

DECLARATIONS AND REQUESTS

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Requirements for the Annual Report CEO Certification

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CEO Certification (Form D-10)

Transit agencies must submit a CEO Certification with the Annual Report. Through this certification, the CEO endorses and attests to the accuracy of the data in the Annual Report.

Transit agencies determine which person acts as the CEO for NTD reporting purposes. Typically, the CEO is the principal executive in charge of and responsible for the transit agency. The reporter types that must submit a CEO Certification are as follows:

- Full Reporter
- Reduced Reporting
- Separate Service

Agencies that are public service providers may designate any of the following personnel as the CEO for NTD reporting purposes:

- Transit authority general manager
- Transit authority administrator
- County or city government department head
- State Department of Transportation division head
- Council of Governments, commission or transit district executive director
- City-sponsored Demand Response system executive director, or
- Whomever the transit agency board designates to authorize the NTD Annual Report

Private operators may designate any of the following personnel as the CEO for NTD reporting purposes:

- Senior operations manager (site-specific), or
- An officer (e.g., the president or vice president or a corporate-level controller)

Certification Requirements

Each transit agency CEO must complete a CEO Certification every report year. The following exhibit details exactly what the CEO is certifying through this document.

Exhibit 78: CEO Certification Requirements

The CEO must:

- Certify the accuracy of the data the transit agency submits in the overall report
- Certify the accuracy of the Federal funding allocation data used in §5307, §5337, §5339, and §5311 formula funding programs
- Attest to the independent auditor reviews of both financial data and Federal funding data (if applicable), and
- Describe the procedures that the transit agency uses to estimate or collect actual Passenger Miles Traveled and unlinked passenger trip data by mode and type of service

The CEO must certify that all data in the NTD Annual Report are accurate and that the transit agency collects and reports the data in accordance with NTD definitions.

During the validation process, the CEO documents that he or she concurs with revisions to the transit agency's report and retains a copy of the revisions in the transit agency's files.

Transit Agencies Serving Large UZAs

If a transit agency serves an UZA with a population of 200,000 or more, the CEO must also certify that:

- The data FTA uses for the apportionment of Urbanized Area Formula, State of Good Repair, and Bus and Bus Facilities Programs are accurate; and
- There is documentation of procedures and internal controls to ensure data accuracy.

Independent Auditor Statement for Financial Data (IAS-FD)

An independent auditor must determine if a transit agency's accounting system meets FTA requirements. After this review, the transit agency must submit an IAS-FD completed by the independent auditor.

The IAS-FD must be updated every 10 years. If a transit agency has met this requirement within the last ten fiscal years including the current report year and has not changed its accounting system, it is exempt for the current report year.

The CEO verifies one of the following:

- The transit agency provided an IAS-FD for the current report year;
- FTA approved an IAS-FD within 10 prior fiscal years and the transit agency's accounting system remains unchanged; or
- FTA granted a waiver for the IAS-FD for the current report year.

Independent Auditor Statement for Federal Funding Allocation Data (IAS-FFA)

If an agency serves a large UZA and operates 100 vehicles or more in annual maximum service across all modes and types of service, an independent auditor must conduct an additional review annually. Upon completion of this review, the independent auditor would issue an IAS-FFA. If applicable, the CEO must certify that the transit agency completed this annual independent auditor review and confirm the following:

- The name of the auditor and date of the review
- Any negative findings
- How the agency is addressing any negative findings

Passenger Miles Traveled Data

The CEO must describe the transit agency's procedures for collecting or estimating PMT for each mode and type of service. Transit agencies must collect or estimate data using a consistent and reasonable method. Transit agencies must report 100 percent counts if the data are available and reliable. Otherwise, transit agencies may use one of the following methods for determining PMT:

- Alternative sampling procedure that meets 95 percent confidence and ± 10 percent precision levels as determined by a qualified statistician (estimated data)
- By using the trip length from the last mandatory sampling year (as described in the CEO certification) multiplied by the unlinked passenger trip data from the current report year (estimated data)
- Another method that is explained by the CEO and approved by FTA, or
- NTD Sampling Method

Purchased transportation providers may use different data collection or estimation procedures. The CEO must certify PMT data by each contract as well.

Unlinked Passenger Trip Data

The CEO must also describe UPT data collection or estimation procedures for each mode and type of service. Transit agencies may use one of the following methods for determining UPT:

- 100 percent count (actual data)
- Alternative sampling procedure that meets 95 percent confidence and ± 10 percent precision levels determined by a qualified statistician (estimated data)
- Another method that is explained by the CEO and approved by FTA, or
- NTD Sampling Method

Additional Certification Requirements for Agencies Using APCs

On the CEO Certification (D-10) form, agencies must indicate whether they used Automatic Passenger Counters (APCs) to collect Unlinked Passenger Trips (UPT) and/or Passenger Miles Traveled (PMT) for NTD reporting.

