

FHWA

Funding, Monitoring & Reporting

Tammy Richards - FHWA

FHWA's Role



- To provide Federal funding for your project.
- To ensure that our Federal dollars are spent appropriately.
- To ensure that there is no fraud, waste and/or abuse.
- To ensure that the recipient/sub-recipient has a good project.
- To ensure that the recipient/sub-recipient has every opportunity to keep every dollar of their Federal funds.
- **I AM NOT here to make the process hard for you, but there are regulations that have to be adhered to and that YOU have agreed to uphold by asking for and receiving our money.**

NCDOT's Role



Although NCDOT doesn't have any funds in LPA projects, they have full oversight of all LPA projects.

23 CFR 635.105(a) & (b)

- (a) The State Transportation Department (STD) has responsibility for the construction of all Federal-aid projects, and is not relieved of such responsibility by authorizing performance of the work by a local public agency or other Federal agency. The STD shall be responsible for insuring that such projects receive adequate supervision and inspection to insure that projects are completed in conformance with approved plans and specifications.**
- (b) Although the STD may employ a consultant to provide construction engineering services, such as inspection or survey work on a project, the STD shall provide a full-time employed State engineer to be in responsible charge of the project.**

If funds have to be re-paid or deemed non-participating, they are taken from NCDOT and then the municipality will be responsible for paying NCDOT (or it will be taken from your Powell Bill).

Common Terms



Contract Authority

U.S. Congress: “You (NCDOT) might be able to obligate X dollars . . .”

Obligation Ceiling (or Obligation Limitation)

“. . . *but, based on overall budget conditions, you can only obligate Y dollars*”

Funds programmed (not yet guaranteed)

NCBOT adopts a new "Funding Program" (7-year STIP) every two years

Funds obligated (safe from rescission axe)

Upon NCDOT request, FHWA agrees to reimburse for a specific project

Rescission (“Houston, we have a problem”)

Congress decreases the State’s Contract Authority

2 CFR 200 “Supercircular”



- Guidance was published December 26, 2013, will be in **effect** for all federal awards or funding increments to nonfederal entities on or after **December 26, 2014**.
- Guidance supersedes and streamlines requirements contained in OMB Circulars A-21, A-50, A-87, A-89, A-102, A-110, A-122 and A-133 by consolidating the requirements of these eight documents into one.
- Final guidance is located in Title 2 of the Code of Federal Regulations.
- The goal of the reform was to provide guidance that would do the following:
 - Streamline guidance for federal awards to ease administrative burden
 - Strengthen oversight over federal funds to reduce risks of waste, fraud and abuse
 - Eliminate duplicate and conflicting guidance between circulars

2 CFR 200 “Supercircular” Cont.



Period of Performance:

- Imposes a period when project costs can be incurred
 - Start Date (Project Effective Authorization Date) through the End Date
 - Costs can only be incurred within start and end date
 - After project end date - **no additional costs can be incurred**
 - Requires that projects be closed out 15 months after the “End Date” established and documented on the FHWA Authorization
- Based on States Estimated Project Schedule
- Monitor and Revise End Date
 - Project delay beyond the control of the recipient/subrecipient (*change in project scope*)
 - Extension/modification is authorized by the awarding agency

Project/Funds Authorization



FHWA commitment that Federal funds are available for the project

- Preliminary Engineering (PE) - (you have 10 years to construct the project - “Studies” are not a good idea) CFR 630.112(2)
- Right of Way acquisition (ROW)
- Construction (CON)
- **Authorization is required prior to incurring any expenses**
 - ✦ Work done before the date of FHWA Division authorization is NOT eligible for reimbursement

Inactive Projects



- An Inactive Project is defined as any project (regardless of the dollar value) that has not had any expenditures charged to it in FHWA's system in the given timeframe.
- Once a project hits the 1-year report, FHWA's Finance Section is REQUIRED to deobligate the funding.
- Remember that the Municipal Agreement states that a project must be invoiced at least once every 6 months to keep the project active and eligible for Federal funding.
- Municipal Agreement also states about Final Invoice:

- **FINAL INVOICE**

All invoices associated with the Project must be submitted within six (6) months of the completion and acceptance of the Project to be eligible for reimbursement by the Department. Any invoices submitted after this time will not be eligible for reimbursement.

