

# Payment Integrity Scorecard

**Program or Activity**  
Federal Transit Administration Transit Infrastructure Grants - COVID Relief Funds

**Reporting Period**  
Q2 2024

**FY 2023 Overpayment Amount (\$M)\*** **\$506**

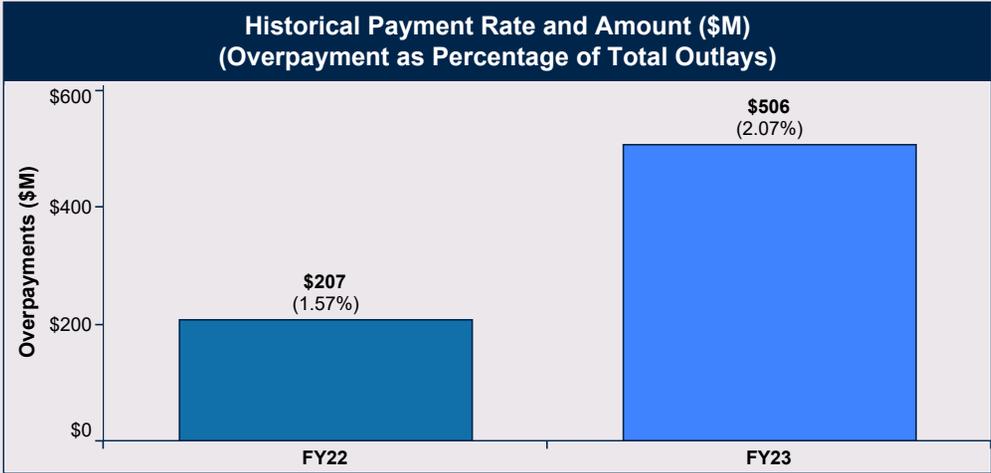
\*Estimate based a sampling time frame starting 10/2021 and ending 9/2022



**Department of Transportation**  
Federal Transit Administration Transit Infrastructure Grants - COVID Relief Funds

**Brief Program Description & summary of overpayment causes and barriers to prevention:**

In response to the COVID-19 pandemic, FTA received three emergency appropriations to support the nation's public transportation systems. The funding provided relief to transit agencies for ongoing operations rather than traditional capital investments. The primary root cause of the program's improper payments is the timing when transit operating expenses became eligible for reimbursement. The new eligibilities from COVID relief funds did not align with the prior period accounting adjustments made during the testing period such as: reimbursements, accruals, and payroll reversals. FTA COVID relief funds are not administered at the Federal level and overpayments are outside of FTA control when grant recipients make administrative errors.



**Discussion of Actions Taken in the Preceding Quarter and Actions Planned in the Following Quarter to Prevent Overpayments**

Utilized upgrade to EchoWeb, FTA's grant payment system. Grant recipients must have an active System for Award Management (SAM) account when requesting drawdowns. FTA's ongoing monitoring efforts include financial spot reviews for recipients not receiving oversight in addition to Triennial (TR) and State Management Reviews (SMR). Conducted a total of 267 reviews in FY 2023 with similar FY 2024 plans. FTA performs outreach and payment integrity training with its regional offices and select transit authorities. The Office of Program Oversight develops and implements a comprehensive national oversight program to assess funding recipients compliance with the requirements of FTA's assistance programs. FTA is working on corrective action planning including technical assistance for new eligible expenses to address overpayments.

Accomplishments in Reducing Overpayment		Date
1	FTA distributed improper payment guidance to all grant recipients requesting that transit authorities continue to practice robust internal control procedures throughout the payment lifecycle.	Mar-24

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Goals towards Reducing Overpayments	Status	ECD	Recovery Method	Brief Description of Plans to Recover Overpayments	Brief Description of Actions Taken to Recover Overpayments
1 Conduct payment integrity training prior to testing transactions to raise awareness of improper payment categories, regulatory requirements, level of documentation to complete the review.	On-Track	May-24	1 <b>Recovery Activity</b>	FTA advised grant recipients of requirements to correct future reimbursement requests and recover overpayments. Recipients have an incentive to repay funds when appropriate.	FTA recovered all identified FY 2023 overpayments from grant recipients.
2 Finalize FY 2024 sampling and estimation methodology plan	On-Track	Jun-24			

Amt(\$)	Root Cause of Overpayment	Root Cause Description	Mitigation Strategy	Brief Description of Mitigation Strategy and Anticipated Impact
<b>\$506M</b>	Overpayments outside the agency control that occurred because of a Failure to Access Data/Information Needed.	FTA Transit Infrastructure Grants - COVID Relief activities rely on the internal controls and financial systems of transit authorities to effectively administer program funds. Grant recipients are ultimately responsible for implementing effective internal controls.	Training teaching a particular skill or type of behavior; refreshing on the proper processing methods.	FTA will continue to work with recipients to improve project documentation and/or payment processes. Ongoing training to strengthen controls and staff knowledge at the State and recipient levels. Correction action plan results will not be immediately reflected in the data.

The most recent annual OIG payment integrity audit found DOT to be compliant. FTA is committed to effective stewardship of Federal funds. At the Federal level, the program has what is needed with respect to internal controls, human capital, and information systems to reduce improper payments.