



TRANSPORTATION INCENTIVE PROGRAM (TIP) NEWSLETTER

OUTSIDE THE NATIONAL CAPITOL REGION (ONCR)

ISSUE:
JANUARY 2011

UPCOMING ENROLLMENT DEADLINES:

Next:
Tuesday, January 25, 2011

Future:
Tuesday, February 22, 2011
Friday, March 25, 2011



QUESTION OF THE MONTH:

Where should we send money orders when a Non-Appropriated Fund (NAF) employee needs to reimburse the Federal Government for unused/excess TIP benefits?

Money orders for NAF employees must be made payable to Navy Exchange Command (NEXCOM) and mailed directly to NEXCOM in Virginia Beach, VA. Reference POC Program Guidelines, page 3.

\$230 MAX BENEFIT TO BE REINSTATED ON 1 APRIL 2011

President Obama signed the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 on 17 December 2010 to provide tax relief and investments in the United States workforce that will create jobs and accelerate economic growth. The new law instructs the Internal Revenue Service to change the tax code to permit a tax exempt mass transit fringe benefit up to \$230 per month. As a result, the Department of Navy may now also increase the maximum benefit limit to \$230.



December 17, 2010 8:12 PM

President Obama Signs Tax Cuts and Unemployment Insurance Legislation

The Department of Defense (DoD) has instructed that all DoD Services must implement the reinstated maximum benefit at "the next regularly scheduled quarterly distribution." DoD went on to clarify that, "reimbursements of expenses for costs of mass transportation from January 1, 2011 until the first date of the first month in the Components ONCR regularly scheduled quarterly MTBP distribution are not required. In consultation with the Department of Transportation, the Department of the Navy has established the administratively feasible effective date for the expanded maximum benefit of \$230 to be 1 April 2011.

The maximum benefit for January, February and March 2011 will remain \$120. Participants with the correct reasonable commuting cost on file with the Department of Transportation do not need to submit any additional paperwork to receive the expanded benefit at the next quarterly distribution.

As a reminder, participants are only eligible for their actual commuting costs up to the maximum benefit. Participants must demonstrate their

actual mass transit commuting cost; they are not automatically entitled to the maximum benefit. In most locations across the United States, the average mass transit commuting cost is much less than \$230 per month.

The \$230 maximum benefits will remain in effect through 31 December 2011 at which point it will expire unless Congress takes additional action.

HAVE YOU SEEN A VANPOOL INVOICE LATELY?

Over the past several months an auditor, several Transportation Incentive Program (TIP) Points of Contact, and even a TIP participant have all reported that they have identified a vanpool or vanpools that have large balances on their vanpool debit accounts.

How does this happen? Many vanpool participants are allowed to place money in an account with their vanpool provider to cover gas expenses associated with operating the vanpool. For example, if the van lease rate is \$90 per month per person and the expected gas expense is projected to be \$30 per month per person, then each person may receive \$120 per month to cover their commuting costs. If however, the gas cost end up equally \$20 per month instead of the projected \$30 per month, there will be leftover funds in the vanpool's debit card account. This doesn't seem like a lot of money, but if you have ten riders in the van, the vanpool account can quickly accrue a large balance.



The Department of the Navy (DON) Program Guidelines allow up to \$200 to be carried in these vanpool debit accounts. If the balance exceeds \$200, the funds are required to be returned to either the Office of Financial Operations for Appropriated Fund employees or to the Navy Exchange for Non-appropriated Fund employees. For instructions on returning excess funds, please see page 3 of the Program Guidelines.

How can I ensure that balances are less than \$200? Vanpool companies typically provide an invoice to their riders. In most cases, the debit/gas account balance is included on these invoices. The POC has the right to request copies of these invoices for audit purposes to ensure the vanpool is in compliance with the program guidelines. We recommend that POC's review these invoices before each quarterly distribution to ensure that all program guidelines are being followed.

The Office of Financial Operations has begun an internal control review in some locations to ensure that excess funds are properly returned to the Federal government. Your Installation may be included in this review at a later date, so I encourage all POC's to look more carefully at their vanpool accounts to ensure that participants are receiving the correct benefit amount.

We need your help to protect against waste, fraud and abuse. Your partnership with us in this is critical to maintaining a successful Transportation Incentive Program.

DON CONTACT INFORMATION

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