

LEARNING GUIDE

WEDNESDAY, AUGUST 13, 2025

MODULE 2 - FEDERAL AUTHORIZATION AND PROJECT ACCOUNTING

Project Review Board (PRB)

- PRB is the first step in the ADOT Project Change Control System. The next two steps are the Priority Planning Advisory Committee (PPAC) and the State Transportation Board.
- PRB acts on changes to the current Program. The PRB can only make decisions on projects in the current fiscal year.
- A project would go to PRB to establish a new project, make a change to the programmed budget, change project information and/or to reschedule a project.

Understanding the Federal Highway Administration (FHWA)

- Authorization is required before work starts or is advertised for consultant services or construction.
- The authorization request must have a clearly defined scope of work, title and description.
- The project agreement must have an identified Period of Performance (Project End Date) for the scope of work being authorized.
- The project closeout process should occur soon after the project is physically completed.

Federal Authorization

- The FHWA Reimbursement Program requires a state or local match of 5.7% in Arizona.
- State projects programmed on a needs/competition basis.
- Projects in the 5-Year Capital Program are approved by the State Transportation Board.
- The distribution of federal aid is passed through to COGs and MPOs.

Project Accounting and Payroll

- Resource Administration attends PRB meetings, submits authorization and modification requests to FHWA, loads and monitors project budgets, monitors and updates Project End Dates, monitors inactive projects and subprogram balances and marks phases as completed "C Status"
- The user will enter in the new project information for all project phases. The system assigns federal aid project numbers.
- Payroll reports are separated by department. Emails noting incorrect information will be sent to the project manager.

Project Expenditure Reports

- A project development cost report provides information and transparency of actual project costs to local governments, tracks ADOTs actual development cost, tracks cost trends and monitors and tracks expenses for state and local projects.
- Project managers, group managers are some of the individuals who would access this report.
- The report will show project charges and will list the employee name that made the charge.

Accounts Receivable (AR)

- AR invoices and collects money for the local match on projects.
- AR submits weekly requests for reimbursement from FHWA.
- AR assists other ADOT units with invoicing and collections.

Contracts Payable (CP)

- CP ensures timely payment expenditures for ADOT.
- July 1 – The state fiscal year and new program begins at ADOT.
- CP is responsible for payments to contractors, engineering consultants, local governments, railroads, Utility, and telecom payments.