

TRANSIT BENEFIT PROGRAM

1. **REASON FOR ISSUE:** This handbook establishes Department-wide procedures for the Transit Benefit Program and implements the policies set forth in Department of Veterans Affairs (VA) Directive 0633, Transit Benefit Program.
2. **SUMMARY OF CONTENTS:** In accordance with provisions of VA Directive 0633, Transit Benefit Program, and in order to establish standard operating procedures for the Transit Benefit Program, this handbook describes the responsibilities, requirements and procedures for this purpose.
3. **RESPONSIBLE OFFICE:** The Office of Human Resources and Administration (HR&A) is responsible for developing a transit program under Executive Order 13150 and for monitoring its accomplishments. Within HR&A, the Office of Administration will have lead responsibility for coordinating the program and will serve as liaison with the Department of Transportation.
4. **RELATED DIRECTIVE:** VA Directive 0633, Transit Benefit Program.
5. **RESCISSIONS:** None.

CERTIFIED BY:

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**BY DIRECTION OF THE SECRETARY
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CONTENTS

PARAGRAPH	PAGE
1. PURPOSE AND SCOPE.....	5
2. AUTHORITY AND REFERENCES.....	7
3. ROLES AND RESPONSIBILITIES.....	7
4. EMPLOYEE RESPONSIBILITY.....	8
5. PROGRAM ACCEPTANCE.....	9
6. TRANSIT MANAGER REVIEW AND VERIFICATION.....	11
7. NATIONAL CAPITAL REGION (NCR) APPLICATION SUBMISSION	13
8. FIELD SUBSIDY APPLICATION SUBMISSION TO VACO	14
9. FIELD STATION FARE MEDIA RECEIPT AND RETURN	14
10. SELF CERTIFICATION REIMBURSEMENT.....	16
11. MONITORING AND PROGRAM ADMINISTRATION.....	17
12. VA OFFICE OF THE INSPECTOR GENERAL.....	18
13. FERRY QUALIFICATIONS.....	18
14. QUALIFIED VANPOOLS.....	18
15. SEPARATION AND TRANSFER.....	20
16. RECORDKEEPING.....	21
17. PERIODIC NATIONWIDE RE-CERTIFICATION.....	21
18. DEFINITIONS.....	22

TRANSIT BENEFIT PROGRAM

1. PURPOSE AND SCOPE

a. This handbook is to be used with Transit Benefit Program (TBP) VA Directive 0633. It provides procedures and requirements necessary for implementation of policies contained in the directive.

b. The Department of Veterans Affairs (VA) supports programs that improve air quality and reduce traffic congestion. VA will provide a non-taxable subsidy designed to encourage employees to use mass transportation for their daily commute to and/or from their duty station by methods other than single occupancy vehicles in order to reduce their contribution to traffic congestion and air pollution and to expand their commuting alternatives.

c. As a part of a national initiative to improve air quality and to reduce noise and traffic congestion in metropolitan areas, the Federal Employees Clean Air Incentives Act of 1993 (5 U.S.C. 7905) permanently authorized Federal participation in the TBP. Executive Order 13150, Federal Workforce Transportation, sought to reduce Federal employees' contribution to traffic congestion and air pollution. The amount of TBP subsidy authorized to qualified VA employees is based on an employee's monthly public transit commuting costs from their residence to work.

d. The TBP is available to all qualified VA employees (See 18j).

(1) Qualified VA employees who work within the National Capital Region (NCR) will receive a direct subsidy. The NCR is defined by the executive order as the District of Columbia; Montgomery, Prince George's and Frederick Counties in Maryland; Arlington, Fairfax, Loudon, and Prince William Counties in Virginia.

(2) VA Employees who work outside the NCR will receive field subsidy.

e. The amount of direct subsidy or field subsidy authorized is based on a participant's monthly public transit commuting costs. Transit subsidy may not exceed the maximum monthly amount allowed by law. If the employee's monthly expenses are less than the maximum, only the actual monthly amount spent is authorized for subsidy.

f. A maximum monthly subsidy amount is offered by VA which can be applied to an employee's public transportation commuting costs. Only the mass transit portion of an employees' commuting cost is subsidized. Indirect costs, such as gas, mileage, and parking for an employee's personal or leased vehicle, cannot be included as part of the cost qualifying for the transit benefit. This statement pertains to individual mass transit participants. It does not apply qualified vanpools, or designated primary operators of a qualified vanpool.

g. Persons Ineligible for Transit Benefits:

(1) VA employees who travel to work in single occupancy vehicles, carpools, private airplane, or any vehicle other than mass transit are not eligible for transit benefits.

(2) VA employees named on a federally subsidized workplace motor vehicle parking permit are not eligible to participate in this program (see 18f).