Agencies must also report their method for using APC data to generate NTD figures as follows:

- If the agency randomly selected a predetermined number of vehicle trips and sampled the trips using APCs, the agency reports the sampling method (either NTD Sampling Method or Alternative Sampling Procedure).
- If the APCs collected valid data on more than 98 percent of all annual revenue service trips, the agency reports 100 percent count.
- If the agency used all available, valid APC data, but this was less than 98 percent of trips, the agency must have a statistically valid procedure for scaling up the APC data to an annual total. In this case, the agency reports “Used all available APC data, which was less than 98 percent of trips.”

Note that agencies using APCs for NTD reporting must follow the requirements identified in the [“Service Data Requirements \(Forms S-10 and MR-20\): Collecting Service Consumed Data”](#) section of this manual.

Waivers

Transit agencies must report data in conformance with NTD reporting requirements. If an agency does not follow these requirements, FTA can issue a Failure to Report finding. For more information on reporting failures, see the [“Introduction: Data Use and Funding”](#) section of this manual.

However, extenuating circumstances occur that prevent transit agencies from meeting all or specific NTD reporting requirements. In these cases, transit agencies may request a one-time waiver from these requirements.

Transit agencies must request waivers 60 days prior to the Annual Report due date. FTA approves waivers on a case-by-case basis and does not automatically approve a request.

In most cases, FTA only approves waivers for the current fiscal year. Transit agencies must file additional requests for future report years.

To request a waiver, a transit agency must submit a letter from the CEO for the current report year that describes the situation that prevents the agency from submitting data in accordance with NTD standards.

The FTA will not approve a waiver request based on cost, personnel, or data collection problems, loss of records, or unexplained undue burden.

An approved waiver does not affect a transit agency’s funding eligibility for §5307, §5311, §5337, or §5339 funding, but it may affect the amount of funding the agency’s UZA (s) receive. In a large urbanized area or a rural area, the amount of funding may decrease because FTA may not include specific data in formula funding programs. In a small UZA (between 50,000 and 200,000 population), funding may change because FTA may exclude transit agency data from the factors used to determine eligibility for STIC funding.

Waiver Types

Transit agencies may request the following waivers:

- Data
- Reporting
- Passenger Miles Traveled sampling
- Independent Auditor Statement for Financial Data

Data Waiver

A transit agency may request a data waiver for a specific data point or set of data that it did not collect per NTD reporting requirements. The agency may offer a different method to estimate data, or it may request to zero (not report) the data for the current report year.

Reporting Waiver

A transit agency may request a reporting waiver if it is unable to complete the Annual Report for the current report year. FTA will not accept a partially completed report. If the FTA approves a reporting waiver, it will not apportion any Federal funding based on the transit agency's NTD data for that report year.

Passenger Miles Traveled Sampling Waiver

Transit agencies must sample PMT data on either a triennial or an annual basis, depending on reporting type. If a transit agency does not sample during a mandatory sampling year, it may request a waiver to either estimate or zero (not report) PMT data. For more information on PMT Sampling, see the "[Service Data Requirements: Service Consumed](#)" section of this manual.

Independent Auditor Statement for Financial Data Waiver

Urban NTD reporters may request an IAS-FD waiver in their first year of reporting. If approved by FTA, the waiver is good for one year and the transit agency must submit the IAS-FD in the following report year.

Auditor Statements

The FTA requires that an independent auditor review certain reporter types and provide an Independent Auditor Statement (IAS). An IAS is a letter that an official representative from an independent public account or other independent entity (such as a State audit agency) signs.

The independent auditor must confirm that the transit agency data conforms to NTD requirements. If an auditor finds an issue, the auditor must explain the discrepancy in the IAS. Auditors must identify the auditing firm name and location, and sign and date the IAS.

There are two Independent Auditor Statements:

- Independent Auditor Statement for Financial Data
- Independent Auditor Statement for Federal Funding Allocation Data

Independent Auditor Statement for Financial Data

Full Reporters, Urban Reduced Reporters, and Separate Service transit agencies must file an initial IAS-FD. For this statement, the auditor must determine if the transit agency accounting system meets FTA requirements. The FTA does not allow agencies to use an audit from the OMB Circular A-133 Single Audit Act.

Business papers, records and reports, and the procedures that an agency uses to record transactions and report their effects are the “accounting system.” The term “accounting system” does not refer to the hardware or software program transit agencies use. Therefore, the accounting system remains the same, even when hardware or software upgrades or changes.

A transit agency must provide an IAS-FD to the NTD in the first year it reports as an Urban Reporter and every ten reporter years thereafter. In the interim, if a transit agency has met the IAS requirements in the prior year and has not changed its accounting system, FTA waives the annual IAS-FD. Instead, FTA requires the CEO to certify annually that the agency’s financial data continue to meet NTD requirements. FTA may require a new review if a transit agency substantially changes its financial data reporting method.