Review Findings



1. Expenditures occurred before FHWA Authorization was signed
2. Projects not competitively bid
3. Improper pay records/diaries
4. Improper weigh tickets
5. Improper certified payrolls
6. Improper wage rate interviews
7. Improper material received reports
8. Improper Buy America Certification
9. Improper testing/test reports
10. Improper DBE documentation
11. Improper NCDOT oversight
12. NCDOT personnel were not verifying pay quantities before approving invoices
13. Force Account by local agency
14. Municipality destroyed records before the end of the records retention date

Items Typically Reviewed



- Advertisement/Bid documents
- Consultant Selection process
- Project Diaries
- Pay Record Books
- Concrete/Asphalt/ABC test results/frequencies
- Weight tickets
- Pay Estimates
- Supplemental Agreements
- Wage Rates/Interviews
- DBE/Subcontractors
- Grading
- Traffic Control
- Erosion Control
- Signs
- Material Certifications
- Job-site Posters
- LPA/NCDOT Oversight
- Project Final Acceptance Process

Preliminary Project Reviews



LPA Program Manager will be conducting two types of reviews:

Pre-Construction Conference Attendance/Review - When you receive your Concurrence In Award letter from NCDOT, it will have on it that an invitation to the Pre-Construction Conference should be sent to your NCDOT contact as well as myself.

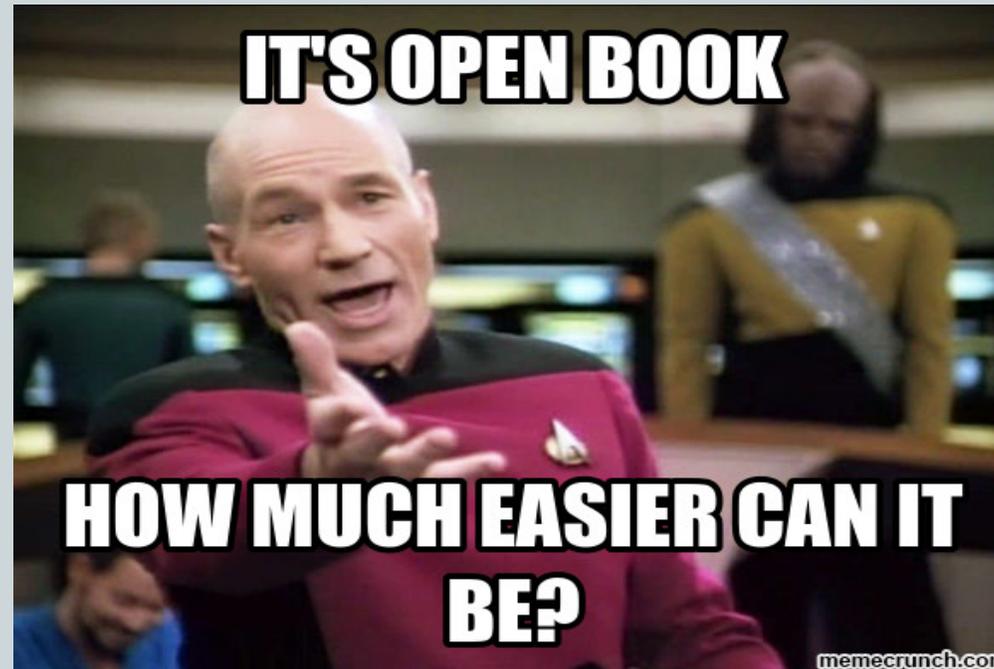
Please coordinate with me as well as NCDOT to be able to attend all pre-construction conferences.

Some municipalities have “forgotten” to invite NCDOT. Don’t forget them or me!

Records Reviews



- **Records Reviews** - Will consist of a review of all project records and documentation for the project around 50%-75% of project completion. (I will provide a copy of the checklist that I use!)



Material Certification



In order to achieve project final acceptance, the NCDOT (Materials & Test Unit) will need to certify your project (requested by an NCDOT-1446B form). Please make sure all records are available for their review.

Note to NCDOT & Municipalities: Please schedule M&T's review, the punch list walk through, final invoice, etc. as soon as you can in the final acceptance process to ensure proper (and timely) project closeout.

2 CFR 200 (aka: Supercircular) - Requires that projects be closed out 15 months after the "End Date" established and documented on the FHWA Authorization.

If timeframes are not met, the Supercircular states that ALL project funds shall be taken back.

Project Closeout & Records Retention



A Federal project is not closed out until FHWA closes it in our project tracking system (FMIS). After NCDOT fiscal has received the NCDOT-1446B and the Material Certification Letter from M&T, they close the project in their accounting system and send it electronically to our FMIS system for closure.

A Final Voucher Date is assigned to the project once it has been closed in FMIS.

The NCDOT Division will send the municipality a letter letting you know what your Final Voucher Date is.

Keep all project records for three years after the Final Voucher Date as they can be audited by FHWA until that time!

Don't Be Afraid To Ask For Help!



Remember: If you have questions, run into a problem or don't know how to handle something, please ask your NCDOT partners. They are there to help you and to keep you out of trouble!



Questions?



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“It is my hope that when funds are given to a municipality, that they keep all of them and a great project is created. When I have to take funds back, I take it personally. It’s a bad day at the office for me. It means I failed...we all failed in some way. That’s a bad day for everyone.” - Tammy Richards