(3) VA employees with subsidized parking permits must relinquish their parking permits or passes to receive transit benefits. VA employees receiving transit benefits may not be counted as part of a carpool for purposes of qualifying for a government parking pass or permit.

h. Facility Directors may determine that it is necessary to VA operations for selected employees to use federally subsidized parking areas because of changes in their work schedules or in exigent circumstances. Accordingly, employees who receive fare media or self-certify through the TBP may request authority to use the facility parking areas on an extremely limited basis no more than three times per month, or at the discretion of and under procedures established by the Facility Director. Facility Directors are strongly encouraged to limit this authority to three times each month for individual employees. VA Central Office (VACO) employees may request authority for limited use of federally subsidized parking areas from the TBP Director in writing.

i. Fraud. Employees must understand that it is a violation of Title 18 USC Section 1001 to provide false or fraudulent information to obtain transit benefits. Employees who misuse transit subsidies may be subject to appropriate administrative action including recoveries up to \$10,000, adverse action, and disqualification for future transit benefits. Facility Directors for field employees and the VACO TBP Director for VACO employees have appropriate authority to recoup subsidy and/or disqualify employees under their jurisdiction who have been determined by an investigation to have misused transit benefits. Instances of fraud or possible fraud will be referred to the VA Office of the Inspector General (OIG) for investigation.

j. VA contracts with the Department of Transportation (DOT) to maintain a national data base and provide qualified employees a monthly non-taxable subsidy in the form of transit vouchers, fare media, electronic fare media or debit card that can be used toward public transportation commuting costs. VA will pay the costs upon receipt of a monthly bill from DOT for administering VA transit subsidy. In areas where DOT does not provide the benefit, employees are allowed to participate in the TBP through a VA Self-Certification and Reimbursement Process.

k. VA will require employees to return fare media having value, upon termination from the TBP. When necessary, VA's finance activity may initiate debt collection procedures, including salary offset, to recover any unused fare media value owed to the TBP.

l. VA will maintain transit benefits information in its payroll system (PAID), although the transit subsidy is excluded from wages.

2. AUTHORITY AND REFERENCES

- a. Executive Order No. 13150, Federal Workforce Transportation.
- b. Federal Clean Air Incentive Act (FECAIA Public Law 103-172).
- c. IRS Publication 15-B, Employer's Tax Guide to Fringe Benefits (2010).
- d. Qualified Transportation Fringe Benefits under ARRA.
- e. VA Directive 0633, Transit Benefit Program.
- f. 5 U.S. C. 7905, Programs to Encourage Commuting by Means other than Single Occupancy Motor Vehicles-Federal Employees Clean Air Incentives Act of 1993.
- g. Title 18 USC 1001 - Crimes and Criminal Procedures
- h. 26 U.S.C. 132(f)(2), Qualified Transportation Fringe – Limitation on Exclusion.
- i. Financial Policies and Procedures Volume III Chapter 1 Transit Benefit Program

3. ROLES AND RESPONSIBILITIES

- a. The Assistant Secretary for Human Resources and Administration (HR&A) has overall responsibility for policy and management of VA's TBP.
- b. Under Secretaries, Assistant Secretaries, Station Directors, and Other Key Officials are responsible for ensuring compliance with the policies and procedures set forth in VA Directive 0633 and this handbook.
- c. The Office of Administration (O/A), within HR&A, will issue and administer overall departmental policy and procedures pertaining to the TBP.

d. **Transit Benefit Program Director.** Within HR&A, O/A will issue departmental policy and establish a TBP Director. The TBP Director will have the lead responsibility for implementing policy and will have oversight of the nationwide program. The TBP Director will serve as the point of contact for any national TBP questions or issues. The TBP Director will serve as the Contracting Officer's Technical Representative (COTR) with DOT for nationwide application submission and distribution of fare media. The TBP Director shall be responsible for planning, scheduling, and coordinating transit fare media distribution for all VA organizations located within the NCR. The TBP Director is authorized to recoup funds and/or exclude any employee from the program determined by an appropriate investigative inquiry to have abused or misused transit benefits.

e. **Organizational Transit Managers.** Each VACO organization will establish a VACO Organizational Transit Manager and alternate who will have overall responsibility for communication, coordination, and management of their respective organization's Nationwide TBP. VACO Organizational Transit Managers will act as liaisons with O/A's TBP Director. O/A's TBP Director will provide guidance and serve as the point of contact for VACO Organizational Transit Managers on national TBP questions or issues. VACO Organizational Transit Managers will receive, review, and forward all transit applications from VACO and VA field stations to O/A's TBP Director to be forwarded to DOT.

f. **Field Transit Managers.** Each participating facility will designate a Field Transit Manager and alternate to oversee program administration and benefits distribution at their field station. Field Transit Managers may distribute fare media directly to employees or delegate media distribution to appropriate VA offices. Field Transit Managers will review applications, verify submitted costs, and submit transit applications to the VACO Organizational Transit Manager. Questions or issues should be directed through the station's VACO Organizational Transit Manager.

g. **Billing**

(1) The Veterans Health Administration's (VHA) Office of Finance has overall financial responsibility for VHA program billing and oversees financial activity for all VHA field facilities and VHA organizations. The Chief of Financial Activity or designee is responsible for the billing payments at their specific organization or field facility.

(2) Non-VHA Organizational Code Budget Officers are responsible for overseeing TBP billing and payments for their respective non-VHA organizations and field facilities. (See Office of Financial Policy, Volume III – Chapter 1, Transit Benefit Program).