The transit agency must file the Annual Report on time even if the IAS-FD is incomplete. If extenuating circumstances cause a delay of the IAS-FD, the CEO must provide documentation explaining the late auditor review. The transit agency must complete the IAS-FD no later than the date of the last report revision. The FTA may issue a Failure to Report finding if a transit agency does not submit an IAS-FD when required.

Independent Auditor Requirements

For the IAS-FD, the auditor must review all financial forms to ensure that:

- The transit agency’s accounting system follows the USOA;
- The transit agency’s accounting system follows accrual accounting or uses a directly translatable method; and
- All financial data are in accordance with NTD requirements.

The auditor must state in the IAS-FD if he or she finds that any data do not conform to NTD requirements and describe the discrepancies.

FTA Approval

FTA will approve the IAS-FD if the agency complies with one of the following conditions:

- The transit agency adopts the USOA; or
- The transit agency
 - Uses an internal accounting system other than the accounting system prescribed by the USOA;
 - Uses the accrual method of accounting or a directly translatable method; and
 - Directly translates the system and accounting categories, using a clear audit trail, to the accounting treatment and categories the USOA specifies.

IAS-FD Template

FTA provides a template of the IAS-FD in [Appendix A](#). The FTA does not require agencies to use the exact format set forth in Appendix A; however, the independent auditor must address each item in the template. If the auditor follows the provided template closely, the statement will meet FTA requirements.

Independent Auditor Statement for Federal Funding Allocation Data

Transit agencies that serve a primary large UZA (an urbanized area with 200,000 or more in population) and report more than 100 VOMS across all modes and types of service must provide an annual IAS-FFA. For this statement, an independent auditor must review all NTD data that FTA uses to apportion funds for §5307, §5337, §5339, and §5311 formula programs. The FTA requires the IAS-FFA annually.

A transit agency must provide an IAS-FFA the first year it reaches the 100 VOMS threshold. Transit agencies must complete the IAS-FFA before FTA closes the Annual Report. FTA may issue a Failure to Report finding if a transit agency does not submit an IAS-FFA. Transit agencies must keep IAS-FFA statements on file for FTA Triennial Review.

If a transit agency revises Federal funding data during the validation process, the agency must document that both the CEO and independent auditor concur with the revisions. Additionally, the transit agency must retain a copy of the revisions. As long as the CEO and independent auditor concur with the revisions, the FTA does not require an additional IAS-FFA.

Independent Auditor Requirements

The independent auditor must review Federal funding data by mode and type of service. Federal funding data include fixed guideway and high intensity busway Directional Route Miles, Vehicle Revenue Miles, Vehicle Revenue Hours, Passenger Miles Traveled, Unlinked Passenger Trips, Operating Expenses, and the commencement date of revenue service.

The independent auditor must include the following:

- Assurance that a system exists to record and gather data on a continuing basis;
- Assurance the transit agency maintains the system for recording data in accordance with NTD definitions, i.e. the transit agency is measuring the correct data and has no systematic errors;
- Assurance that source documents are available to support the reported data and the transit agency maintains the system for FTA review and audit purposes for a minimum of three years following FTA's receipt of the NTD Annual Report. The data must be fully documented and securely stored;
- Assurance that there is a system of internal controls to ensure the accuracy of the data collection process and the recording system and that reported documents are unaltered;
- Assurance that a supervisor reviews and signs documents as required;
- Assurance that the data collection methods are those that FTA suggests; or, FTA or a qualified statistician approved the methods as being equivalent in quality and precision. Transit agencies must document and follow the collection methods;
- Assurance that deadhead miles, computed by taking the difference between the reported total actual vehicle miles data and the reported total actual VRM data, are accurate;
- Documentation that reported data have undergone analytic review to ensure that they are consistent with prior reporting periods and other facts known about transit agency operations;
- Documentation of the specific documents reviewed and tests performed; and
- Documentation of how the transit agency reports purchased transportation fare revenues and contract expenditures. For example, fare revenues must include all fare revenues pertaining to purchased transportation service, and the agency reports the buyer's contract expenditures net of (not including) the purchased transportation fare revenues.

IAS-FFA Template

The FTA provides a template of the IAS-FFA in [Appendix A](#). The FTA does not require agencies to use this suggested format; however, the independent auditor must address each item in the template.

Suggested Procedures

FTA provides a suggested list of procedures to satisfy the requirements of the IAS-FFA review. If an auditor does not use one of the suggested procedures, he or she must replace it with an alternative procedure that addresses the intent of the suggested procedure.

Exhibit 79: Federal Funding Allocation Data Review Suggested Procedures

FTA has specified and agreed to a set of procedures for the independent auditor to perform to satisfy the requirements of the Federal Funding Allocation data review. Several of the procedures below require the auditor to select a random sample of documents or data. The procedures do not specify the selected number (i.e., the percentage of the total documents/data). The auditor should use professional judgment to determine the percentage that will enable the auditor to make the required assurances.

The source documents and other records (such as data summaries) may be in the form of digital data files. The auditor should ensure that these files are securely stored and that a contingency plan is in place to ensure that the transit agency retains source documents for a minimum of three years.

