Federally Funded Project Authorization Fundamentals and the Fiscal Management Information System (FMIS)

Presenters:
Mark Newland
Financial Manager, FHWA Indiana Division

Karen Hicks
Project Finance Manager, INDOT
Agenda

- Overview of FMIS
  - What it is
  - How it works
- LPA Project Authorization Overview
  - Requirements
  - Definition of Project Phases
  - Authorization Process
  - Consequences of not following the process
Federal-aid Highway Program

- Federal Gas Tax = $0.184/gal.
- Proceeds go to the Highway Trust Fund (HTF).
- HTF is apportioned to states each year based on a formula.
- Apportionments consist of different funding programs.
- State requests to apply federal funds to projects based on type of funding.
- Requests are processed utilizing....
FMIS

- **Fiscal Management Information System**
- System FHWA utilizes to authorize the use of Federal-aid funds.
- It’s where:
  - All project information is located;
  - Type of federal funds are identified;
  - Funding split (Federal/State-Local funding ratio) is established;
  - Phase of project is identified (PE, ROW, UT, CN, RR, CE, PL).
FMIS

- Establishes the approval to move forward with project work.
- **ALL** federal funding authorizations **MUST** be processed through FMIS!
- Authorization **MUST** take place **BEFORE** any work begins to be eligible for federal reimbursement!
- **Bottom Line:** No FMIS authorization = No federal reimbursement.
U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
FEDERAL-AID PROJECT AGREEMENT

STATE: INDIANA
PROJECT NO: 1173(467)
STATE PROJ. NO: 1173467

THE STATE, THROUGH ITS HIGHWAY AGENCY, HAVING COMPLIED, OR HEREBY AGREEING TO COMPLY, WITH THE APPLICABLE TERMS AND CONDITIONS SET FORTH IN (1) TITLE 23, U.S. CODE, HIGHWAYS, (2) THE REGULATIONS ISSUED PURSUANT THERETO AND (3) THE POLICIES AND PROCEDURES PROMULGATED BY THE FEDERAL HIGHWAY ADMINISTRATION RELATIVE TO THE ABOVE DESIGNATED PROJECT, AND THE FEDERAL HIGHWAY ADMINISTRATION HAVING AUTHORIZED CERTAIN WORK TO PROCEED AS EVIDENCED BY THE DATE ENTERED OPPOSITE THE SPECIFIC ITEM OF WORK, FEDERAL FUNDS ARE OBLIGATED FOR THE PROJECT NOT TO EXCEED THE AMOUNT SHOWN HEREIN, THE BALANCE OF THE ESTIMATED TOTAL COST BEING AN OBLIGATION OF THE STATE. SUCH OBLIGATION OF FEDERAL FUNDS EXTENDS ONLY TO PROJECT COSTS INCURRED BY THE STATE AFTER THE FEDERAL HIGHWAY ADMINISTRATION AUTHORIZATION TO PROCEED WITH THE PROJECT INVOLVING SUCH COSTS.

PROJECT DESCRIPTION:
ST 1001, SIGN MODERNIZATION (SERIES OF UNITS), SIGN INVENTORY, VARIOUS LOCATIONS, CITY OF WASHINGTON, DAVIESS COUNTY

DUNS #: 82-479-9555

CLASSIFICATION OF PHASE OF WORK TO BE PUT UNDER AGREEMENT

HIGHWAY PLANNING & RESEARCH
PRELIMINARY ENGINEERING
RIGHT-OF-WAY
CONSTRUCTION
MCSAP
OTHER

EFFECTIVE DATE OF AUTHORIZATION:
01/21/2012

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ESTIMATED TOTAL COST: $50,000.00
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Karen Hicks
Project Finance Manager, INDOT

March 11, 2014
Process for Utilizing Approved Federal Allocations from Project Calls (Obligating Funds)

What – An approved federal allocation and LPA contract with INDOT **does not** grant permission to begin securing cost. The federal allocation or a portion of the federal allocation must first be obligated in the Fiscal Management Information System (federal).