4. EMPLOYEE RESPONSIBILITY

a. VA requires all participants to complete VA Form 0722, containing a certification statement which becomes the employee's contract with the Federal government. The certification requires the employee to accept the terms and conditions of the TBP.

b. Participants cannot be named on any federally subsidized parking permit, park in any federally subsidized parking area, or participate in a carpool, except in limited circumstances (see 1j).

c. To receive transit subsidy, participants are required to use mass transit whenever commuting (daily commute) from their residence to work. Employees may calculate and use the subsidy when commuting to and from work, or may elect to calculate and commute one way to, or one way from work.

d. Although the authorized subsidy is based on employee's estimated monthly commuting costs, employees may only claim subsidy benefits for time actually used to commute to and/or from work.

e. Participants are not permitted to accumulate subsidy in excess of the statutory monthly amount authorized. Participants are responsible for adjusting their transit benefit amount upon changes to their commuting methods or work schedule such as leave, extended leave, telecommuting, or travel. Subsidy may be issued in advance of the time period to be used with the stipulation that whenever there is usable subsidy benefits left over at the end of a distribution period the employee will reduce their next subsidy benefit by the amount of benefits they did not use during the previous distribution. Example: You certify and receive \$5.00 per day or \$100 per month for your monthly commuting costs. You are on leave or travel for 10 business days. During the next transit benefit distribution, you must request only \$50.00. This amount added to the usable benefits leftover from the previous month equals the total amount of commuting benefits needed for the next month (see 18h).

f. Participants will use the subsidy for their daily commute on mass transit to and/or from work only. Employees may be required to pay back subsidy improperly used. Overestimating transit costs, giving or selling to others, or purchasing subsidy from others is prohibited. Paying for parking with transit subsidy benefits is not authorized and participants will not be provided subsidy for parking costs.

g. Participants on extended leave of 30 days or more should remove themselves from the program, and re-apply for transit benefits when they resume tour of duty to work. Persons on extended leave are not authorized transit subsidy, and should contact their supervisor or authorizing Transit Manager if unable to complete a withdrawal application. Transit Managers should take appropriate actions to acquire information to identify participants on extended leave who are ineligible to receive transit subsidy. In order to withdraw from the program, you must:

1. Complete a revised VA Form 0722, indicating "WITHDRAW" in box 7.
2. Submit completed application to your Transit Manager for verification and processing.
3. Contact organizations Transit Manager If unable to complete a withdraw application.
4. Re-apply for transit benefits upon resuming tour of duty and resume commuting via mass transportation.
5. Submitted applications will be subject to established processing procedures.

5. PROGRAM ACCEPTANCE

a. Applying for the Program. To receive subsidy benefits in the TBP, qualified employees must complete VA Form 0722 for submission to their Organizational Transit Manager for the following reasons:

- (1) New enrollee application;
- (2) Changes in transit benefits amount, or information; and
- (3) Withdrawal from the program.

b. Application Access. Organizational Transit Managers, Field Transit Managers, and participants can access VA Form 0722 and other program supporting forms through the One VA Forms Web site (<http://vaww.va.gov/vaforms/>), in Adobe Acrobat Reader format (PDF), or may print out a blank fill-in form for normal hard copy distribution. TBP forms may also be accessed through VA's TBP Intranet Web site (http://vaww4.va.gov/ofcadmin/transben_page.asp.) Participants must follow instructions to accurately complete the entire two-sided application listing their complete duty station and home residence address (no P.O. boxes accepted), and enter their usual monthly mass transit commuting costs filled in above the employee signature line. All participants must complete and sign the Mass Transit Expense Work Sheet on the back of the application. If an employee's monthly transit expenses cannot be accurately listed on the work sheet, a separate sheet itemizing the commute will be signed by the employee and attached to the application for record. Although employees may list their commuting costs totaling more than the maximum (currently \$230 per month), only the maximum benefit will be authorized. If the employee's lists monthly mass transit expenses less than the maximum, only the actual commuting cost listed are authorized for subsidy. For VA records, all applications must include the employee's last four social security numbers. If the employee refuses to fully complete the application, they may not be able to participate in the program.

c. **Supervisory Certification.** The employee's immediate supervisor is required to certify the employee's VA Form 0722. The supervisor will verify that the applicant is employed and paid by VA. The supervisor will verify the employee's duty station address, home residence address, responsible organizational code for billing, pay roll duty station number as indicated in IFCAP/ETA Supervisory Approvals Section (item 1), and that the employee's work schedule qualifies them to receive subsidy based on the number of days requested on the application. The supervisor will verify with the employee that the employee understands the conditions for receiving transit subsidy as outlined in the Employee Certification Section of the application. If the employee does not understand or has questions or concerns, the supervisor will refer the employee to their authorizing Transit Manager for clarification. When the employee's questions or concerns are addressed, they will return to the supervisor for certification and approval for enrollment in the TBP. Without the supervisor's certification, the application should not be authorized for processing by the Transit Manager.

d. **Application Submission.** Employees must submit completed applications to their Transit Manager. The participant is responsible for providing the correct information requested on the application. Incomplete or incorrect applications will be returned to employee. Retroactive reimbursement will not be authorized for time or subsidy lost due to returned incomplete or incorrect applications.

e. **Effective Dates.** Transit subsidy is effective only after entry into the DOT data base. Subsidy benefits are subject to standard processing procedures established by DOT, and retroactive reimbursement is not authorized during DOT processing time.

(1) In the NCR, DOT requires a 10-work day processing period for entry.

(2) Outside the NCR, authorized field subsidy will begin at the beginning of the next month following entry into the DOT data base.

