

## Financial reporting overview

**Financial Policies and Procedures:** <https://cvtava.org/wp-content/uploads/2024/11/26-Approved-CVTA-Fin-Policies.pdf>

**CVTA Legislation:** <https://legacylis.virginia.gov/cgi-bin/legp604.exe?201+ful+CHAP1235>

### Financial Policies & Procedures – Current Staff Goals

1. **Current Goal 1:** The Executive Director will work with the PlanRVA Chief Finance and Administration Officer to review Financial Policies and Procedures to ensure CVTA is functioning in accordance with adopted policies. They will prepare Finance Committee recommendations on measures to bring current practices in line with expectations outlined in policies and procedures.
2. **Current Goal 2:** The PlanRVA Chief Finance and Administration Officer will meet with the Chair and Vice Chair of the CVTA Finance Committee to understand personal preferences and expectations for the remainder of the fiscal year. The goal is to gain an understanding of monthly/quarterly reporting needs as expected by the chair and as outlined in the policies and procedures.
3. **Current Goal 3:** CVTA Staff will share the financial standing of the admin/operating budget on a monthly basis. The following information should be included (at a minimum) with an emphasis on communicating the budget standing in a clear, illustrative manner:
  - a. Provide monthly/annual financial management reports.
  - b. Reports on expenditures incurred
4. **Current Goal 4:** Develop an update on the following code requirement:
  - a. *No locality embraced by the Authority shall reduce its local funding for public transit by more than 50 percent of what it appropriated for public transit as of July 1, 2019. Starting in fiscal year 2023, the amount required to be provided by a locality pursuant to the Central Virginia Transportation Authority Act shall be adjusted annually based on the greater of (i) the change in the United States Average Consumer Price Index for all items, all urban consumers (CPI-U), as published by the Bureau of Labor Statistics for the U.S. Department of Labor for the previous year, or (ii) zero*

## Current Reporting Practice – Three Pillars

### 1. Locality

- a. Each jurisdiction is required to provide the Finance Committee a quarterly report on expenditures and must provide CVTA an annual certification of expenditures by September 15 each year in the format required by the CVTA. If the annual report is not received by September 15, transfers of the current fiscal year will cease until the certification is submitted in acceptable form. **This is the current practice and has been followed. There has not been a situation where the annual certification was not submitted in an acceptable form.**
- b. SPA Requirement: Submit quarterly progress and expenditure reports, and invoices with supporting documentation to the CVTA in the form prescribed by the CVTA. The supporting documentation shall include copies of vendor and contractor invoices paid by the LOCALITY, an up-to-date Project summary and schedule, and a cash flow summary of all payment requests, payments, and adjustments in a form prescribed by the CVTA. **Invoices are currently being submitted with reimbursement requests from localities with active SPAs. Quarterly reports are not currently being submitted – supporting documentation including project summary, schedule, and a consistently formatted cash flow summary would be helpful for CVTA record-keeping and transparency.**

### 2. GRTC

- a. The GRTC shall develop a plan for regional public transportation within Planning District 15 in collaboration with the Richmond Regional Transportation Planning Organization in conformance with the guidelines required by 33.2-286. The GRTC shall annually provide to the Authority sufficient documentation, as required by the Authority, showing that the revenues distributed under subdivision 33.2-3701 D 2 were applied in accordance with Authority approval and the guidelines required by 33.2-286. **The GRTC Regional Public Transportation Plan is currently shared as a presentation with the CVTA (the last update was shared in April 2024 for FY 2025).**
- b. GRTC is required to provide the Finance Committee a quarterly report on expenditures by November 15, February 15, May 15, and August 15 and must provide CVTA an annual report on expenditures by December 1 each year sufficient documentation, as required by the Authority, showing that the revenues distributed to GRTC were applied in accordance with the Regional Public Transportation Plan. If the annual report is not received by

December 1, and no extension is granted by the Authority, transfers of the current fiscal year will cease until the certification is submitted in good form. **This practice is currently being followed.**

### 3. CVTA

- a. Fund and maintain a Working Capital Reserve equal to at least 3 months of the budgeted, annual Regional CVTA Funds. If drawn upon, the Chief Financial Staff of the CVTA will develop a plan to restore the Working Capital Reserve to its minimum level over a period not to exceed 18 months. The Authority will revisit the level of this reserve no later than June 30, 2025, to reflect its actual cash flow patterns and expenditure reimbursements. **This new practice is currently being implemented. There are reporting tools that display on the monthly financial statements starting with the February 2025 report.**
- b. Written requests for supplemental project funding shall be submitted to the CVTA Executive Director for review. The CVTA Executive Director will present a recommendation to the Finance Committee for consideration. The Finance Committee may make a recommendation on any such request to the Authority for final determination. **This option has been recently supplemented with additional guidance in the Project Selection and Allocation framework. To date, no requests have been received outside of the regular regional project application cycle.**
- c. The CVTA Executive Director will advise the recipient in writing of potentially non-compliant uses of any funding which comes to the Authority's attention. The CVTA Executive Director will provide a report of such circumstances and make recommendations for a resolution to the Finance Committee. The Finance Committee will forward the issue and possible resolution to the Authority. Additional funding may be withheld until final resolution of the matter. **To date, no improper use of funds has been identified or reported.**
- d. The CVTA Executive Director will provide the Finance Committee with quarterly reports on the status of funding for regional projects and will report the same to the Authority at least annually or as otherwise needed. **This reporting is not currently in place. The Executive Director will develop this tool in conjunction with 1.b under locality reporting.**