

FHWA

Funding, Monitoring & Reporting

Tammy Richards - FHWA

Pinkie Promise!



**I'm From the
Government
AND
I'm Here
To Help**

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

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

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.

Review Findings



1. Expenditures occurred before FHWA Authorization was signed
2. Projects not competitively bid
3. No pay records/diaries
4. No weigh tickets
5. No certified payrolls
6. No wage rate interviews
7. No material received reports
8. No Buy America Certification
9. No testing/test reports
10. No DBE documentation
11. No 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:

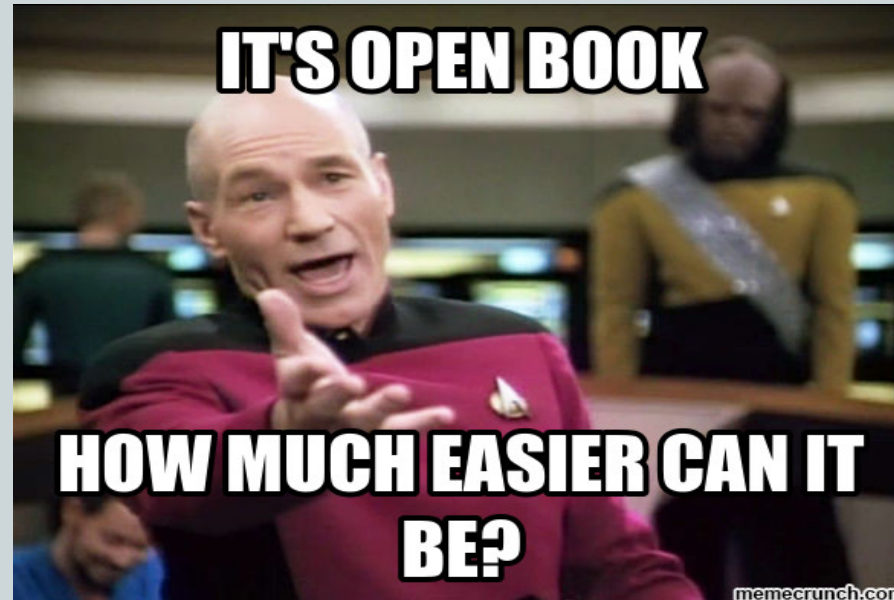
Pre-Construction Meetings/Reviews - Please don't forget to invite me, the DOT and DOT-Materials and Test Unit. (It's stated on your Concurrence In Award letter.)

I want to be included in these meetings to ensure everyone is on the same page as far as expectations and requirements.

Records Reviews



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



Material Certification & Project Closeout



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

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

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.

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

Left Hand/Right Hand Coordination



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"Our left hand doesn't know what our right hand is doing, so we're only interviewing ambidextrous candidates."

Don't Be Afraid To Ask For Help!

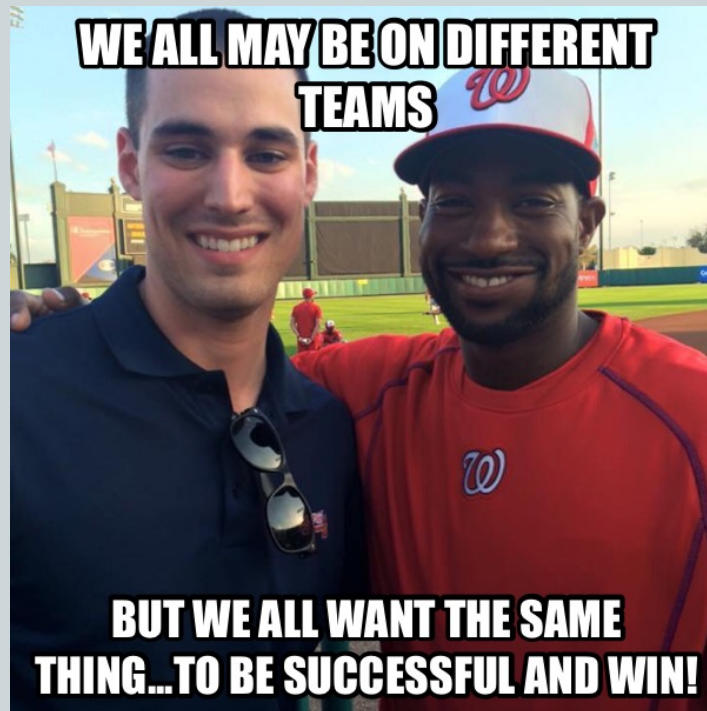


Remember: If you have questions, run in to a problem or don't know how to handle something, please ask your NCDOT partners. They are there to help you and to keep you out of trouble!

Teamwork



“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 Federal funds back from a municipality, I take it personally. It’s a bad day at the office for me. It means I failed...we failed in some way. That’s a bad day for everyone.” - Tammy Richards



Questions?



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