(3) For self-certification participants, reimbursement is authorized at the beginning of the month following out of pocket mass transit expenditures upon approval by the station's Transit Manager on VA Form 0724a.

6. TRANSIT MANAGER REVIEW AND VERIFICATION

a. Employees will submit completed VA Form 0722 to their designated Organizational Transit Manager or Field Transit Manager. Transit Managers may not accept applications if the application and work sheet are not properly completed, signed by the employee, and certified by the employee's supervisor. The Transit Manager will verify costs with local transit authorities, review, authorize, and date each form. The Transit Manager will return incomplete or incorrect applications to the employee for corrections. Employees will not be reimbursed for subsidy lost due to returned applications.

b. For billing purposes it is imperative that the proper organizational code and payroll duty station for the participant is entered in box 3 and 4 of the application.

(1) Item 3 must contain one of the following 23 Organizational Codes:

(00) Office of the Secretary

(00CFM) Office of Acquisition, Logistics and Construction (GOE)

(001AL) Office of Acquisition, Logistics and Construction (Supply Fund)

(01) Board of Veterans' Appeals

(02) General Counsel

(002) Assistant Secretary for Public and Intergovernmental Affairs

(004A) Assistant Secretary for Management (Finance Fund)

(004F) Assistant Secretary for Management (Franchise Fund)

(004G) Assistant Secretary for Management (GOE)

(005F) Assistant Secretary for Information and Technology (Franchise Fund)

(005G) Assistant Secretary for Information and Technology (GOE)

(006G) Assistant Secretary for Human Resources and Administration (GOE)

(007) Assistant Secretary for Operations, Security and Preparedness

(008) Assistant Secretary for Policy and Planning

(009) Assistant Secretary for Congressional and Legislative Affairs

(10C) Veterans Health Administration (Canteen Service)

(10E) Veterans Health Administration (Medical Administration)

(10F) Veterans Health Administration (Medical Facilities)

(10M) Veterans Health Administration (Medical Services)

(10R) Veterans Health Administration (Research)

- (20) Veterans Benefits Administration
- (40) National Cemetery Administration
- (50) Inspector General

(2) The Payroll Duty Station Number is a mandatory field and must contain three numbers and may contain one letter (Example xxxa = 101A). Supervisors and employees may access payroll duty station numbers through IFCAP/ETA (Integrated Funds Distribution Control Point, Monitoring, Accounting and Procurement System). Supervisors select Supervisory Approvals (item 1). Employees select Service Record Screen (item 5) to access the employee's accountable payroll duty station number.

c. Upon verification and approval of a properly completed VA Form 0722, Transit Managers will keep an application copy on file at the duty station, forward a copy to their VACO Organizational Transit Manager for entry into the DOT data base, and forward a copy to the employee's payroll office for entry into VA's payroll system. (NOTE: In some cases, an employee may be serviced by a payroll office other than the local facility).

d. Transit Managers are only authorized to approve applications for their station and organization. In some cases, a VA employee may apply for and receive transit subsidy or Self-Certification Reimbursement at stations outside of their organizational code or payroll duty station. This is sometimes the case with detailed employees, employees working at stations with multiple organizations, or employees who are paid from another station's funds. In such cases, the Transit Manager at the employee's place of duty must first obtain VA Form 0722 from the employee and have it authorized by the Organizational Transit Manager, Field Transit Manager, or payroll office responsible for paying for the employee's transit expenses. This can be done by faxing the VA Form 0722 to the responsible office for authorization. The responsible station number is identified in the employee's IFCAP/ETA Service Record Screen. The responsible organization is listed in item 3 on the transit application. Once authorized, the responsible office should return (fax) the approved application to the station Transit Manager where the employee is working. The Transit Manager can then submit the approved application accompanied by VA Form 0723, Transmittal Cover Sheet, to VACO so that the fare media is sent to the station where the employee is working, but the proper organization and station will be billed for the employee's transit expenses.

7. NATIONAL CAPITAL REGION (NCR) APPLICATION SUBMISSION

a. VACO Organizational Transit Managers will also complete VA Form 0723 for VACO application packages for submission to the TBP Office. Since DOT distributes subsidy directly to NCR participants, Organizational Transit Managers should annotate "NCR Distribution Only" in the comments area of VA Form 0723. VACO application packages can be submitted at any time, but are subject to 10-work days for DOT processing for entry into the DOT data base.

8. FIELD SUBSIDY APPLICATION SUBMISSION TO VACO

a. Field Transit Managers must ensure that VA Form 0723 accompanies each shipment of applications submitted to the VACO Organizational Transit Manager for processing with DOT. This form identifies the Transit Managers contact information, and where fare media shipments should be sent. It is essential that information on VA Form 0723 is complete and correct. VA Form 0723 must accompany all application packages sent to VACO.

b. Field Transit Managers will submit new application packages separate from change and withdrawal application packages. New application packages must be received at VACO no later than five days prior to the end of each month for submission to DOT by the first day of the following month, or according to scheduled deadlines announced by the VACO Organizational Transit Manager. DOT will require an additional month for fare media processing and delivery. (Example: for field stations outside the National Capital Region. A participant completes VA Form 0722 during the month of July. It is received at VACO on July 25 and delivered to DOT on August 1. DOT will take the month of August to process the application. The recipient will start receiving subsidy for the month of September. No retroactive subsidy will be authorized for the month of July or August.)