- a. The procedures to be applied to each applicable mode and type of service (TOS) (DO, PT, TN, and TX) are: Obtain and read a copy of written system procedures for reporting and maintaining data in accordance with NTD requirements and definitions set forth in 49 CFR Part 630, Federal Register, dated January 15, 1993, and as presented in the *2020 NTD Policy Manual*. If there are no procedures available, discuss the procedures with the personnel assigned responsibility for supervising the NTD data preparation and maintenance.
- b. Discuss the procedures (written or informal) with the personnel assigned responsibility for supervising the preparation and maintenance of NTD data to determine:
 - The extent to which the transit agency followed the procedures on a continuous basis; and
 - Whether these transit personnel believe such procedures result in accumulation and reporting of data consistent with NTD definitions and requirements set forth in 49 CFR Part 630, Federal Register, dated January 15, 1993, and as presented in the *2020 NTD Policy Manual*.

- c. Ask these same personnel about the retention policy that the transit agency follows as to source documents supporting NTD data reported on the Federal Funding Allocation Statistics form.
- d. Based on a description of the transit agency's procedures from items (A) and (B) above, identify all the source documents that the transit agency must retain for a minimum of three years. For each type of source document, select three months out of the year and determine whether the document exists for each of these periods.
- e. Discuss the system of internal controls. Inquire whether separate individuals (independent of the individuals preparing source documents and posting data summaries) review the source documents and data summaries for completeness, accuracy, and reasonableness and how often these individuals perform such reviews.
- f. Select a random sample of the source documents and determine whether supervisors' signatures are present as required by the system of internal controls. If supervisors' signatures are not required, inquire how personnel document supervisors' reviews.
- g. Obtain the worksheets used to prepare the final data that the transit agency transcribes onto the Federal Funding Allocation Statistics form. Compare the periodic data included on the worksheets to the periodic summaries prepared by the transit agency. Test the arithmetical accuracy of the summaries.
- h. Discuss the procedure for accumulating and recording Passenger Miles Traveled (PMT) data in accordance with NTD requirements with transit agency staff. Inquire whether the procedure is one of the methods specifically approved in the *2020 NTD Policy Manual*.
- i. Discuss with transit agency staff (the auditor may wish to list the titles of the persons interviewed) the transit agency's eligibility to conduct statistical sampling for PMT data every third year. Determine whether the transit agency meets NTD criteria that allow transit agencies to conduct statistical samples for accumulating PMT data every third year rather than annually. Specifically:
 - According to the 2010 census, the public transit agency serves an UZA with a population less than 500,000.
 - The public transit agency directly operates fewer than 100 revenue vehicles in all modes in annual maximum revenue service (VOMS) (in any size UZA).
 - Service purchased from a seller is included in the transit agency's NTD report.
 - For transit agencies that meet one of the above criteria, review the NTD documentation for the most recent mandatory sampling year (2017) and determine that statistical sampling was conducted and meets the 95 percent confidence and ± 10 percent precision requirements.
 - Determine how the transit agency estimated annual PMT for the current report year.

- j. Obtain a description of the sampling procedure for estimation of PMT data used by the transit agency. Obtain a copy of the transit agency's working papers or methodology used to select the actual sample of runs for recording PMT data. If the transit agency used average trip length, determine that the universe of runs was the sampling frame. Determine that the methodology used to select specific runs from the universe resulted in a random selection of runs. If the transit agency missed a selected sample run, determine that a replacement sample run was random. Determine that the transit agency followed the stated sampling procedure.
- k. Select a random sample of the source documents for accumulating PMT data and determine that the data are complete (all required data are recorded) and that the computations are accurate. Select a random sample of the accumulation periods and re-compute the accumulations for each of the selected periods. List the accumulations periods that were tested. Test the arithmetical accuracy of the summary.
- l. Discuss the procedures for systematic exclusion of charter, school bus, and other ineligible vehicle miles from the calculation of actual Vehicle Revenue Miles (VRM) with transit agency staff and determine that they follow the stated procedures. Select a random sample of the source documents used to record charter and school bus mileage and test the arithmetical accuracy of the computations.
- m. For actual VRM data, document the collection and recording methodology and determine that deadhead miles are systematically excluded from the computation. This is accomplished as follows:
 - If actual VRMs are calculated from schedules, document the procedures used to subtract missed trips. Select a random sample of the days that service is operated, and re-compute the daily total of missed trips and missed VRMs. Test the arithmetical accuracy of the summary.
 - If actual VRMs are calculated from hubodometers, document the procedures used to calculate and subtract deadhead mileage. Select a random sample of the hubodometer readings and determine that the stated procedures for hubodometer deadhead mileage adjustments are applied as prescribed. Test the arithmetical accuracy of the summary of intermediate accumulations.
 - If actual VRMs are calculated from vehicle logs, select random samples of the vehicle logs and determine that the deadhead mileage has been correctly computed in accordance with FTA definitions.
- n. For rail modes, review the recording and accumulation sheets for actual VRMs and determine that locomotive miles are not included in the computation.
- o. If fixed guideway or High Intensity Busway Directional Route Miles (FG or HIB DRM) are reported, interview the person responsible for maintaining and

reporting NTD data whether the operations meet FTA definition of fixed guideway (FG) or High Intensity Busway (HIB) in that the service is:

