

<b>SHASTA COUNTY RTPA POLICY AND PROCEDURE MANUAL</b>		Number
		5-3 Rev.1
SECTION: Rules of the SCRTPA	Regional Surface Transportation Program (RSTP) Funding Allocations by Jurisdiction	
APPROVAL DATE: June 26, 2007		
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**POLICY FOR THE DISBURSEMENT OF REGIONAL SURFACE TRANSPORTATION PROGRAM (RSTP) FEDERAL EXCHANGE AND STATE MATCH REQUEST TO JURISDICTIONS**

**BACKGROUND**

In March of 1993 (Resolution 5-93) the SCRTPA agreed to accept Exchange program funds as allocated under Section 182.6 of the Streets and Highways Code. Funds may be exchanged for nonfederal State Highway Accounts funds.

Resolution 5-93 states that funds are to be divided among the jurisdictions in the same manner as they are allocated to the SCRTPA. These funds shall be shared among the jurisdictions based on the ratio of the jurisdiction's latest urban area population estimate to that of the total County's urban area. Funds derived under Section 182.6 (d) (2) shall be allocated to the County as specified by law, and the balance of the funds shall be allocated between the cities and the County on the basis of the ratio of each jurisdiction's population growth from 1980-1990 to the County population growth during that period.

Each of the entities has the capability of selecting and prioritizing projects using those funds allocated to them. The SCRTPA delegates to each of the eligible entities project selection authority for projects to be funded under this program.

**PROCEDURES**

The annual exchange funds are allocated to the SCRTPA on an annual basis from the Department of Transportation (DOT). The amount of funding allowable is calculated by the DOT.

Two factors are used to determine the amount allocated by jurisdiction. Amounts are first allocated based upon the population in the urban area based on 110% of the Federal Aid Urban (FAU) that preceded ISTEA. The remainder of funding, "other", is allocated based upon the growth in each entity from 1980 to 1990. The urban population is updated annually using the Department of Finance's E-1 report. These population figures determine the percentage of funding allocated to each jurisdiction based on the old FAU funding figures.

The amount of funds received from exchange that exceed the Old FAU are presented as "other" and are allocated based upon prior population figures for each jurisdiction as presented on the attached allocation schedule.

The City of Shasta Lake was incorporated on July 2, 1992. Prior to incorporation, Shasta Lake's population was included in the unincorporated area of Shasta County. In order to obtain census data, the United States Census Bureau must incorporate a city for one year before it is recognized as a city. The first documented census data for the City of Shasta Lake occurred in 1994/1995. The City of Shasta Lake became eligible for exchange funds at this time, and was removed from the County's population.

An allocation summary is disbursed to the jurisdictions that combine the Old FAU population allocations, and "other" funding allocations.

### **FINANCIAL CONTROLS**

City and county agencies must establish a separate account within their "Special Gas Tax Street Improvement Fund" or "County Road Fund" to deposit and account for State exchange and match payments received directly from the SCRTPA.

City and county expenditures of exchange and match funds will be subject to financial and compliance audits by State of California auditors.

**Any federal monies received from the SCRPTA must be audited under Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.**

Agencies are required to submit an annual document stating that RSTP exchange funds have been used for eligible projects as defined in Section 133(b). Agencies must submit documentation no later than July 31 of each year in order to receive distribution of current year exchange funds.

In the event of an adverse audit finding, the agency must return the State cash to the SCRTPA for allocation to other eligible projects. If an adverse finding is not corrected, a hold will be placed on future exchange and match payments to the jurisdiction until such time as the adverse findings are corrected to the satisfaction of the SCRTPA.

REPORT TO SHASTA COUNTY RTPA

SUBJECT		MEETING DATE	ITEM NUMBER
Policy Revisions		6/26/07	4-5

RECOMMENDATION

It is recommended that the Agency approve a revision to Policies 5-3: Disbursement of Regional Surface Transportation Program (RSTP) Funds and 6-6: Transportation Development Act (TDA) Compliance and Fiscal Audits.

SUMMARY

A triennial performance audit is required to evaluate the agencies overall performance. The June 30, 2006, performance audit recommended that the Shasta County Regional Transportation Planning Agency (SCRTPA) have a formal policy for the audit requirements of federal monies.

DISCUSSION

During the June 30, 2006, performance audit, it was recommended that the SCRTPA adopt a formal policy requiring that all federal monies distributed to subrecipients be audited in accordance with Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

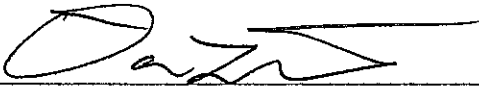
It is recommended that the SCRPTA revise Policies 5-3 and 6-6 to include the following statement. "Any federal monies received from the SCRTPA must be audited under Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*."

OTHER AGENCY INVOLVEMENT

The Technical Advisory Committee and the accounting firm of Donald R. Reynolds has reviewed this policy and recommends approval.

FINANCING

Adoption of the staff recommendation will have no financial impact.



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Daniel S. Little, AICP, Executive Officer

DSL/SLC/jac

Attachment:        Policy 5-3  
                      Policy 6-6  
                      Performance Audit Recommendation