c. Change and withdrawal application packages are accepted at any time and will take effect the next regular distribution cycle. Submitting changes and withdrawals promptly will allow DOT to update their records and prevent discrepancies in fare media shipments.

d. Field Transit Managers will submit VA Form 0722 packages with VA Form 0723 to their VACO Organizational Transit Manager. The VACO Organizational Transit Manager will review, consolidate, and forward these packages to the O/A TBP Office. The O/A TBP Office will consolidate and deliver the submitted packages to DOT.

e. DOT will purchase and distribute the fare media using the return information provided by Field Transit Managers on VA Form 0723. DOT questions on fare media will be directed to the designated coordinator listed on VA Form 0723.

f. Field Transit Managers must provide a point of contact and address for receiving fare media at each duty station (see VA Form 0723). For most VA duty stations, fare media will be sent by DOT via Federal Express.

9. FIELD STATION FARE MEDIA RECEIPT AND RETURN

a. Fare Media Receipt. Upon receipt of a fare media shipment, the VA contact person MUST complete the DOT Delivery Receipt Record accompanying all fare media shipments to verify the amount and type of fare media received is correct. This form should be signed and faxed within 24 hours of receipt of fare media shipments. The

Delivery Receipt Record must be faxed to DOT, TRANServe, to the attention of the DOT Account Manager via the fax number identified on the form. Questions or discrepancies concerning fare media shipment orders should be directed to the DOT Account Manager via the e-mail address listed at the bottom of the form. If the DOT TRANServe does not receive a signed FAX within 24 hours confirming shipment receipt, the receiving VA organization then accepts full responsibility by default for the shipment and its contents as originally shipped.

b. Field Stations returning fare media will send fare media directly to DOT using the instructions provided on the DOT Media Return Form which accompanies each DOT fare media shipment. This form requires that all returned media be identified by name and amount to be credited back to the intended employees account. Media returned without this form cannot be credited. DOT will not accept bulk credit returns.

c. Incidents of missing fare media or shipments should be reported to station security officials, and the OIG.

9. FARE MEDIA DISTRIBUTION

a. Individual facility management will have the responsibility for the overall management of fare media distribution.

b. Since fare media has a monetary value, it is anticipated that many stations will want to use Agent Cashier services to handle the actual distribution to employees. In offices where access to an Agent Cashier is not practical, another distribution plan must be developed by the Field Transit Manager.

c. Employees must display a valid VA identification card before the transit subsidy is issued.

d. Third party pick up of benefits are not authorized.

e. In cases where fare media is being distributed, transit subsidy may only be issued during or in advance of the allocated month(s). No fare media will be distributed to transit participants once the allocated month has passed.

f. Field Transit Managers or Agent Cashier offices must ensure that employees re-certify their eligibility to receive transit subsidy whenever receiving transit benefits by completing VA Form 0724, Transit Benefit Certification Form, upon receipt of fare media. This form records the date of receipt, name, signature, last four digits of the social security number, and the fare media amount issued to the employee. Field Transit Managers will keep the original copy on file for record.

g. Subsidy may only be issued to qualified participants enrolled in the program. Once fare media is issued, the employee is responsible for its safekeeping. Fare media that is altered, damaged, lost, or stolen cannot be replaced.

h. Within the NCR, DOT distributes subsidy benefits to employees through the Washington Metropolitan Area Transit Authority (WMATA), Smart Benefits Program (SBP). Employees using subsidies on modes of transportation equipped with SmarTrip technology receive benefits via Electronic Fare Media (EFM) distributed through the SBP. DOT distributes paper Smart Benefit Vouchers to employees who use one, or a combination of transit systems which do not take EFM, and are not required to participate in EFM until its becomes available.

10. SELF CERTIFICATION REIMBURSEMENT

a. Transit Benefit Reimbursements. In areas where transit media is not available or distributed by DOT, employees may be reimbursed up to the maximum subsidy amount allowed for monthly out of pocket mass transit expenses through a Transit Benefit Self-Certification and Reimbursement process.

b. All employees applying for self-certification reimbursement must first receive authorization to receive transit benefits by submitting VA Form 0722 to their station Transit Manager. Transit Managers will review, authorize, and forward transit applications to the VACO Organizational Transit Manager for entry into the DOT data base. Transit Managers will keep an application copy on file, and forward a copy to the employee's payroll station.

c. To receive self certification reimbursement, employees are required to pay out of pocket for actual monthly commuting expenses. Each month following mass transit expenditures, employees must complete VA Form 0724a, Transit Benefit Self-Certification Form & Reimbursement Voucher, and follow Financial Policies and Procedures for the Transit Benefit Program; Volume III Chapter 1 guidelines for transit reimbursement (see 2i). Self-certifying employees are required to provide a receipt attached to the reimbursement form as proof of mass transit expenditures each time reimbursement is requested. Employees are required to provide a FMS Vendor ID. Reimbursement will be sent to the employee's financial institution associated with the FMS Vendor ID.