- Rail, Trolleybus (TB), Ferryboat (FB), or Aerial Tramway (TR); or
 - Bus (MB, CB, or RB) service operating over exclusive or controlled access rights-of-way (ROW); and
 - Access is restricted;
 - Legitimate need for restricted access is demonstrated by peak period level of service D or worse on a parallel adjacent highway; and
 - Restricted access is enforced for freeways; priority lanes used by other HOV (i.e., Vanpools (VP), carpools) must demonstrate safe operation.
- p. Discuss the measurement of FG and HIB DRM with the person reporting NTD data and determine that the he or she computed mileage in accordance with FTA definitions of FG/HIB and DRM. Inquire of any service changes during the year that resulted in an increase or decrease in DRMs. If a service change resulted in a change in overall DRMs, re-compute the average monthly DRMs, and reconcile the total to the FG/HIB DRM reported on the Federal Funding Allocation Statistics form.
- q. Inquire if any temporary interruptions in transit service occurred during the report year. If these interruptions were due to maintenance or rehabilitation improvements to a FG segment(s), the following apply:
- Report DRMs for the segment(s) for the entire report year if the interruption is less than 12 months in duration. Report the months of operation on the FG/HIB segments form as 12. The transit agency should document the interruption.
 - If the improvements cause a service interruption on the FG/HIB DRMs lasting more than 12 months, the transit agency should contact its NTD validation analyst to discuss. FTA will make a determination on how to report the DRMs.
- r. Measure FG/HIB DRM from maps or by retracing route.
- s. Discuss whether other public transit agencies operate service over the same FG/HIB as the transit agency. If yes, determine that the transit agency coordinated with the other transit agency (or agencies) such that the DRMs for the segment of FG/HIB are reported only once to the NTD on the Federal Funding Allocation form. Each transit agency should report the actual VRM, PMT, and Operating Expense (OE) for the service operated over the same FG/HIB.
- t. Review the FG/HIB segments form. Discuss the Agency Revenue Service Start Date for any segments added in the 2020 report year with the persons reporting NTD data. This is the commencement date of revenue service for each FG/HIB segment. Determine that the date reported is the date that the agency began revenue service. This may be later than the Original Date of Revenue Service if the transit agency is not the original operator. If a segment was added for the

2020 report year, the Agency Revenue Service Date must occur within the transit agency's 2020 fiscal year. Segments are grouped by like characteristics. Note that for apportionment purposes, under the State of Good Repair (§5337) and Bus and Bus Facilities (§5339) programs, the 7-year age requirement for fixed guideway/High Intensity Busway segments is based on the report year when the segment is first reported by any NTD transit agency. This pertains to segments reported for the first time in the current report year. Even if a transit agency can document an Agency Revenue Service Start Date prior to the current NTD report year, FTA will only consider segments continuously reported to the NTD.

- u. Compare Operating Expenses with audited financial data after reconciling items are removed.
- v. If the transit agency purchases transportation services, interview the personnel reporting the NTD data on the amount of purchased transportation-generated fare revenues. The purchased transportation fare revenues should equal the amount reported on the Contractual Relationship form.
- w. If the transit agency's report contains data for purchased transportation services and the procedures in this auditor's review were not applied to the purchased transportation services, obtain a copy of the IAS-FFA regarding data for the purchased transportation service. Attach a copy of the statement to the report. Note as a negative finding if the purchased transportation services were not included in this auditor's review, and the transit agency also does not have a separate Independent Auditor's Statement for the purchased transportation data.
- x. If the transit agency purchases transportation services, obtain a copy of the purchased transportation contract and determine that the contract specifies the public transportation services to be provided; the monetary consideration obligated by the transit agency or governmental unit contracting for the service; the period covered by the contract (and that this period overlaps the entire, or a portion of, the period covered by the transit agency's NTD report); and is signed by representatives of both parties to the contract. Interview the person responsible for retention of the executed contract and determine that copies of the contracts are retained for three years.
- y. If the transit agency provides service in more than one UZA, or between an UZA and a non-UZA, inquire of the procedures for allocation of statistics between UZAs and non-UZAs. Obtain and review the FG segment worksheets, route maps, and urbanized area boundaries used for allocating the statistics, and determine that the stated procedure is followed and that the computations are correct.
- z. Compare the data reported on the Federal Funding Allocation Statistics Form to data from the prior report year and calculate the percentage change from the prior year to the current year. For actual VRM, PMT or OE data that have increased or decreased by more than 10 percent, or FG DRM data that have increased or decreased. Interview transit agency management regarding the specifics of

operations that led to the increases or decreases in the data relative to the prior reporting period.

