audit of state and local governments, institutions of higher education, and other non-profit organizations is 2 C.F.R. Part 200 (formerly OMB revised Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.) Circular A-133 implemented the Single Audit Act amendments of 1996 and provided uniform single audit requirements for all non-federal grantees including state and local governments, colleges and universities, hospitals, and other non-profit organizations. This circular, which was issued June 30, 1997, applies to audits for fiscal years beginning after June 30, 1996, and supersedes prior versions of Circular A-133, as well as rescinds Circular A-128, *Audits of State and Local Governments.*

Under 2 C.F.R. Part 200, TxDOT is considered a pass-through entity for federal funds and is charged with the following responsibilities:

- Informing each subgrantee of the Catalog of Federal Domestic Assistance (CFDA) number and title, amount of funding awarded, award number, and award year.

- Advising subgrantees of the requirements imposed on them by federal laws, regulations, and provisions of contracts and grant agreements as well as any supplemental requirements imposed by the State.

- Monitoring the activities of subgrantees as necessary to ensure that federal awards are used for authorized purposes in compliance with laws, regulations and contract provisions, and to ensure that performance goals are achieved.

- Ensuring that subgrantees expending $750,000 or more during the subgrantee's fiscal year have met the audit requirements of 2 C.F.R. Part 200 for that fiscal year.

- Issuing management decisions on audit findings within six months of the receipt of the subgrantee's audit report and ensuring that the subgrantee takes appropriate and timely corrective action.

- Considering whether subgrantee audits necessitate adjustments to the State's own records.

- Requiring each subgrantee to permit the State and other auditors to have access to records and financial statements as necessary for the State to comply with 2 C.F.R. Part 200.

- Maintaining subgrantee report submissions (or other written notification when no reports are required to be submitted) on file for four years from the date of receipt.

The TxDOT Traffic Safety Division - Behavioral Traffic Safety Section (TRF-BTS) provides a substantial amount of federal and state funding to a large number and variety of governmental and non-governmental entities. Audits and on-going grant monitoring are two tools that the Department uses to carry out its management oversight responsibilities. Part of TxDOT's audit-related responsibilities for subgrantees include obtaining, reviewing, and resolving subgrantee audit reports.

DUNS and 2 C.F.R. Part 200 Compliance Page

Potential Traffic Safety Program subgrantees must complete the Data Universal Numbering System (DUNS) and the 2 C.F.R. Part 200 Compliance Page in eGrants when applying for grants with TRF-BTS.

DUNS assigns a unique nine-digit number recognized as the universal standard for identifying and tracking businesses worldwide. The Federal Spending Transparency Directive and the previous Federal Funding Accountability and Transparency Act (FFATA) require grantees and subgrantees to have a DUNS number. Most agencies and organizations have DUNS numbers established. Agency personnel that submit proposals through eGrants should check with their agency's accounting staff. To obtain a DUNS number, applicants should go to the Dun and Bradstreet Website.

Traffic Safety subgrantees are also required to comply with the audit requirements in 2 C.F.R. Part 200 and/or the State of Texas Uniform Grant Management Standards; therefore, all potential subgrantees must check one of the following on the eGrants DUNS and 2 C.F.R. Part 200 Proposal Compliance page to indicate if their federal or state expenditures were more or less than $750,000, and follow the instructions below to carry out the appropriate action.

- If federal or state expenditures of $750,000 or more are met during the agency's fiscal year, the agency must submit a Single Audit Report and Management Letter (if applicable) to TxDOT's Compliance Division, 125 East 11th Street, Austin, Texas 78701, or contact TxDOT's Compliance Division at singleaudits@txdot.gov.

- If federal expenditures are less than $750,000 during the agency's fiscal year, the agency must submit a statement to TxDOT's Compliance Division as follows: "We did not meet the $750,000 expenditure threshold, and therefore we are not required to have a single audit performed for FY ####." A single audit of state expenditures is still required if state expenditures exceed $750,000, even if federal expenditures do not.