d. Field Transit Managers will review, authorize, and submit Self-Certification Vouchers to the employee's payroll office, and keep a copy on file for each employee applying for reimbursement. Self-certifying employees are entitled up to the maximum amount allowed for their mass transit expenses. The amount authorized by the Transit Manager cannot exceed the maximum monthly amount allowed.

e. Self-Certification forms must be sent directly to the employee's payroll station for processing. Self-Certification forms should not be sent to VACO Organizational Transit Managers.

f. In cases where work schedules or monthly costs do not permit usual monthly public transit commuting costs to be accurately calculated in advance (i.e., intermittent, part-time employees, vanpools etc.) as required on VA Form 0722, or the type of fare media distributed by DOT cannot be converted or redeemed for use towards employees' mass transit expenses, the self-certification process will be used.

g. Retroactive reimbursement should not be granted for expenses paid prior to applying for the Program. Reimbursement should not be granted thereafter for expenses more than three months in arrears.

h. Facility Directors, VACO Organizational Transit Managers, or the TBP Director must review and approve exceptions for granting self-certification reimbursement to any employee where transit fare media is made available for distribution by DOT, but cannot be converted or redeemed for an employee's mass transit use.

11. MONITORING AND PROGRAM ADMINISTRATION

a. Organizations will adhere to the established procedures promulgated by VA Directive 0633. Organizations and stations will implement an effective system of internal controls over TBP activities to educate employees, safeguard against waste, fraud, abuse, mismanagement or misappropriation of Government funds. These procedures will provide for:

(1) Recording and accounting for expenditures to permit the proper maintenance of accounts and the preparation of reliable financial reports;

(2) Ensuring that the monthly transit benefit to a participant does not exceed the monthly tax-excludable benefit under IRS regulations;

(3) Ensuring that annual reviews and assessments are made of the management and control of the program;

(4) Ensuring that participants leaving VA or Federal service return benefits given in advance, and do not continue receiving benefits after separation;

(5) Ensuring the eligibility and proper billing for personnel transferring between VA facilities and offices; and

(6) Monitoring participation at the sites where transit benefits are provided to ensure only one benefit per month is provided to participants.

b. As part of a plan to increase effectiveness and efficiency of delivery in some areas, DOT has adopted new distribution methods including electronic fare media. Transit managers are advised to make themselves aware of any changes that may affect participants or procedures. For example, in areas where DOT has transitioned to a TRAMServ electronic Debit Card, employees are not required to return pro-rated benefits given one month in advance upon leaving VA due to agency enrollment considerations.

12. VA OFFICE OF THE INSPECTOR GENERAL

a. The OIG Office of Investigations reviews, and if appropriate conducts criminal investigations into allegations of criminal wrongdoing associated with VA programs, to include the TPB. All employees have a duty to report misuse of transit subsidies to appropriate officials at their facilities. Such officials may be the employee's supervisor, another management official, a member of the employee relations staff, or the Transit Manager at the facility. Management officials will report allegations to the OIG in accordance with the provisions of MP-1, Part 1, Chapter 16.

b. Employees may also report misuse of transit subsidies directly to the OIG. Employees may identify themselves, ask for confidentiality, or remain anonymous. Employees wishing to remain anonymous may call the OIG Hotline (1-800-488-8244) and should provide sufficient information for the OIG to evaluate and pursue the allegations.

13. **FERRY QUALIFICATIONS.** Ferries are an approved form of public transportation under certain circumstances. They are not approved as a means of shuttling a participant's Privately Owned Vehicle (POV) from one point to another where the completion of the journey to an individual's duty station is completed in the POV. The Federal Transit Benefit Program covers "walk on" fares only. This would include individuals who park their POV and walk on to the ferry. At the debarkation point, the ferry rider would walk to work, use a public transit connection, or make other arrangements at his/her own expense. Individuals who ride bicycles on to the ferry and then use the bicycle to complete the journey to their duty station are eligible to claim transit benefits to cover the pedestrian fare rates of the ferry. Approved vanpools and their riders are eligible to claim ferry ticket costs and may include the cost of the van.

14. QUALIFIED VANPOOLS

a. VA employees who travel to work in a qualified vanpool, or a vanpool operated by a person in the business of transporting persons for compensation or hire, are eligible for the transit subsidy.

b. A qualified vanpool is a commercially-owned highway vehicle with seating capacity for at least six adults excluding the driver. Ridership in the vanpool may not drop below one half the vehicle seating capacity excluding the driver to remain eligible for benefits.

c. Transportation of employees to and from work must represent 80 percent of the usage of the van. Vanpools may be made up of Government and non-Government employees.

d. Employees may only collect the transit benefit when actively riding in the vanpool. Vanpool riders may not use the transit benefit to “hold” a seat in the vanpool in excess of 10 working days per month while on annual or sick leave.

e. Employees choosing to commute by vanpool must pay out of pocket the costs to hold a seat in the vanpool in cases of extended absence in excess of 10 working days per month, or days absent from the vanpool due to part-time or telework schedules. This expense may not be included in calculating commuting costs submitted on the Application for Public Transit Fare Benefit (VA Form 0722).

f. Employees must use the vanpool on a daily basis, and are permitted to drive to work no more than 3 days per month in exigent circumstances to remain eligible for the monthly benefit.

g. Employees must withdraw from the vanpool program after 30 days of inactivity.

h. Each vanpool will designate a primary operator who will be responsible to ensure that the minimum requirements are met and will be the designated permit holder. One alternate operator may be named.