- aa. The auditor should document the specific procedures followed, documents reviewed, and tests performed in the work papers. The work papers should be available for FTA review for a minimum of three years following the NTD report year. The auditor may perform additional procedures, which are agreed to by the auditor and the transit agency, if desired. The auditor should clearly identify the additional procedures performed in a separate attachment to the statement as procedures that were agreed to by the transit agency and the auditor but not by FTA.

Requests

Transit agencies may experience changes and events during a report year that affect the Annual Report. In these cases, agencies may file a request. Requests can include:

- Fiscal Year End Change Requests,
- Extension Requests,
- Fixed Guideway and HIB Requests, or
- Special Requests for either Strikes or Natural Disaster Hold Harmless Adjustment.

Fiscal Year End Change Requests

Agencies must notify the NTD of changes to their Fiscal Year. FTA will determine the period to be covered by the report, which will typically be a 12-month period ending on the new Fiscal Year end date.

Extension Requests

Transit agencies may request a 30-day extension of the annual report deadline (e.g., extend the annual report deadline of October 31 to November 30). Typically, the FTA approves extension requests due to extenuating circumstances, such as:

- Natural Disasters,
- Audits, and
- Medical Leave

Transit agencies must request an extension through the NTD system prior to the annual report due date. FTA does not automatically grant extension requests.

FTA does not grant extensions due to time constraints or unawareness of reporting requirements.

Fixed Guideway and High Intensity Busway Requests

Transit agencies may change routes and expand or reduce service. For agencies that report service on fixed guideway or high intensity busway, changes may have a large effect on segment data. Transit agencies may request to modify, add, or delete segments.

Transit agencies must request fixed guideway changes or additions (and submit any necessary supporting documentation) at least 60 days prior to the Annual Report due date. FTA approves changes on a case-by-case basis and does not automatically approve a request.

Modifying Existing Segment Data

If a transit agency identifies a change that will make data more accurate, the FTA may alter the existing segment data. The agency must make a request, then the FTA will consider segment changes on a case-by-case basis.

In the request, agencies must

- Identify the segment by its segment code and name; and
- Describe the requested changes. (This description must provide the existing and requested values for each change in a data field.)

In its request, a transit agency must describe the reason for each change. In many cases, agencies request a segment modification because of a change in service. However, some transit agencies may have identified inaccurate data that they want to correct. If an agency requests a change because of a correction, the agency must provide detailed support for the correction and an explanation for why it submitted incorrect data in the prior year's report.

If an agency requests to change the length of a segment, it must attach detailed maps depicting the exact measurement.

Transit agencies may adjust the following information without prior FTA approval:

- One-way/Two-way — This is a service characteristic of how transit services operate over the segment, either one-way or two-way operations. This generally does not change.

- **Out-of-Revenue-Service Date** — This is the date that a transit agency stops operating transit service on a segment. An agency should only report this information if it discontinues service. Agencies should not include temporary reconstructions; instead, transit agencies must document any temporary segment closures.

The following adjustments require FTA approval:

- **Urbanized Area change** — The NTD uses the most current U.S. Census to create UZAs in the NTD system. Boundaries should not change unless the U.S. Census Bureau changes them. Therefore, segments should not change UZA location.
- **Segment Name** — An agency should name a segment using conventional standards that make the segment readily identifiable. Segment names do not usually change.
- **Begins At and Ends At** — These are the beginning and ending points of the segment. Beginning and ending points do not change. If an agency discontinues service on a portion of a segment or extends the segment, it should add new segments. (See below for more information.)
- **Length** — The agency reports the physical length of the segment to the nearest hundredth of a mile. Length should not change unless the segment was incorrectly measured or in the wrong location (UZA) in the prior report year.
- **Segment Type (Bus (MB) and Commuter Bus (CB) and BRT (RB) only)** — There are six categories describing the physical construction of the segment. This should not change unless an agency reconstructed the segment, and its category has changed or the segment allows HO/T lane operation.
- **Peak LOS (CB, MB, RB only)** — Peak level of service (LOS) is periodically updated by State and local highway agencies. Agencies should check for updates to LOS information.
- **Safe Operation (CB, MB, RB only)** — This usually does not change, but agencies should review periodically.
- **Hours Prohibited (CB, MB, RB and Trolleybus (TB) only)** — This usually does not change, but agencies should review periodically.
- **Enforcement Hours (CB, MB, RB only)** — This usually does not change, but agencies should review periodically.
- **Original Date of Revenue Service** — This is the date that public transit service was first operated on the segment by any transit agency. This date should not change.

