

761—920.6(324A) Processing.

920.6(1) *Review and recommendation.* The department will review the proposed projects and, based on available funds and the project priorities established by the transit systems, prepare a set of funding recommendations.

920.6(2) *Approval and agreement.* Upon approval of the projects by the transportation commission, the department will prepare a contract and send it to each public transit system for execution.

920.6(3) *Advance payment allowed.* Each transit system with a signed contract may be paid formula assistance monthly starting on the execution date of the contract, one-twelfth (or 8.33 percent) of the total contract amount, in advance of project expenditures, if all of the following conditions are met:

a. The transit system included in its application for state transit assistance a request for advance allocations as set forth in Iowa Code section 324A.6.

b. The transit system is current on all reporting required by the department.

c. The transit system is current on all scheduled repayments under loan contracts from the department.

d. The application for advance allocation includes:

(1) The name of the transit system.

(2) A specific statement of the reasons why an advance allocation is required by the transit system.

(3) The signature of the contract officer of the transit system and the date of the signature.

e. The department will give consideration to the following items in determining the approval, disapproval or deferment of advance allocation applications:

(1) The justification submitted with the application pursuant to paragraph 920.6(3) “d.”

(2) The department’s previous experience with the transit system making application, including but not limited to the following:

1. Timeliness of contract and application materials as assessed by the department.

2. Fiscal management capability of the transit system as assessed by the department.

f. If the department defers or disapproves of the transit system’s application for advanced allocation of formula assistance, the department will notify the transit system with reasons for that decision.

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

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