

18. NATIONAL TRANSIT DATABASE

BASIC REQUIREMENT

Grantees that receive 5307 and 5311 grant funds must collect, record, and report financial and non-financial data in accordance with the Uniform System of Accounts (USOA) and updated with the *National Transit Database (NTD) Reporting Manual* as required by 49 USC 5335(a).

AREAS TO BE EXAMINED

1. *Collection, Recording, and Reporting of Data*

All recipients of Urbanized Area Formula funding and any organization operating urban transit services that directly receive benefit from Urbanized Area Formula funding are required to submit or coordinate the submission of NTD data.

[FTA Circulars 2710.1A](#) and [2710.2A](#) contain a description of the system for collecting, recording, and reporting passenger mile data in accordance with the Uniform System of Accounts (USOA).

The [National Transit Database Reporting Manual](#), published by FTA each year, contains specific reporting instructions. This manual also includes

clarifications and any changes to the requirements. The Reporting Manual can be found on FTA's NTD website at <http://www.ntdprogram.gov/ntdprogram/>.

2. *Declarations*

Grantees are required to obtain and retain on file certain declarations to attest to the reliability and accuracy of the reported data. Declarations are based on two criteria: the size of the urbanized area within which the grantee operates service and the total combined number of vehicles operated in annual maximum service. The two required declarations are the Chief Executive Officer (CEO) Certification and the Independent Auditor Statement (Part I, Financial Data, and Part II, Federal Funding Allocation Data).

REFERENCES

1. [49 USC Chapter 53](#), Federal Transit Laws.
2. [49 CFR Part 630](#), "Uniform System of Accounts and Records Reporting System."
3. [National Transit Database Reporting Manual](#), (www.ntdprogram.gov)

QUESTIONS FOR THE REVIEW

1. *Did the grantee submit its NTD report for each of the past three years? Were its reports submitted on time? If not, did the grantee obtain FTA approval for the delay? What is the current status of the grantee's NTD reports for the past three years? Have all issues in prior years' closeout letters been resolved?*

Did the grantee receive a reporting waiver from submitting an annual NTD report or a waiver because it operates nine or fewer vehicles? If yes, note the date of the letter granting the waiver.

Exemption or reporting waiver granted:

<i>FY</i>	<i>Date</i>
_____	_____
_____	_____
_____	_____

2. *Has the grantee submitted monthly NTD ridership data as required?*
3. *Has the grantee provided a complete report to the NTD of all transit operations, excluding all ineligible activities such as charter, school bus, sight seeing and intercity (Greyhound) transportation?*

EXPLANATION

All grantees that receive 5307 and 5311 grant funds are required to collect and annually file National Transit Database (NTD) reports in the NTD Internet Reporting System. Furthermore, recipients of CMAQ and STP funds that are "flexed" into the 5307 and 5311 programs also are required to report in the NTD. The requirement to report continues as long as the grantee benefits from the grant funds (i.e., for the minimum useful life of the FTA-funded fixed asset, or indefinitely in the case of facilities).

The due dates and instructions for submitting reports are contained in the [NTD Annual Reporting Manual](#)

(on line at <http://www.ntdprogram.gov>). The due date for a transit agency's NTD report submission is dependent on the date that the agency's fiscal year ends. The due dates are:

Fiscal Year End Date (Between)	NTD Report Due Date
January 1 to June 30	October 28
July 1 and September 30	January 28
October 1 and December 30	April 30

Effective with the 2005 Report Year, the 15 calendar day automatic grace period and the 30 calendar day time extension were eliminated. A report not submitted by the due date is considered late. Grantees that fail to report risk being declared ineligible to receive Urbanized Area Formula Funds for an entire federal fiscal year.

Once reports are submitted, FTA tracks and reviews each report for completeness. As part of the validation process, FTA communicates with the grantee to correct reporting problems. When the validation process is complete, a closeout letter is generated by the system and is available to the grantee through the e-File tab. The closeout letter will document any outstanding issues. The grantee should be prepared to demonstrate that all validation issues and closeout issues have been resolved.

In addition to its annual submission, grantees are required to submit monthly ridership data by mode. Agencies are also required to submit safety and security data by mode and type of service, with the exception of commuter rail. Grantees operating commuter rail do not have to submit safety data for this mode. Note: questions related to safety and security data reporting are addressed in the Safety and Security review area.

A grantee that operates no more than nine vehicles in peak service at any time during the year may request a waiver from filing a complete NTD report. This waiver does not apply to fixed guideway service. The grantee must base it on all fleets and annual maximum service levels.

In very unusual circumstances, the grantee may request and FTA can grant a waiver from either some or all of the NTD reporting requirements.

The nine or fewer vehicle waivers and the reporting waivers must be requested and approved by FTA for every reporting year. A waiver for 9 or fewer vehicles only lasts for one year. FTA does not grant permanent waivers from reporting.