TRF-BTS creates a list of subgrantees who received reimbursements from TxDOT that are required to submit a single audit report and subgrantees that are not required to submit a single audit report, but must submit statements that they do not meet the expenditure threshold, and therefore, are not required to submit a single audit report. This list is compiled annually (on October 1) by TRF-BTS from information captured on the DUNS and 2 C.F.R. Part 200 Compliance Page of eGrants after the grant award process has been completed for the year. The subgrantee list is then forwarded to the TxDOT Compliance Division (CMP) so that CMP can determine which agencies have submitted their single audit report or a statement that a single audit report is not required, within nine months after the end of their fiscal year.

NOTE: `As per the requirements of 2 C.F.R. §200.332 on`
`requirements for pass-through entities, the following`
`is required in every subaward: (ii) Subrecipients`
`unique identifier. By April of 2022, the federal`
`government will stop using the DUNS number to uniquely`
`identify entities registered in the System for Award`
`Management (SAM). At that point, entities doing`
`business with the federal government will use a Unique`
`Entity Identifier (UEI) created in SAM.gov.`

Responsibilities

TRF-BTS is responsible for:

- Determining whether the subgrantee spent federal pass-through funds in accordance with applicable laws or regulations.

- Obtaining copies of single audit reports from subgrantees in accordance with the guidelines established under 2 C.F.R. Part 200, or obtaining copies of statements from subgrantees that they are not required to have an audit conducted, as the $750,000 expenditure threshold for the year was not met.

- Reviewing lists provided by CMP on subgrantees that have not yet submitted their single audit report, or a statement that a single audit report is not required, and following up with those subgrantees to obtain the missing items.

Single Audit Reports

TRF-BTS coordinates with CMP to obtain and review single audit reports, issue management decision letters, and follow up on corrective action plans. For more information, see TxDOT's Compliance Manual.

TxDOT TRF-BTS is responsible for:

- Following up with subgrantees that have not submitted the required single audit reports or statements that they are not required to submit a single audit report, or that have audit findings to be resolved.

- Imposing sanctions, when necessary, on subgrantees that prevent TRF-BTS from obtaining, reviewing, and resolving audit reports in a timely manner by not submitting these documents by their due dates and/or when requested by TRF-BTS.

Sanction Policy

The primary goal of TxDOT is to fulfill its responsibilities to obtain, review, and resolve audit reports in a timely manner and to monitor for contract compliance. Audit reports should be received by the Department by their due date, reviewed within 90 days of receipt of a complete report, and resolved within six months of receipt. To accomplish this, TRF-BTS will impose sanctions when necessary to ensure that audit reports and materials needed for audit report review and resolution are submitted on time, and that contract provisions are adhered to.

For more information on sanction procedures, see the Grant Sanction Rules in the Texas Administrative Code, Title 43, Part I, Chapter 9, Subchapter H.

Sanction Procedures

The following procedures will be followed to ensure that information needed for audit review or resolution activities is submitted/received in a timely manner.

1. Whenever an audit report is not received by the Department by its due date, or whenever additional material is needed from an audited entity in order to proceed with audit review and resolution activities, TRF-BTS staff will write to the entity requesting that the report, or other material, be submitted within 30 days. If the requested information is submitted, the matter will be considered closed.

2. If the information is not submitted by the end of the 30-day period, TRF-BTS staff will write a second notification letter to the audited entity indicating that this is a second notice, and again request that the material be submitted within 30 days, or that the entity provide a written explanation of why the material cannot be provided within the second 30-day time frame. If the requested material cannot be provided within the second 30-day period, the explanation of the delay should also specify a date by which the material will be provided. The second notification letter should also inform the audited entity that TRF-BTS is considering the imposition of a fiscal sanction unless the requested information (or an acceptable explanation for not submitting it) is received.

3. If the audit report and/or other requested materials are not received by the end of the second 30-day period, and the audited entity has not provided an acceptable explanation of why the material could not be submitted within that time frame, TRF-BTS staff will write to the audited entity and indicate either that the requested material has not been received or that an acceptable explanation for not submitting it has not been provided, and inform the

organization that TxDOT is now in the process of considering the imposition of a fiscal sanction because of their failure to comply with previous requests.