- Agency Revenue Service Start Date — This is the date that a transit agency started operating revenue service. This date should not change.
- Out-of-Revenue-Service Date — If a transit agency stopped operating transit service on the segment during the year, the agency should report the date that the agency no longer operated service (i.e., the day after the last date of revenue service). Other transit agencies may continue to operate on this segment.
- TOS Claimed — This only applies if a transit agency operated both DO and PT services for the same mode on the same segment in the NTD Annual Report. If an agency adds a segment to both TOSs, the agency must identify the segment on both Annual Reports on the fixed guideway form as either DO or PT — only one TOS can claim a segment. If there is a change in service, the agency may need to correct the TOS claimed. For example: During the prior year an agency operated both PT and DO on a segment and reported the TOS claimed as PT. However, the agency now only operates DO on that segment. The agency will need to change the TOS claimed to DO.
- NTD Agency Claiming Segment — This usually does not change unless agreed to by all the transit agencies operating service over the segment.
- Statutory BRT.
- Shoulder Lane (CB, MB, RB only) — This identifies whether the segment is a shoulder lane.

Adding Pre-Existing and New Segment Data

Agencies may add segments to the Annual Report that either are new to the NTD or exist in another agency's report. If a transit agency uses a segment that already exists in the NTD, the agency should request to add that segment to its Annual Report. However, if it is a new segment to the NTD, the transit agency must submit an official request to create the segment.

When creating new segments, transit agencies must provide documentation that supports reported data:

- A map showing the location and endpoints of the segment
- An engineering diagram including mile markers, to calculate the length of the segment
- A news article or press release announcing the opening date of the segment

- For bus modes, a schedule or route map showing that your agency operates on the segment
- For bus modes, a photograph or other documentation showing whether the segment is bus-only or HOV, and whether it is physically or visually separated from other traffic lanes.

For apportionment purposes, FTA bases the 7-year age requirement for FG and HIB segments on the first report year that any transit agency reports the segment to the NTD. An agency must report the segment to the NTD for seven continuous report years before it meets the seven-year age requirement for the State of Good Repair program.

Reporting Multiple Modes or Types of Service on FG or HIB Segments

Transit agencies must report all FG and HIB segments for all modes and types of service. It is possible that different modes or types of service operate on the same tracks or lanes. In these cases, the following rules apply:

- Agencies must report the appropriate segments for each mode and type of service, even if more than one mode operates over some or all of the same segments.
- Agencies may enter multiple purchased transportation contracts for the same mode of service. In these cases, agencies should only report the segments once for that mode and type of service.
- If a seller files a separate Annual Report, the seller reports all segments that it operates on, even if the buyer of service operates some or all of the same segments.

Deleting Segment Data

Transit agencies must contact the NTD for FTA approval to delete segments. However, if a transit agency no longer operates service on a certain segment that is on the Annual Report, the agency should report an Out of Revenue Service Date. This indicates that the transit agency terminated service on this segment for a particular mode and type of service. If a transit agency ends service on a segment on the last day of its fiscal year, it must report the Out of Revenue Service Date as the first day of the following fiscal year. If a segment is temporarily out of service for rehabilitation or reconstruction for less than 12 months, you should not enter an Out of Revenue Service date. If a segment is out of service for rehabilitation, reconstruction, or some other temporary stoppage of service for more than 12 months, you should contact your NTD analyst. FTA will determine case-by-case how you should report these DRM.

Hold-Harmless Requests

FTA may make hold-harmless adjustments to data used in the apportionment to offset negative events (described below) that affected a transit agency's data during the year. Hold-harmless adjustments are not automatic; a transit agency must make a request to receive any assistance through an adjustment.

If FTA approves a hold-harmless adjustment request, a transit agency must still file the Annual Report and report actual data for the year. FTA would make the hold-harmless adjustment by adjusting the data for apportionment purposes only as described below. All publicly available NTD data would reflect the actual service data, as reported by the transit agency for the year.

Strikes Hold-Harmless Adjustment

During the year, a transit agency may experience a strike that suspends or negatively affects transit service. In this case, the CEO of the transit agency may make a hold-harmless request to FTA. The request should identify:

- The mode or modes affected;
- The exact time and date that the strike began;
- The exact time and date that the strike ended;
- Supporting documentation (e.g., published news reports) for the duration of the strike; and
- Estimates of the impacts of the lost service on the data items used in the apportionment.

If FTA grants the hold-harmless request, it will apportion funds based on adding the estimates of impacts of the lost service to the reported annual totals. The CEO should indicate in the hold-harmless request that the agency is requesting FTA to make this apportionment adjustment.

FTA grants a hold-harmless request for one year only. If a strike extends across two report years, separate hold-harmless requests for each report year must be submitted for approval.

Natural Disaster Hold-Harmless Adjustment

If a transit agency suffers a significant decrease in transit service due to a natural or manufactured disaster, the agency or the designated recipient for the urbanized area may make a hold harmless request.

The request must demonstrate that the transit agency meets the following criteria:

- A Federal disaster declaration is in place for at least a portion of the agency's service area for all or part of the report year;
- The decrease in transit service is a direct result of the disaster; and
- The decrease in transit service is temporary; thus, the reduced transit service levels are not reflective of the true transit needs of the area.

