



UPCOMING ENROLLMENT DEADLINES:

Next:
Thursday, January 19, 2012

Future:
Thursday, February 16, 2012
Monday, March 19, 2012



QUESTION OF THE MONTH:

Will the maximum benefit return to \$230?

The maximum benefit will remain at \$125 until Congress takes additional action or until the Internal Revenue Service adjusts the amount for inflation.

BENEFITS SHREDDED – TAX PAYER DOLLARS WASTED

2011 was the year of the paper shredder. The Office of Financial Operations (FMO) discovered two situations in the past six months where Points of Contact (POCs) were shredding vouchers that were not distributed. In both cases, the intended benefit recipients had moved on from the Installation without properly withdrawing from the Transportation Incentive Program (TIP), and there was turnover with the POC responsibilities. The new POC was unaware of the proper procedures for returning TIP benefits and did not realize that the benefits had been purchased by the Department of the Navy (DON) and were still valuable. The POCs thought the DON only paid for the benefits if the vouchers were used by a participant, so they shredded them to prevent them from being misused. Unfortunately, TIP benefits do not function like personal checks which only hit your bank account if the check is cashed by the recipient. They function more like a gift card. The DON pays for the benefits up front like you would if you purchased a gift card. If the benefits are destroyed, the DON is unable to reclaim those funds, and tax payer dollars are wasted.



As the new year begins it is important to once again review the policy for returning unused benefits. The benefits that are sent out by the Department of Transportation (DOT) are paid for in advance by the DON and must be used in accordance with TIP program policy. No participant or POC should be shredding or stockpiling vouchers. If you are, please stop doing so immediately! FMO recognizes that POC transitions are often difficult with little-to-no overlap and very little knowledge transfer.

In some cases, participants may not have been properly withdrawn, and as a result DOT may continue to send benefits for them. If you are receiving benefits for an individual that is not participating in the program, you must return their benefits to DOT using a Fare Media Return form and

indicate that they are to be withdrawn. Every month/quarter, ANY benefits that are not picked up and signed for by a participant, must be returned within 30 days.

It is imperative that all POCs and participants understand that the benefits that they receive have already been paid for. It is the POCs responsibility to distribute them to the participants per program guidelines, or return them to DOT using a Fare Media Return form.

OPTIMIZING VANPOOLS UNDER THE NEW MAXIMUM BENEFIT

Since the maximum benefit has decreased to \$125, many vanpool participants may find themselves having to pay some money out of pocket in order to cover their commuting expenses. Now may be the right time to reassess the vehicle type and ridership levels in your vanpool to help reduce some of the out-of-pocket expenses. For example, if two seven passenger vans traveling a similar route combine to form a fifteen passenger van, you will likely reduce the overall commuting expenses and avoid paying out of pocket. In addition, the \$230 maximum benefit may have allowed vanpools to operate at less than maximum capacity without any out-of-pocket expenses. This will likely be more difficult to accomplish at the \$125 level. To defray increasing out-of-pocket expenses, vanpools can take steps to increase their ridership levels by marketing the empty seats on their vanpool to prospective riders.



As participants make rider adjustments to account for the change in the maximum benefit, the Office of Financial Operations (FMO) wants to remind all participants and POCs of some vanpool requirements that must be met:

- The vehicle used must be a highway vehicle with the capacity of at least six (6) adults, in addition to the driver—7 total (6 adult passengers + 1 driver).
- The minimum number of adult seats occupied for such purposes must be at least half of the adult seating capacity in addition to the driver.
- At least 80 percent of the expected mileage use of the vehicle must be for the purpose of transporting personnel in their local commute from residence to permanent duty station.
- At least 80 percent of the "trips" must have an occupancy of at least one-half of the adult seating capacity (not including the driver). This means that if a vanpool has fewer than the minimum number of riders on any given trip, that trip does not count toward the 80 percent that is required.
- Not all riders in the vanpool must be Federal employees. Non-Federal vanpool members, however, may not be subsidized through this benefit. All vanpool members must pay the same rate for the same vanpool services.

Vanpools continue to be an important mode of transportation for TIP participants even with the lower maximum benefit. But the lower benefit does provide the incentive to optimize ridership levels and vehicle size to lower out-of-pocket expenses.

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