4. When it becomes necessary to inform an entity that TRF-BTS is considering the imposition of a fiscal sanction, TRF-BTS staff will research the status of the grant award and the Department's payments to determine the possible sanctions available. Possible sanctions include:

    *   Withholding the administrative and/or overhead costs (if the subgrantee's expenditure reports clearly indicate an administrative expense amount) until the requested material is supplied.

    *   Disallowing the administrative and/or overhead costs until the requested material is supplied.

    *   Withholding 10% of the subgrantee's reported allowable expenses (if the subgrantee's expenditure reports do not clearly identify an administrative expense amount) until the requested material is supplied.

    *   Suspending the grant until the requested material is supplied.

    *   Terminating the grant.

    Generally, audit reports are due substantially after the close of a period for which funding has been provided, and requests for additional information needed to proceed with audit review and/or resolution will occur later. In most cases where TRF-BTS is considering the imposition of a fiscal sanction, it will have to be imposed in a current period for a failure to submit an audit report and/or other material related to funding provided in a prior period.

    In cases in which an entity has not provided an audit report and/or other information necessary for the review and resolution of audits for a period that is now closed, and TRF-BTS is not providing any funding to the entity for the current period, TRF-BTS will not provide any new funding to the entity for any program, from any source, until the requested material is provided.

5. Once TRF-BTS staff has identified an appropriate sanction, they will prepare a brief report for review and approval by the TxDOT TRF Director.

    The report will explain the circumstances leading to the tentative decision to impose a sanction (e.g. what the entity failed to provide, what actions TRF-BTS took to obtain the information prior to considering the imposition of a sanction) and explain the reasons for the particular sanction being recommended. TRF-BTS staff will also prepare a proposed sanction letter to the entity describing the circumstances leading up to the decision to impose the sanction, what sanction will be imposed, when the sanction will begin, and what the entity will need to do to have the sanction lifted.

6. Once a sanction has been determined and a proposed sanction letter prepared, the letter is sent to the audited entity indicating the imposition of a fiscal sanction which will remain in place until the audit or other requested material, or a satisfactory explanation of why it cannot be submitted, is received by TRF-BTS.

7. If the imposition of the initial sanction does not result in the subgrantee providing the audit report or other requested materials, the sanction will remain in place for a period of up to three months from the effective date of the initial sanction. TRF-BTS will inform the sanctioned entity in writing each month that the sanction is being continued because of the organization's failure to submit the audit report and/or other requested materials.

8. Prior to the expiration of the three month period following the imposition of an initial sanction, TRF-BTS shall inform the audited entity, in writing, that TRF-BTS will impose further sanctions if the audit report or other requested material has not been provided within three months after the effective date of the initial sanction.

9. When a sanctioned entity has submitted the information requested by TRF-BTS, and TRF-BTS has found it to be acceptable, the sanction will be lifted and any funds withheld during the sanction period will be returned to the subgrantee by the most convenient method as determined by TRF-BTS.

    However, if compliance with the audit requirements has been too late, and TRF-BTS no longer has the withheld funds available to return, the funds previously withheld will not be returned when the sanction is lifted. If, at any time during the period in which a subgrantee is under sanction, TRF-BTS's normal grant renewal process is underway, TRF-BTS will not enter into a grant with the subgrantee during the next contract period unless the entity first provides the audit report and/or other requested material for the period for which the sanction is being imposed.

10. If the audited entity has not submitted an audit report or other requested material necessary for the audit review and/or resolution process by the expiration of the three-month period following the effective date of the initial sanction, TRF-BTS will consider terminating all funding to the organization for failure to comply with the audit requirements of the grant.

Section 4: Audit Coordinating Responsibilities

Introduction

Chapter 783 of the Texas Government Code, known as the Uniform Grant Management Act, provides for local governments to request and receive a single audit or a coordinated audit. A portion of this act, Section 783.008, "Audit Conditions," states as follows:

> "(a) To avoid duplicate audits and unnecessary audit costs, a local government receiving state-administered financial assistance may request by action of its governing body a single audit or coordinated audits by all state agencies from which it receives funds.