If FTA grants the hold-harmless request, it will apportion funds based on the agency's prior report year Annual Report. The hold-harmless request should indicate that it is requesting FTA to make this apportionment adjustment.

FTA grants a hold-harmless request for one year only. If a natural disaster extends across two report years, separate hold-harmless requests for each report year must be submitted for approval.

Appendix A: AUDIT TEMPLATES

Independent Auditor Statement for Financial Data

Instructions: *The IAS-FD file copy should be on the independent auditor's letterhead and should be kept on file by the transit agency.*

The Board of Trustees
Transit Agency Name

In connection with our regular examination of the financial statements of **[agency name]**, for the fiscal year ended **[date]**, on which we have reported separately under **[date of auditor's statement]**, we have also reviewed the reporting forms listed below and included in the report for the fiscal year ended **[date]**, required under Title 49 U.S.C. 5335(a), for conformity in all material respects with the requirements of the Federal Transit Administration (FTA) as set forth in its applicable National Transit Database (NTD) Uniform System of Accounts (USOA). Our review for this purpose included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We did not make a detailed examination such as would be required to determine that each transaction has been recorded in accordance with the USOA.

[Select one of the following two paragraphs for inclusion in your Statement:]

The accounting system from which this NTD report is derived follows the accounting system prescribed by the USOA. The same accounting system has been adopted and was used to compile this NTD report.

or

The accounting system from which this NTD report is derived is other than the accounting system prescribed by the USOA but uses the accrual basis of accounting and is directly translated, using a clear audit trail, to the accounting treatment and categories specified by the USOA. The same internal accounting system has been adopted and was used to compile this NTD report.

[Submit a list of the specific financial forms on which audited data are reported:]

- Sources of Funds – Funds Earned and Funds Expended form
- Uses of Capital form
- Operating Expenses forms
- Reduced Reporting – Small Systems

Based on our review, the accompanying reporting forms identified above conform in all material respects with the accounting requirements of FTA as set forth in its USOA.

Signed:

Title:

City:

Date:

Independent Auditor Statement for Federal Funding Allocation Data

Instructions: *The IAS-FFA file copy should be on the independent auditor's letterhead and should be kept on file by the transit agency.*

The Board of Trustees
Transit Agency Name

FTA has established the following standards with regard to the data reported to it in the Federal Funding Allocation Statistics form of the transit agency's annual National Transit Database (NTD) report:

- A system is in place and maintained for recording data in accordance with NTD definitions. The correct data are being measured and no systematic errors exist.
- A system is in place to record data on a continuing basis, and the data gathering is an ongoing effort.
- Source documents are available to support the reported data and are maintained for FTA review and audit for a minimum of three years following FTA's receipt of the NTD report. The data are fully documented and securely stored.
- A system of internal controls is in place to ensure the data collection process is accurate and that the recording system and reported comments are not altered. Documents are reviewed and signed by a supervisor, as required.
- The data collection methods are those suggested by FTA or otherwise meet FTA requirements.
- The deadhead miles, computed as the difference between the reported total actual vehicle miles data and the reported total actual VRM data, appear to be accurate.
- Data are consistent with prior reporting periods and other facts known about transit agency operations.

We have applied the procedures to the data contained in the accompanying FFA-10 form for the fiscal year ending **[date]**. Such procedures, which were agreed to and specified by FTA in the Declarations section of the *2020 NTD Policy Manual* and were agreed to by the transit agency, were applied to assist you in evaluating whether the transit agency complied with the standards described in the first paragraph of this part and that the information included in the NTD report Federal Funding Allocation Statistics form for the fiscal year ending **[date]** is presented in

conformity with the requirements of the Uniform System of Accounts (USOA) and Records and Reporting System; Final Rule, as specified in 49 CFR Part 630, Federal Register, dated January 15, 1993, and as presented in the 2020 *NTD Policy Manual*. Additional procedures performed (if any), which are agreed to by the transit agency but not by FTA, are described in a separate attachment to this report. This report is intended solely for your information and for FTA and should not be used by those who did not participate in determining the procedures. The procedures were applied separately to each of the information systems used to develop the reported actual VRM, FG DRM, PMT, and OE of **[transit agency name]** for the fiscal year ending **[date]** for each of the following modes:

[List each mode by type of service (TOS) (directly operated (DO) or purchased transportation (PT)).]

The following information and findings came to our attention as a result of performing the procedures described in the attachments to this report:

[Itemize all information and findings. If none, so state.]

In performing the procedures, except for the information and findings described above, the information included in the NTD report on the Federal Funding Allocation Statistics form for the fiscal year ending **[date]** is presented fairly, in all material respects, with the requirements of the USOA and Records and Reporting System; Final Rule, as specified in 49 CFR Part 630, Federal Register, dated January 15, 1993, and as presented in the 2020 *NTD Policy Manual*.

Signed:

Title:

City:

Date: