



DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
(FINANCIAL MANAGEMENT AND COMPTROLLER)
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WASHINGTON, DC 20350-1000

31 Dec 15

MEMORANDUM FOR DISTRIBUTION

Subj: TRANSPORTATION INCENTIVE PROGRAM OUTSIDE THE NATIONAL
CAPITAL REGION VANPOOL POLICY

Ref: (a) Department of the Navy (DON) TIP Point of Contact
(POC) Program Guidelines
(b) Deputy Assistant Secretary of the Navy
(Financial Operations) memo dtd 6 Feb 12
(c) 26 United States Code, Section 132
(d) DODINST 1000.27

1. The purpose of this memo is to revise the policy that governs the use of vanpools in Transportation Incentive Program Outside The National Capital Region (TIP ONCR). Policy contained in this memo supersedes language found in reference (a) where applicable, cancels reference (b), and is effective 1 January 2016.

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 (c) and (d). 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), a vanpool must have a minimum seating capacity of at least 6 adults, not including the driver.

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b. To be considered as a QMOT, the vanpool must meet an 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 two warnings 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 two months 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 and second 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 four 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 FMO via their local reviewing official. 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 meet the individual riding requirement which requires participants to ride in a qualified vanpool for at least fifty percent (50%) of the eligible or scheduled 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

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50% 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 50% of the working days in a month are eligible for the pro-rated certified commuting cost for the days that QMOT was used. Participants are responsible to repay the federal government the difference between their eligible pro-rated certified commuting cost and the amount of transit benefits used if the transit benefit used was greater than the pro-rated certified commuting cost.

For example, if a participant has a normal schedule with 21 working days in the month, the participant would be required to ride at least 10.5 of those days. If the participant rode only 8 days, the participant would be eligible for the pro-rated certified commuting cost for the 8 days he or she rode and responsible to repay the federal government for difference between that amount and the amount of transit benefits that were used. If a participant has a compressed schedule with 18 working days, the participant would be required to ride at least 9 of those days. If the participant rode only 8 days, the participant would be responsible to repay the federal government for the difference between pro-rated amount for 8 days and the amount of transit benefits that were used.

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. In order to receive transit benefits from DON TIP ONCR participants, vanpools must register in the TIPS at <https://tips.navy.mil>. Each vanpool must identify a DON employee to serve as the vanpool coordinator for purposes of updating and maintaining the vanpool registration in TIPS.

k. Vanpool coordinators must recertify that the information provided in the vanpool registration is accurate and complete on a quarterly basis. Vanpools that include fuel expenses as a part of their certified commuting cost must review and update, if necessary, their estimated fuel cost during each vanpool recertification period.

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1. A vanpool invoice or receipt is required to document the actual commuting cost for vanpool participants. A current invoice or receipt must be uploaded to the vanpool registration in TIPS during each quarterly recertification period.

(1) For vanpool 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 (d), the local reviewing official 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.

(3) For vanpool companies that issue one invoice or receipt for the entire vanpool and whose vanpool has more riders than the number of seats available, the actual commuting cost for each individual should equal the total amount of the invoice or receipt divided by the number of riders.

m. 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. Participants who ride a qualified vanpool in the morning only or evening only shall be recorded as riding one-half of the commuting days.

(2) Vanpool logs must be uploaded to the vanpool registration in TIPS by the fifth calendar day of the following month. Reviewing officials shall review the vanpool logs to confirm that the riders have met the individual riding requirement and that the vanpool has met the 80/50 rule. Failure to submit vanpool logs by the monthly deadline may result in the disruption of future benefits.

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n. With the increased flexibility of transit benefit platforms, vanpools are no longer permitted to carry a credit balance up to \$200 collectively on their vanpool account to help

address cost fluctuations from month to month. If there is any balance on a vanpool account, each participant must ensure that the excess funds are returned to the federal government in accordance with reference (d).

o. All supporting documentation for transit benefit distributions to include vanpool invoices, receipts and vanpool logs shall be maintained in TIPS for 6 years and 3 months.

4. My point of contact is Mr. Joshua Coover, who may be reached at (202) 685-0399 or joshua.coover@navy.mil.



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