REASON FOR THE QUESTION

49 USC 5335 (a)
49 CFR Part 630
NTD Reporting Manual

SOURCES OF INFORMATION

The regional office files may contain copies of correspondence. If not, ask the grantee to provide copies of relevant letters and reports. Ask the grantee to provide information that demonstrates when it first submitted its report for each of the past three years. From the NTD system for each year the grantee can print out the date of their original submission. The copy of the reports provided to the reviewer probably will be updated versions, reflecting changes made in response to the validation process. If reports have been filed after the deadline, ask for copies of letters to FTA requesting an extension. If waivers have been granted, obtain information from the grantee on the waivers. If prior year closeout letters included issues, the grantee should have documentation on file to demonstrate how the issues were resolved.

For monthly ridership data, the grantee can print out the most recent monthly report. This will show if the reporting is up to date. However, it will not show if the ridership data was reported late.

DETERMINATION

If recent submissions have been timely and complete, responses to letters have been timely and complete, and no data have been disallowed, the grantee is not deficient. The grantee is deficient if reports have not been filed, if reports have been filed late, or if reports have been incomplete. If the grantee has submitted its NTD report before the due date, it is not deficient. If the grantee has submitted its report late, but it received FTA approval for a delay in the report submission, the grantee is not deficient. If the grantee submitted the report late and did not receive FTA approval for a delay in the report submission or submitted the report after the FTA approved delay, it is deficient.

If the grantee has not responded to validation issues by the specified due date(s) or has not resolved close out issues, the finding is deficient.

If the grantee has submitted ridership data on a monthly basis as required, the grantee is not deficient. If the grantee has not submitted monthly ridership data, the grantee is deficient.

SUGGESTED CORRECTIVE ACTION

The grantee should provide FTA with documentation of its procedures for complying with reporting requirements, including a milestone schedule to ensure timely submissions and responses. The grantee should provide an assurance that future NTD

reports and/or ridership data will be submitted in a timely manner and closeout issues will be addressed.

4. *Has the grantee submitted its required declarations, i.e., a complete Chief Executive Officer (CEO) Certification, (NTD Form D-10) and Independent Auditor Statement for Financial Data?*

EXPLANATION

The CEO Certification (NTD form D-10, effective with 2007 report year) is submitted with the grantee's annual NTD report. The D-10 form and wording for the CEO certification are contained in the annual *NTD Reporting Manual*. Reviewers should make sure that the grantee is submitting the CEO Certification.

The grantee is required to have an independent accountant certify that the grantee's accounting system can produce an NTD report that conforms, in all material aspects, to the requirement to collect financial data contained in the USOA. The accountant's statement should list the financial forms that were reviewed; be on the letterhead of an independent, professional accounting firm; and identify the address of the office performing the statement.

The requirement for an Auditor Statement of Financial Data is a one-time requirement provided the grantee does not change its accounting system and invalidate the certification. If the grantee changes its accounting system, it must have a qualified auditor again certify that the accounting system is consistent with FTA's Uniform System of Accounts (USOA) and apply for a new waiver. The OMB A-133 Single Audit does not suffice for this requirement.

The CEO states in the annual CEO Certification that the Auditor Statement of Financial Data has been performed properly. The CEO Certification identifies the name of the auditor making the certification and the date the certification was submitted to FTA.

Effective with the 2005 Report Year, the CEO Certification also should state that the Auditor Statement for Federal Funding Allocation Data has been completed. The CEO Certification identifies the name of the auditor making the certification and the date the certification was completed and indicates whether there were any negative findings by the auditor. If there were negative findings, the CEO Certification should indicate what actions have been taken. The reviewers should ask for documentation of these actions on site.

The CEO Certification should also include a statement that passenger mile data are being collected according to one of the approved methods.

Grantees can use either a 100 percent count or a valid statistical sampling procedure. If statistical sampling is used the process must meet FTA's minimum levels of confidence of 95 percent and 10 percent precision. FTA C 2710.1A, *Sampling Techniques for Obtaining Fixed-Route Bus Operating Data Required under the Section 15 Reporting System*, and FTA C 2710.2A, *Sampling Techniques for Obtaining Demand Response Bus System Operating Data Required under the Section 15 Reporting System* offer the grantee several sampling plans that meet the FTA statistical criteria. The grantee is free to use an alternate technique if a qualified statistician has examined the technique and certified that it meets FTA's statistical criteria.

The frequency for providing these data is based on the size of the UZA population and number of vehicles directly operated. The reporting thresholds are shown on the table below:

Directly Operated (DO) Service			
Reporting Frequency	Mandatory Year	UZA Population	Number of Vehicles Directly Operated
Every Year	2009	>=500,000	>=100
Every Third Year	2011	>=500,000	<100
Every Third Year	2011	50,000-499,999	Any Number

Purchased Transportation (PT) Service			
Reporting Frequency	Mandatory Year	UZA Population	Number of PT Vehicles (Not filing separate report)
Every Third Year	2011	>=50,000	Any Number

Effective with the 2008 NTD Report year, grantees in or serving UZAs with a population of less than 200,000 will be required to sample every third year.

REASON FOR THE QUESTION

[NTD Reporting Manual](#)

SOURCES OF INFORMATION

The grantee should provide documentation that the CEO Certification was submitted with the NTD report. If the grantee used an alternate sampling method, the grantee should provide a statement from a statistician making this certification. To ensure accuracy for data validation, for NTD report year 2007, agencies were expected to provide the data for unlinked trips using 100% counts, unless granted an exception by FTA.

During the site review, the grantee should be asked whether or not its accounting system has been changed and, if it has, what steps the grantee has taken to renew the financial data certification.

DETERMINATION

If the grantee can provide documentation that the CEO Certification was submitted, the grantee is not deficient. If not, the grantee is deficient.

The grantee is not deficient if it has not changed its accounting system. The grantee also is not deficient if it has both changed its accounting system and obtained a new auditor's financial data certification. If changes have occurred and the certification is not up to date, the grantee is deficient. The grantee is not deficient if the auditor's statement included negative findings and the grantee can document actions taken to resolve the findings. If the findings were not addressed, the grantee is deficient.

If the CEO Certification includes the certification of passenger mile data, the grantee is not deficient. If the grantee uses an alternate method, and can show that a qualified statistician has certified it, it is not deficient. If not, the grantee is deficient.

SUGGESTED CORRECTIVE ACTION

The grantee must submit the CEO Certification. If the grantee has had its current accounting system certified and holds a valid FTA waiver, the grantee must prepare a valid CEO Certification and submit it to FTA. If the grantee has not had its current accounting system certified, the grantee must obtain a valid Auditor Statement of Financial Data. Copies should be filed with FTA's National Transit Database office. If the grantee has not properly collected passenger mile data, it must institute correct procedures and provide documentation to FTA of the changes it has made.

5. *If required, does the grantee have an Independent Auditor's Statement for Federal Funding Allocation Data for the current fiscal year's NTD report?*

EXPLANATION

Transit agencies that are in or service urbanized areas with 200,000 or more population who operate 100 or more vehicles in annual maximum service are required to have an independent auditor review all NTD data used in the Urbanized Area Formula and the Capital Program allocation. The count of the vehicles includes all revenue vehicles operated in all modes and types of service. The statement should address by mode and type of service: directional route miles, vehicle revenue miles, passenger miles, and operating costs. Specific audit areas, procedures, and suggested format for the Auditors Statement are contained in the [NTD Reporting Manual](#).

When a transit agency meets the 100-vehicle threshold, it must submit the Auditor's Statement for

the year in which the agency meets the threshold. Otherwise, the agency must keep the statement on file for three years after the NTD Annual report is submitted. If an Auditor's Statement for Federal Funding Allocation is not submitted to the NTD for a period of two consecutive years, NTD has no independent validation of the data, therefore the agency may be excluded from eligibility for FTA formula grant funds for the second year.

REASON FOR THE QUESTION

NTD Reporting Manual

SOURCES OF INFORMATION

The transit agency must keep the Independent Auditor Statement for Federal Funding Allocation Data on file for three years after the NTD Annual report is submitted.

The Auditor's Statement should certify that the directional route miles, vehicle revenue miles, passenger miles, and operating cost data have been collected and reported properly.

DETERMINATION

If the grantee meets the reporting thresholds and provides a satisfactory, unqualified auditor's certification, the grantee is not deficient. If the grantee meets the reporting thresholds and does not provide the reviewer with a satisfactory Auditor's Statement, the grantee is deficient.

SUGGESTED CORRECTIVE ACTION

The grantee must obtain a valid Auditor's Statement of Urbanized Area Formula Data. A copy should be provided to the FTA regional office.

- 6.** *Does the grantee pass through 5307 Urbanized Area Formula Grant Program funds or other benefits of 5307 grants to another transit operator? If yes, list the name and NTD ID of the transit provider(s) receiving these pass through funds. If yes, do these transit operators report required data?*

EXPLANATION

If a grantee passes Urbanized Area Formula Grant Program monies through to operators of transit services, these operators are required to report required data. The purpose of this question is to identify if any subrecipients exist and if so, that they report their data. Contracting for services is not a pass through of monies. If a grantee is contracting for

services, required information should be provided by the grantee.

REASON FOR THE QUESTION

NTD Reporting Manual

SOURCES OF INFORMATION

This question needs to be asked at the site visit. Also, FTA headquarters can provide a copy of Summary Information and FTA Summary Reports for each grantee. These reports provide summary information on the grantee and schedule of submissions in response to National Transit Database reporting requirements.

DETERMINATION

If the grantee does not pass money through to another party, this question is not applicable. If monies are passed through, the entity receiving the monies should be reporting required information. The grantee should be found deficient if the subrecipient has not submitted the reports unless FTA directly exempted the subrecipient from submitting reports.

SUGGESTED CORRECTIVE ACTION

The grantee should work with the subrecipient to contact FTA and submit the required reports.