i. The primary operator may not apply for the transit benefit. All other Federal employees in the vanpool, including the alternate, are eligible to collect the transit benefit.

j. The primary operator will provide an application to include a list of active participants to the agency parking transit offices. The application will include clear language defining the eligibility and program rules for vanpools. It is the responsibility of the primary operator to keep the application updated, and to submit an updated list of participants each time information changes. This information must be provided within five business days of any changes. Failure to comply with these guidelines will render the vanpool ineligible to receive the transit benefit.

k. According to IRS Regulation 26 CFR1.132-9 – Qualified transportation fringes – General Rules – Q3 A3(b)- ... A qualified vanpool service must be “provided by any person in the business of transporting persons for compensation or hire in a highway vehicle with a seating capacity of at least 6 adults (excluding the driver).”

l. Vanpools may be privately-owned, operated by a transportation company, or a public transportation provider. In the NCR, vanpools are required to register with the local transportation authority and participate in the EFM Smart Benefits Program in order to be eligible to participate in the Program. Individual Federal employees are eligible to start up a private vanpool. Private vanpools are subject to the same criteria as all other vanpools. When a private vanpool meets the established criteria, riders are eligible to receive the transit benefit. Private vanpools operated by Federal employees are in no way connected with or sanctioned by the Federal government.

m. Vanpool charges must reflect reasonable costs and rates charged and must be the same for all passengers. Rates may be reduced or waived for the designated primary driver who is not eligible to receive the transit benefit. Operating expenses for lease, fuel, or tolls qualify for the benefit. Maintenance and cleaning do not qualify.

n. In cases when fluctuating monthly van pool costs do not permit an employees usual monthly transit commuting costs to be accurately calculated in advance (i.e., fuel, ridership, etc.) as required on the VA Form 0722, the self-certification and reimbursement process will be used. In such cases, Transit Managers will notify DOT to discontinue voucher distribution and proceed with reimbursement at the station. Stations will follow procedures described for self-certification reimbursement.

15. SEPARATION AND TRANSFER

a. Human Resources offices will provide Transit Managers a bi-weekly listing to include all employees who have separated from VA, or transfer between stations or organizations.

b. Employees separating from VA must process through their local Transit Manager to ensure that both used (with a remaining balance) and unused fare media is returned. (See Financial Policies and Procedures Volume III Chapter 1 Transit Benefit Program). VA Form 3248, Employee's Clearance from Indebtedness, will be used to document this process. Payroll offices will advise all organizations at their facility of this requirement and that final checks cannot be released until the clearance form has been completed.

c. Transit Managers will submit withdrawal applications for all employees transferring between organizations or leaving VA. Employees transferring between one VA station or organization to another are allowed to keep fare media for the period originally issued only if it can be used at the new station or organization. The new station or organization will then be responsible for the employee's subsidy starting the next distribution period. If cases where the employee is transferring to a VA station where the fare media cannot be used, all usable fare media will be collected by the departing station or VA organization.

d. Transit Managers will forward a copy of VA Form 0722 withdrawing the participant from the TBP to their VACO Organizational Transit Manager and to the employee's payroll office.

e. Used fare media (with a remaining balance) will be utilized by the organization for local travel.

f. In the NCR, unused media will be sent to O/A who will forward fare media to DOT for credit back to the returning organization. A copy of VA Form 0722 withdrawing the participants from the program will accompany all media returns. DOT will credit the organization in the name of the participant for the amount of media returns.

g. Outside the NCR, unused fare media must be sent directly to DOT using the address provided on the DOT Media Return Form which accompanies new media shipments. DOT will give credit for unused returned media but will not give an organization credit for outdated or expired media. The Facility Transit Manager will then forward a copy of the withdrawal form to the VACO Organizational Transit Manager and to the employee's payroll office.

h. If an employee no longer has the fare media, the employee must write a check payable to VA for the value of the fare media owed. The check must include the standardized obligation number which can be obtained from the field transit manager. Checks from employees will be deposited by the agent cashier against the applicable TBP obligation.

i. Checks from employees will be deposited by the agent cashier against the standardized transit benefit obligation established at that station. The Facility Transit Manager must submit a copy of VA Form 0722 to the facility payroll office and to the VACO Transit Manager showing the withdrawal of the employee from the TBP. The facility payroll office will ensure that PAID is modified to reflect the change in the employee's transit benefits. (Use CR 01 to post to FMS.)

j. If a withdrawing TBP participant is leaving VA and fails to return unused fare media or pay the cost of the fare media balance, Transit Managers must bill the employee by annotating VA Form 3248 for the total amount owed to VA and providing a copy to the Payroll office. Payroll offices, must then submit the DD Form 2481 to DFAS via remedy to collect from the employee's final pay.

k. If the chief of the finance activity determines that there is no other source of recovery and collection of the debt would be jeopardized by deferring the offset, the payroll office will use standard debt collection procedures and submit via a remedy ticket a Request for Recovery of Debt Due the United States by Salary Offset, DD Form 2481 to have the employee's final pay offset. Refer to Volume XII, Chapter 1D, Salary Offset for Federal Employees Indebted to the United States, for further guidance on debt collection by this means.

l. Field Transit Managers will bill the employee for the total fare media amount owed VA. Payroll offices must then submit DD Form 2481 to DFAS via remedy to collect from the employee's final pay.

