

Federal-Aid Funding Requirements for Local Public Agencies

Karen Hicks
Director of Project Finance, INDOT

Adam Makuley
Financial Manager, FHWA IN Division

March 7, 2017



Today's Objectives

- INDOT Funding Process for Federal Aid Projects
- Federal Project End Date Requirements
- Federal Obligation Management Requirements
- Key Points to Prevent Loss of Federal Aid on Project
- Questions



The Funding Process

- The process begins with a call for projects for a given state fiscal year.
 - Award - project is accepted in the call, a funding amount is given for the specified state fiscal year identified in the call. Note: an award does not authorize the federal funds.
 - Notice to Proceed – A NTP must not be given before federal authorization is in place.

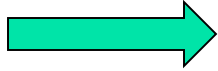
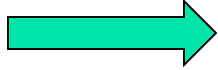
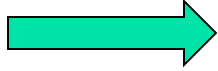






The Funding Process

- Federal Authorization – A request given to the district for federal authorization on the phase you need to begin should be within six weeks. Note: This should never be more than eight weeks prior to phase start.
 - District will request authorization through the Project Finance CAPWise system. Note: Federal authorization is only requested, not approved.
 - Project Finance requests federal authorization for the project phase.
 - Federal Highway has 5 days to approve or deny request.
 - Total processing time from request to District to federal authorization approval should be no more than 10 days.
 - Note: SPMS must have funds in current fiscal year, phase and funding amount must be in the STIP/TIP, environmental approval must be in place unless phase is PE.



The Funding Process

- Call for Project 
- 6 wks to PE 
- PO & NTP given 
 - PO - project end date
- 6 wks to RW 
- PO & NTP given 
 - PO - project end date
- Project Lets 
- CE PO & NTP 
 - PO - project end date
- Funding Award
- Request Fed. Auth.
- Invoice w/in 6 mos.
 - Preferably 6 weeks
- Request Fed. Auth.
- Invoice w/in 6 mos.
 - Preferably 6 weeks
- Request CE Federal
- Invoice w/in 6 mos.
 - Preferably 6 weeks

Note: Same path must be followed for UT and RR phases.



Project End Date Requirements

- Established under 2 CFR 200 and was to be applied to FHWA projects starting December 26, 2014.
- Requires that both Direct Federal and Sub Awards must contain, Period of Performance Start and End Dates. (200.210 & 200.331)
 - To be valid, the project agreement end date should be based on the project's estimated time to complete the authorized scope of work for the project, and should reflect any time needed when other direct project costs might be incurred after the completion of the physical project and to satisfy other Federal requirements.
 - The project agreement end date should only be modified if there is a documented contractual change (e.g., change orders, contractually allowable delays, etc.) in the project that affects the completion of the project.



Project End Date Requirements Cont.

- PO must indicate the project/phase end date. This date is the last date eligible cost against the phase will be eligible for reimbursement.
- Any request for extension must occur prior to expiration of original end date. Only an approved justification will move the project/phase end date out. The “consultant not starting work when expected” is not a qualifying justification to move out an end date.
- All costs must be incurred prior to end date. No more than 90 days may lapse from the end date for final reimbursement. That 90 days includes submission of invoice to District and payment to LPA. If you wait until the 90th day there will be no reimbursement.



Project End Date Requirements Cont.

- INDOT Monitoring of Project End Dates
 - Project End Date reports will be sent to the District Program Director who will be responsible to work with the project manager and MPO Directors.
 - District personnel should be reaching out to you and the MPO if MPO funds are included.
 - Pay close attention to any project end date where you are not ready to move forward with the next phase prior to the end date.
 - If you are not ready to move forward, a justification must be supplied to move the end date out.
 - If you are ready to move forward, a request for the next phase must be supplied within 6 weeks of the project end date. This will extend the project for all phases funded.
 - LPA is ultimately responsible for ensuring end date does not expire prior to project completion.



Obligation Management Requirements

- FHWA requirements for managing inactive projects.
 - 23 CFR 630.106
 - The State shall review on a quarterly basis, inactive projects with unexpended Federal obligations.
 - Quarterly Justifications
 - Recipients must demonstrate that the obligation for the projects remains proper and that the inactivity is beyond the State DOT/LPA's control. Causes beyond their control may include delays such as litigation, unforeseen utility relocations, catastrophic events that materially delay the project or unforeseen environmental concerns.
 - Justifications must clearly outline, Why is the project inactive?, What action is being taken on the project to become active or close?, When is this action being taken?



Obligation Management Req. Cont.

- **INDOT Inactive Project Management**
 - Quarterly updates on inactive projects are sent to the District Program Director who is to work with the project manager and MPO Directors.
 - District personnel should be reaching out to you and the MPO if MPO funds are included.
 - You should pay close attention to the need to process a payment within the first month of the quarter if you are notified you have an inactive projects.
 - If no payment is ready you must provide a valid justification to the District on Why Inactive?, Action? and When?



Obligation Management Req. Cont.

LPA Quarterly Inactive Project Reporting Requirements

| Actions | FFY Quarter 1 | FFY Quarter 2 | FFY Quarter 3 | FFY Quarter 4 |
|------------------------------|---------------|---------------|---------------|---------------|
| Report goes out to Districts | 10-Oct | 10-Jan | 10-Apr | 10-Jul |
| Responses due | 1-Nov | 1-Feb | 1-May | 1-Aug |
| Vouchers must be received | 10-Nov | 10-Feb | 10-May | 10-Aug |
| PO closing process begins | 1-Dec | 1-Mar | 1-Jun | 1-Sep |



Key Points to Prevent Loss of Federal Aid

- Make sure you do not request federal funds to be authorized unless the work will begin within 6 – 8 weeks of your request.
- Make certain your consultant understands they must progressively invoice you at least once a month.
- Do not wait until all work has been completed to invoice INDOT and do not allow your consultant to do the same.
- Know that any funds expected for reimbursement are in jeopardy if the project falls into inactive or the project/phase date ends.
- Provide timely and accurate project status updates to INDOT on inactive projects.



INDOT LOCAL Program Directors

INDOT-Crawfordsville District - Susan Kemp

Phone: (765) 361-5228

Fax: (765) 364-9226

Email: skemp@indot.in.gov

INDOT-Greenfield District - Kim Bowdell

Phone: (317) 467-3440

Fax: (317) 467-3957

Email: kbowdell@indot.in.gov

INDOT-Fort Wayne District - David Armstrong

Phone: (260) 969-8277

Fax: (260) 471-1039

Email: darmstrong@indot.in.gov

INDOT-Greenfield District - Cassandra Hudson

Phone: (317) 467-3413

Fax: (317) 467-3957

Email: chudson1@indot.in.gov

INDOT-Seymour District - Karlei Metcalf

Phone: (812) 524-3969

Fax: (812) 522-7658

Email: kmetcalf1@indot.in.gov

INDOT-LaPorte District - Marcia Blansett

Phone: (219) 325-7564

Fax: (219) 325-7498

Email: mblansett@indot.in.gov

INDOT-Vincennes District –Brandi Mischler

Phone: (812) 895-7389

Fax: (812) 895-7479

Email: bmischler@indot.in.gov



Wrapping up

■ Questions?

Karen Hicks

khicks@indot.in.gov

317-232-5641

Adam Makuley

adam.makuley@dot.gov

317-226-7482