> (b) On receipt of a request for a single audit or audit coordination, the Governor's Office, in consultation with the State Auditor, shall, within 30 days, designate a single state agency to coordinate state audits of the local government.

> (c) The designated agency shall, to the extent practicable, assure single or coordinated state audits of the local government for as long as the designation remains in effect or until the local government, by action of its governing body, withdraws its request for audit coordination.

> (d) This section does not apply to audits performed by the Comptroller of Public Accounts or the State Auditor."

Purpose

The State Single Audit Coordinating Agency is to ensure that an adequate single audit or coordinated audit is provided to the requesting agency. The resulting benefits should include improvement in:

- Utilization of resources.

- General audit coverage.

Procedures

As outlined in the statute referenced above, when the Governor's Office designates TxDOT as the State Single Audit Coordinating Agency, TxDOT is responsible for:

- Coordinating with the local government or nonprofit entity, the independent auditor, and the state funding agencies to ensure that satisfactory audit coverage is provided in a timely manner and in accordance with the provisions of 2 C.F.R. Part 200.

- Coordinating and being aware of audit schedules for recipient organizations and providing advice to assist the recipient in the initial engagement of an auditor.

- Reviewing reports and audit organizations, accomplished through quality assessment, quality control, or desk reviews.

- Addressing matters during the desk review of audit reports, including:

    ○ Ensuring that financial statements of the entity fairly present its financial position and results of financial operations in accordance with generally accepted accounting principles.

    ○ Providing unqualified opinions on General Purpose Financial Statements (GPFS).

    ○ Providing a statement on internal accounting controls affecting GPFS.

    ○ Producing a compliance report based on examination of GPFS.

    ○ Ensuring that the entity has internal accounting and other controls in place to provide reasonable assurance that it is managing its federal programs in compliance with applicable laws and regulations.

The state single audit coordinating agency should ensure that all audit reports of recipient organizations that affect state grantor agencies are received, reviewed, and distributed to appropriate audit officials.

Grantor audit agencies are responsible for establishing and maintaining follow-up systems to ensure that audit findings applicable to their agency's programs are resolved.

Substandard Reports

The Inspector General Act of 1978 requires that appropriate steps be taken to ensure that any work performed by non-federal auditors complies with the standards established by the U.S. Comptroller General. This is accomplished by the performance of desk reviews or an audit work paper review of audit reports submitted by independent auditors, or both. As a result of these reviews, it may be determined that the auditor did not comply with standards as established by the U.S. Comptroller General or other appropriate professional standards. The auditor's non-compliance with the standards may warrant a referral to the appropriate sanctioning or licensing authority.

Section 5: Resolving Audit Findings Pertaining to Site Audits

Site Audits

Upon request, or as a result of their annual risk assessment, TxDOT may perform audits of TRF subrecipients. These audits will follow TxDOT policies and procedures and will include coordination and communication with the Traffic Safety Division (TRF) as needed.

Division Responsibility

The TxDOT Financial Management Division (FIN) is responsible for:

- Maintaining grant expenditure records in the Oracle PeopleSoft (OPS) system.

- Providing copies of refund deposit vouchers to TRF.

TRF is responsible for:

- Administering the traffic safety grant program.

- Maintaining TxDOT's official grant agreement files.

- Placing copies of all audit-related correspondence in the original grant files.

Types of Findings

There are three possible types of audit findings for which resolution may be required. They are:

- Administrative findings.

- Internal control findings.

- Compliance findings.

Handling of Refunds

When FIN receives a refund check from a subgrantee, FIN provides TRF-BTS with a copy of the deposit voucher for the grant file of record. TRF-BTS may then close the grant agreement file.

Letters of Appeal

A subgrantee that disagrees with the findings must follow TxDOT's current formalized appeals process.

File of Record

Audits deal with matters of legal consequence to both subgrantees and TxDOT. Therefore, it is necessary that all audit-related communications be documented in the official TxDOT grant agreement files. Project manager diligence in assuring that copies of all such records are provided to TRF-BTS files is of major importance.

Questions

Questions about procedures for notifying subgrantees of audit citations may be directed to the appropriate project manager of TRF-BTS.