Why – Without this obligation any cost incurred **will not** be eligible for reimbursement.
When – **Prior to beginning any activity** that federal reimbursement would be requested for, contact the district office LPA Program Director.

How – The LPA Program Director will request through INDOT’s Central Office obligation authority. INDOT’s Central Office will enter the information provided from the District into FMIS. FHWA will review and if acceptable, will electronically sign the authorization. **The signature date from the FMIS authorization is the first date federally reimbursable costs can be incurred.** INDOT’s Central Office will notify the District and the District will notify the Local.
Phase requirements

- PE – Follow the LPA Guidance Document, federal funding requirements:
  - Executed contract with consultant
  - LPA contract with INDOT; note this is the same contract if LPA is a Group 3 or Group 4 entity.
  - Notice of Authorization from district indicating federal funds have been authorized in the federal system prior to performance of any reimbursable work.
  - Purchase Order with INDOT for federal portion of cost.
RW – Follow the LPA Guidance Document, federal funding requirements:

- LPA contract with INDOT; note this is the same contract if LPA is a Group 3 or Group 4 entity.
- Certified environmental document
- Notice of Authorization from district indicating federal funds have been authorized in the federal system prior to performance of any reimbursable work
- Purchase Order with INDOT for federal portion of cost
UT – Follow the LPA Guidance Document, federal funding requirements:

- Executed contract with Utility.
- LPA contract with INDOT; note this is the same contract if LPA is a Group 3 or Group 4 entity.
- Matching funds submitted to INDOT, if applicable:
  - A Local entity where the Utility belongs to the Local does not have a match requirement. Submissions for reimbursements are for federal dollars only.
  - If Utility is not owned by Local, matching funds must be submitted to INDOT.
- Notice of Authorization from district indicating federal funds have been authorized in the federal system prior to performance of any reimbursable work.
- Purchase Order with INDOT for federal portion of cost.
RR – Follow the LPA Guidance Document, federal funding requirements:

- Executed contract with Railroad.
- LPA contract with INDOT; note this is the same contract if LPA is a Group 3 or Group 4 entity.
- Matching funds submitted to INDOT, if applicable.
- Notice of Authorization from district indicating federal funds have been authorized in the federal system prior to performance of any reimbursable work.
- Purchase Order with INDOT for federal portion of cost.
CN – Follow the LPA Guidance Document, federal funding requirements:

- A contract will not go to letting if all of the documentation identified in the LPA Guidance Document is not submitted.
- Federal authorization is carried out by INDOT through the letting process.
- INDOT contracts with the Contractor.
CE - Follow the LPA Guidance Document, federal funding requirements:

- Executed contract with Consultant.
- LPA contract with INDOT; note this is the same contract if LPA is a Group 3 or Group 4 entity.
- Notice of Authorization from district indicated federal funds have been authorized in the federal system prior to performance of any reimbursable work.
- Purchase Order with INDOT for federal portion of cost.
Tracking tools

SPMS - INDOT tracks how a project is moving along through our Scheduling Production Management System. The system has multiple milestones moving a project from phase to phase with anticipated start dates for each phase. This system also shows when a project is expected to go to letting. All milestones leading up to the letting date are intended to help keep the project on target.

Please refer to the LPA Document Guidance Manual and work with the assigned District Project Manager to help utilize this tool and keep your project on target.
Excel – All Local federal funds authorized are tracked by Central Office in the Project Finance Section. This section has the responsibility of obligating federal funds as they are requested by the Districts for all projects. As funds are obligated and authorization is approved by FHWA, the Section enters into an Excel spreadsheet amounts therefore maintaining the balance of federal funds within the larger picture. For instance Rural (previously Group 3 and Group 4) localities may have $52M available to them in a given year. As Rural projects are authorized in the federal system, an entry is made similar to a checkbook entry keeping the balance remaining and available.

This does not replace the tracking done by the Local Programs Management Division in Central Office. They are responsible for allocation of federal funds as approved by the initial project request for eligibility.
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