THE OFFICE OF THE ASSISTANT SECRETARY OF THE NAVY FOR FINANCIAL MANAGEMENT AND COMPTROLLER

FMO Office of Financial Operations

TRANSPORTATION INCENTIVE PROGRAM

OUTSIDE THE NATIONAL CAPITAL REGION

VANPOOL INFORMATION SHEET

The Transportation Incentive Program (TIP) –Outside the National Capital Region (ONCR) offers mass transit benefits for Department of the Navy employees and service members who use a qualified vanpool to commute to and from work. This vanpool information sheet serves as quick reference to assist employees in setting-up a vanpool and ensuring that the vanpool meets all program requirements.

HOW DO I SELECT A VANPOOL?

- Vanpool participants voluntarily select the vanpool in which they would like to participate. The agreement is a personal agreement between the participant and the vanpool vendor, and not an agreement between the vanpool company and the Department of the Navy.
- Privately-owned vanpools that are not registered with a local transit authority must certify that his or her business satisfies the requirements of 26 USC 132(f). The certification should be included in the contractual agreement an individual signs when choosing their vanpool vendor.

- The vehicle used must be a highway vehicle with the capacity of <u>at least</u> six (6) adults, in addition to the driver - 7 total (6 adult passengers + 1 driver).
- In many cases the mass transit benefit will not cover the entire cost of the vanpool, so selecting and filling a larger vanpool will often reduce the out-of-pocket expenses for riders.

ESTABLISHING A VANPOOL

- Participants should negotiate a contract to lease a vehicle with the vendor of their choice. The contract usually consists of two types of costs:
  - Base cost of running the van (based on the number of passengers, mileage, etc.). The base cost is a set fee the vanpool must pay every month for use of services.
  - Variable (fluctuating) cost of running the vanpool such as the cost for gas.
- A vanpool invoice or receipt is required to document the actual commuting cost for vanpool participants. Invoices and receipts must be provided upon request of the local Point of Contact (POC).
  - For vanpools companies that issue individual receipts for each participant, the actual commuting cost for that individual should equal the amount on the invoice or receipt.
  - 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 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.
- It is recommended that the vanpool members elect a treasurer to collect transit benefits on a monthly basis and submit them to the vendor for payment. The treasurer should provide each participant with a receipt once the exchange of vouchers takes place.
- Once the vanpool is established, participants should complete a TIP application certifying to the actual commuting cost that is supported by the vanpool invoice or vanpool contract. The application should be submitted to the local TIP point of contact for processing.

WHO CAN OPERATE A VANPOOL?

- The vehicle may be owned and operated by either public transit authorities (commercial) or by a private vendor in the business of transporting persons for compensation or hire.
- Vanpool owners who are drivers or passengers of a vanpool are not eligible to receive the TIP benefit.
- Federal employee vanpool drivers receiving compensation for driving the vanpool are not eligible to receive the TIP benefit - including drivers riding at no cost.

IMPORTANT RULES

- Vanpool participants must ride in the vanpool at least fifty percent (50%) of the eligible working days each month in order to receive the monthly benefit.
- Vanpool logs must be provided to the local POC by the fifth calendar day of the following month for his or her review. Failure to submit vanpool logs by the monthly deadline may result in the disruption of future benefits.
- 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 and eighty 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 of the 80/50 rule.
- Not all riders in the vanpool must be Federal employees. However, any non-Federal vanpool members must pay "out-of-pocket" and cannot be subsidized through this benefit. All vanpool members, whether Federal employees or contractors, must pay the same rate for the same vanpool services.
- Vanpool participants may not use the TIP benefit to "hold" their space in a vanpool during an extended absence or part-time work schedule. The cost of holding a seat is considered an out-of-pocket expense.
- In months where the fluctuating costs are lower than anticipated, and the riders have submitted more fare media than they actually expensed, there may be a surplus left on debit card at the end of the month.

- Once the surplus reaches $200, vanpools (vendor/treasurer) must issue a money order or transit authority corporate check to repay the Federal Government.

HELPFUL TIPS

- It is recommended that you fill the vanpool beyond the minimum number of riders to reduce out-of-pocket expenses. If you only have the minimum number of riders in your vanpool and somebody drops out or cannot ride for an extended period of time, you may be at risk of not meeting the 80/50 rule and have to repay the Federal Government for your vouchers
- Only pay for one month at a time. If you pay for multiple months at once, you may be forced to repay the Federal Government if you are unable or decide to no longer participate in your vanpool and are unable to get a refund from your vanpool company.

For more information, visit the TIP website at: http://www.fmo.navy.mil/Divisions/FMO3/transportation_incentive_program.html