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MEMORANDUM FOR DISTRIBUTION

Subj: TRANSPORTATION INCENTIVE PROGRAM (TIP) - OUTSIDE THE NATIONAL CAPITAL REGION (ONCR) VANPOOL POLICY

Ref: (a) Department of the Navy (DON) TIP Point of Contact (POC) Program Guidelines
(b) 26 United States Code, Section 132
(c) Department of Defense Instruction 1000.27

1. The purpose of this memo is to revise the policy which governs the use of vanpools in TIP ONCR. Policy contained in this memo supersedes language found in reference (a) where applicable.

2. In the course of conducting internal control reviews of the TIP, the Office of Financial Operations (FMO) discovered that some vanpools routinely operated below the standards outlined in references (b) and (c). Furthermore, it was evident that unlike in the private sector, there were limited incentives and controls in place to maximize the use of vanpool capacity and reduce the overall cost of the incentive program to the government.

3. Executive Order 13150, April 21, 2000, established tax exempt subsidies for the Federal workforce utilizing mass transportation, in order to reduce traffic congestion and air pollution. As the Department of the Navy (DON) looks to reduce program costs, improve program efficiencies and support the original intent of the program to have more riders in fewer vehicles on the road, the following TIP policy is revised to strengthen the internal control environment:

a. To be considered as a Qualified Means of Transportation (QMOT), the vanpool must have a minimum seating capacity of at least six (6) adults, not including the driver.

b. To be considered as a QMOT, the vanpool must meet the 80/50 rule which is defined here as at least 80 percent of the mileage use of the vehicle must be for:

(1) the purpose of transporting personnel in their local commute to and from their residence to their place of employment/duty station.

(2) on trips during which the number of employees transported for such purposes is at least one-half of the adult seating capacity of such vehicle (not including the driver).

c. Vanpool participants whose vanpool fails to meet the 80/50 rule in any given month may receive one warning per calendar year before being required to repay the Federal government.

d. Vanpool participants whose vanpool fails to meet the 80/50 rule for more than one month in a calendar year, will be required to reimburse the Federal Government for transit benefits they received for every month that the 80/50 rule was not met with the exception of the first month that the 80/50 rule was not met in each calendar year.

e. Vanpool participants whose vanpool fails to meet the 80/50 rule for three or more months in a calendar year will be withdrawn from the program for a minimum of three months.

f. Vanpool participants whose vanpool fails to meet the 80/50 rule as the result of extenuating circumstances may submit an exception request in writing to the Office of Financial Operations via their local POC. Exception requests will be reviewed on a case by case basis.

g. Vanpool participants who must pay to "hold" their space in the vanpool due to extended absence (e.g. TDY or leave) or part-time work schedule are responsible for the cost of holding their space as an out-of-pocket expense.

h. Vanpool participants must ride in the vanpool at least fifty (50) percent of the eligible working days each month in order to receive the monthly benefit. To reduce the administrative burden and expense of processing low dollar amount repayments, vanpool participants are allowed a grace period of up to fifty (50) percent of the working days in a month where they are not required to ride a qualified vanpool. This grace period should be used to accommodate for TDY, jury duty, leave, occasional personal errands, and unforeseen extenuating circumstances. Vanpool participants who exhaust this grace period and do not ride in a qualified vanpool for at least fifty (50) percent of the working days in a month are responsible to repay the federal government the pro-rated amount for the entire number of working days that a QMOT was not used. For example, if a participant has a normal schedule with twenty-one (21) working days in the month, the participant would be required to ride at least ten and a half (10.5) of those days. If the participant rode only eight (8) days, the participant would be responsible to repay the federal government for the pro-rated amount for the thirteen (13) days that he or she did not ride. If a participant has a compressed schedule with eighteen (18) working days, the participant would be required to ride at least nine (9) of those days. If the participant rode only eight (8) days, the participant would be responsible to repay the federal government for the pro-rated amount for the ten (10) days that he or she did not ride.

i. All vanpool participants, whether Federal employees or non-Federal employees, must pay the same rate for the same vanpool service. Non-Federal employees cannot be subsidized through the DON TIP.

j. A vanpool invoice or receipt is required to document the actual commuting cost for vanpool participants. Invoices and receipts must be provided upon request of the POC or FMO and maintained for twelve (12) months.

(1) For vanpools companies that issue individual receipts for each participant, the actual commuting cost for that individual should equal the amount on the invoice or receipt. In accordance with reference (c), the local POC has the authority and responsibility to determine the reasonableness of commuting cost.

(2) For vanpool companies that issue one invoice or receipt for the entire vanpool, the actual commuting cost for each individual should equal the total amount of the invoice or receipt divided by the number of seats in the vehicle (determined by the vanpool company) regardless of whether those seats are currently occupied by a rider. TIP may not be used to offset the cost of empty seats in a vanpool.

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k. The vanpool must maintain a vanpool log to document, on a daily basis, which participants are using the vanpool to commute to and from work.

(1) All benefit participants must sign the vanpool log at the end of the month to certify that the vanpool log accurately reflects the participant's actual riding history.

(2) Vanpool logs must be provided to the local POC by the fifth calendar day of the following month for his or her review and should be maintained by the POC for audit purposes for 12 months. Failure to submit vanpool logs by the monthly deadline may result in the disruption of future benefits.

l. Vanpools are permitted to carry a credit balance up to $200 collectively on their vanpool account to help address cost fluctuations from month to month. If the balance on a vanpool account exceeds $200, each participant must ensure that the excess funds are returned to federal government in accordance with reference (c).

4. My point of contact for this matter is Mr. Joshua Coover at 202-685-0399 or joshua.coover@navy.mil.

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