16. RECORDKEEPING. All Federal Employee Transportation Subsidy Records are to be kept for a minimum of three years. This includes documents in either paper or electronic form relating to the disbursement of transportation subsidies to employees, including applications of employees no longer in the program, superseded applications, certification logs, vouchers, spreadsheets, and other forms used to document the disbursement of subsidies. A copy of the most recent VA Form 0722 must be kept on file for all participating employees regardless of the date of the application.

17. **PERIODIC NATIONWIDE RE-CERTIFICATION.** For audit purposes all employees participating in the TBP may be required to re-certify the information on VA Form 0722 periodically. VA's TBP Director will coordinate the time frame and submission process for re-certification through VACO Organizational Transit Managers.

18. DEFINITIONS

a. Daily Commute to/and or from Work. Using some form of mass transportation from an employee's residence when commuting to and from work, or, commuting one way, to or from work.

b. Fare Media. Any transit pass, token, fare card, voucher, or similar item (including an item that can be exchanged for mass transit use) that entitles a person to public transportation.

c. Field Stations. Any VA station outside the NCR.

d. Field Transit Manager. Oversees transit program benefits, distribution, and administration for their field station. Coordinates program operations through their VACO Organizational Transit Manager.

e. Mass Transportation. Any form of public transportation operated for use by the general public (i.e., buses, subways, ferries, commuter buses, trains, and qualified van pools).

f. Named on a Federally Subsidized Workplace Permit. Is defined as an individual who drives a privately owned or leased vehicle and who parks in a federally subsidized parking area. Any government-provided, owned, or leased parking area is considered federally subsidize

g. National Capital Region (NCR). The District of Columbia; Montgomery, Prince George's and Frederick Counties in Maryland; Arlington, Fairfax, Loudon, and Prince William Counties in Virginia.

h. Useable benefits. Subsidy in the form of vouchers, tickets, or electronic fares that do not expire at the end of the month for intended use.

i. Operated by a Person in the Business of Transporting Persons for Compensation or Hire

(1) In areas where fare media is distributed, a van pool is operated by a person in the business of transporting persons for compensation or hire when it is registered with the local transit authority and eligible to receive cash vouchers applicable to that local system, or when it satisfies the requirements of Internal Revenue Code (IRC) section 132(f) (5) (A) (ii) and is actively engaged for profit as that term is interpreted under IRC section 162. Also see Treasury Regulation section 1.183-2 for factors relevant in determining whether an activity is engaged in for profit.

(2) In areas where fare media is not distributed, the owner of a van pool must certify to the VA facility that his or her activity satisfies the requirements of Internal Revenue Code (IRC) section 132(f)(5)(A)(ii) and is an activity engaged in for profit as that term is interpreted under IRC section 162 before any member/employee can be reimbursed for expenses incurred in connection with use of that van pool. A facility may not provide legal advice to van pool operators on this subject. If such an operator requires advice, the operator should consult with his attorney, accountant, et cetera to determine whether he or she meets these tests.

j. Transit Benefit Program Director. A representative within HR&A, O/A, who has the lead responsibility for coordinating the overall TBP, and serves as liaison with DOT for the Nationwide TBP.

k. Qualified VA Employee

(1) Except as excluded in the following subparagraph, participation in the TBP is limited to current employees paid by VA. "Employee" means an employee as defined by section 2105 of title 5, United States Code. That definition covers individuals formally appointed to positions under title 5 or title 38 authorities. Qualifying VA employees may have regular or intermittent tours of duty, be full-time or part-time, be on permanent or temporary appointments, provided they are formally appointed to the position and are paid by VA.

(2) Excluded from participation are title 38 residents, fellows, and trainees who are paid through a disbursement agreement; volunteers and others without-compensation (WOC) individuals; Compensated Work Therapy Program participants; fee basis appointees, consultants paid on a contract; individuals employed by a contractor; AmeriCorps members; and any individuals who do not meet the statutory definition of "employee" in 5 U.S.C § 2105. Individual employees may be excluded from participation in the program if it is determined by a supervisory investigation that they have misused the transit benefits, depending on the severity of the abuse.

l. Qualified Vanpool. A commercially-owned highway vehicle with seating capacity for at least six adults excluding the driver. The vehicle may be owned and operated either by public transit authorities or by a person in the business of transporting persons for compensation or hire.

m. Re-Certify. The process by which a VA employee certifies their eligibility to receive transit subsidy whenever receiving transit benefits by completing VA Form 0724, Transit Benefit Certification Form, upon receipt of fare media.

n. Self-Certification. The VA process in which an employee may be reimbursed up to the maximum subsidy amount allowed by VA for their mass transit expenses.

o Nationwide Recertification. The VA process in which all employees participating in the TBP may be required to re-certify the participants information on VA Form 0722 to re-certify eligibility to receive transit subsidy.

p Transit Subsidy. A nontaxable transportation fringe benefit providing employees with vouchers or other fare media to commute daily to and/or from work.

q. VACO Organizational Transit Manager. VACO Transit Manager who has overall organizational responsibility for their respective administration to provide operational procedures and oversees transit programs at field facilities, and in the NCR for their VACO organization.