

CHAPTER 921
ADVANCED ALLOCATIONS OF STATE TRANSIT ASSISTANCE FUNDING
[Prior to 6/3/87, Transportation Department [820]—(09,B)Ch 2]

761—921.1(324A) Scope of chapter. This chapter shall apply only to those transit systems eligible for and having or proposing to have a “Joint Participation Agreement” in force with the Iowa department of transportation for state transit assistance funding as set forth in rules 761—Chapter 920. This chapter implements provisions for advance allocations of state transit assistance funding as set forth in Iowa Code subsection 324A.6(5). The requirements for the award of state funds for state transit assistance and subsequent procedures are found in rules 761—Chapter 920.

761—921.2(324A) Basic types of advance allocations. Advance allocations of state transit assistance are paid prior to the time actual expenditures are incurred. Three basic types of advance allocations shall be available:

921.2(1) Payment of one-fourth (or 25 percent) of the total “Joint Participation Agreement” amount prior to or during each fiscal quarter, starting on the execution date of the “Joint Participation Agreement.”

921.2(2) Payment of an amount to be denoted in the “Joint Participation Agreement” prior to or during each fiscal quarter, starting on the execution date of the “Joint Participation Agreement.”

921.2(3) Payment of the total “Joint Participation Agreement” amount prior to or during the project period, starting on the execution date of the “Joint Participation Agreement.”

761—921.3(324A) Application for advance allocations.

921.3(1) Transit systems having or proposing to have a “Joint Participation Agreement” with the department for state transit assistance funding may make written application for advance allocations of the “Joint Participation Agreement” amount. The application shall be directed to: Office of Public Transportation, Air and Transit Division, Iowa Department of Transportation, Park Fair Mall, 100 East Euclid Avenue, Suite 7, Des Moines, Iowa 50313; telephone (515)237-3302.

921.3(2) Transit systems applying for state transit assistance funding, pursuant to 761—Chapter 920, may make written application for advance allocations of proposed or existing “Joint Participation Agreement” amount as part of the application for state transit assistance.

921.3(3) No application for advance allocation shall be complete without:

- a. The name of the transit system.
- b. A specific statement of the reasons why an advance allocation is required by the transit system.
- c. A statement from the transit system which indicates the specific existing or proposed “Joint Participation Agreement” from which advance allocations are to be derived.
- d. A statement from the transit system which indicates that the contract officer has read these administrative rules and certifies that the contract officer shall comply with them.
- e. The signature of the contract officer of the transit system, and the date of the signature.
- f. If varied advance allocations per quarter are requested pursuant to subrule 921.2(2), the following shall also be included in the application:

(1) A statement denoting the proposed advance allocations for each quarter, including the dollar amounts and the percentage of each quarter’s proposed advance allocation to the total “Joint Participation Agreement” amount.

(2) A statement of justification for the varied allocation amounts requested.

(3) A detailed transit system cash flow analysis projected for the performance period of the “Joint Participation Agreement.”

921.3(4) Rescinded, effective April 16, 1986.

761—921.4(324A) Application approval. The air and transit division of the Iowa department of transportation shall review all applications for advance allocations of state transit assistance. It shall also approve, disapprove or defer all such applications. Provisions of applications which are approved shall be written into and made a part of the transit system’s state transit assistance “Joint Participation

Agreement,” if it is in effect, or written into such “Joint Participation Agreement” when awarded by the department pursuant to rules 761—Chapter 920. The transit system shall be so notified of such action. Transit systems whose applications for advance allocations are disapproved or deferred shall be so notified, including the reason(s) for such actions.

761—921.5(324A) Consideration in determining the approval of advance allocation application. The air and transit division shall give consideration to the following items in determining the approval, disapproval or deferment of advance allocation applications:

921.5(1) The justification submitted with the application pursuant to subrule 921.3(3).

921.5(2) Previous experience of the air and transit division in dealing with the transit system making application including but not limited to the following:

- a. Timeliness of contract and application materials, as assessed by the air and transit division.
- b. Fiscal management capability of the transit system, as assessed by the air and transit division.

761—921.6 Rescinded, effective April 16, 1986.

761—921.7(324A) Reports, and suspension and termination of allocations.

921.7(1) Transit systems receiving advance allocations shall provide quarterly and end-of-the-year financial and statistical reports to the air and transit division in the manner and within the time limits described in the state transit assistance “Joint Participation Agreements.” These reports shall be made on forms prescribed for that purpose and furnished to the transit systems by the air and transit division.

921.7(2) Failure to file quarterly and end-of-the-year financial and statistical reports by any transit system with the air and transit division in the manner and within the time limits described in the state transit assistance “Joint Participation Agreement” shall be cause for suspension or termination of those provisions of the “Joint Participation Agreement,” and therefore, suspension or termination of advance allocation payments made by the Iowa department of transportation. The air and transit division shall notify any transit system of such actions.

921.7(3) Payment of eligible “Joint Participation Agreement” expenses to a transit system that has had advance allocation contract provisions suspended or terminated by the air and transit division shall be by the method of reimbursement payments as described in the state assistance “Joint Participation Agreements.”

761—921.8(324A) Income derived from interest-bearing accounts and investments.

921.8(1) Any transit system that receives advance allocation payments shall deposit these funds in a separately identified interest-bearing account until such time as they are expended on costs incurred by the transit system.

921.8(2) All income derived from interest-bearing accounts and investments shall be credited to the transit system and its transit accounts as a nonoperating or nontransportation revenue.

761—921.9(324A) “Joint Participation Agreement” close and audits.

921.9(1) Each transit system receiving advance allocations shall, as part of the end-of-the-year financial and statistical report, calculate the total “Joint Participation Agreement” amount eligible for payment by the Iowa department of transportation within the limits stated in the “Joint Participation Agreement.” This eligible “Joint Participation Agreement” amount shall be compared to the total amount of the advance allocations for that “Joint Participation Agreement.” If the advance allocations’ total is greater than the eligible “Joint Participation Agreement” amount, the transit system must repay the Iowa department of transportation the difference. After verification of these calculations, the department shall issue to the public transit system an invoice for the amount of the required repayment. Failure to make this repayment shall be grounds for:

- a. Termination of other transit assistance “Joint Participation Agreements” with that transit system,
- b. Suspension or termination of further advance allocations made on future “Joint Participation Agreements,”

c. Reduction of Iowa department of transportation participation in existing or future “Joint Participation Agreements,” or

d. Reducing future “Joint Participation Agreement” reimbursement requests of the transit system by an amount not to exceed the unpaid debt owed the Iowa department of transportation and crediting the outstanding debt of the project being closed out.

921.9(2) The air and transit division may institute any such action(s) as stated in subrule 921.9(1) above and shall notify any transit system of such action taken against them.

921.9(3) After the repayment and end-of-the-year financial and statistical reports are submitted, or after the air and transit division has instituted any action(s) for failure to do so, the Iowa department of transportation shall audit the transit system’s books, accounts, records and other material and information necessary to determine “Joint Participation Agreement” compliance. The advance allocations paid to the transit system shall be taken into consideration and made part of the amount to be audited.

Rules 921.1 to 921.9 are intended to implement Iowa Code chapter 324A.

[Filed emergency 10/26/79—published 11/14/79, effective 10/26/79]

[Filed 2/20/86, Notice 1/1/86—published 3/12/86, effective 4/16/86]

[Filed 5/11/87, Notice 3/11/87—published 6/3/87, effective 7/8/87]

[Filed 1/15/92, Notice 12/11/91—published 2/5/92, effective 3/11/92]

[Filed emergency 7/1/92—published 7/22/92, effective 7/27/92]