**Section 651.402 Quarterly Reports and Quarterly Requisitions for Operating Assistance Grants**

a) For Fiscal Year 1980

For fiscal year 1980 participants shall submit to the Department, on forms provided by the Department for that purpose, a report of the actual operating deficit incurred in the fourth quarter of the fiscal year. This report shall be submitted within thirty (30) days following the close of the quarter.

b) For Fiscal Year 1981 and thereafter

For fiscal year 1981 and thereafter, no later than thirty (30) days following the end of each quarter of any fiscal year, each participant shall submit to the Department, on forms provided by the Department for that purpose, a report of the actual operating deficit incurred during that quarter.

c) The Department will review quarterly reports to determine if the expenditures and the resulting operating deficits were incurred in conformity with the approved program of proposed expenditures, based on the following criteria:

1) Whether the expenditures were made only for line items specifically listed in the approved program of proposed expenditures. (Items not specifically listed in the approved program of proposed expenditures are not eligible for Section 18 assistance.)

2) Whether obligations incurred to date exceed the amount listed in the approved program of proposed expenditures.

d) Participants may transfer from a particular line item an amount not to exceed 10% of that particular line item to other line items in order to offset unanticipated expenditures, without prior Departmental concurrence. Prior to the transfer of amounts greater than 10% of a particular line item, participants must submit written requests for approval of such a change to the Department and receive the Department's approval. Approval will be granted by the Department where such transfers do not adversely affect the level of transportation service approved for Section 18 funding.

e) After review and approval of the participant's submitted quarterly requisition the Department will request FHWA approval for payment. To allow sufficient time for State and Federal review and approval of reimbursement requests, participants should have the capability of covering expenditures for the previous quarter for up to 60 days following the close of that quarter.