

# CERTIFICATION ACCEPTANCE TRAINING

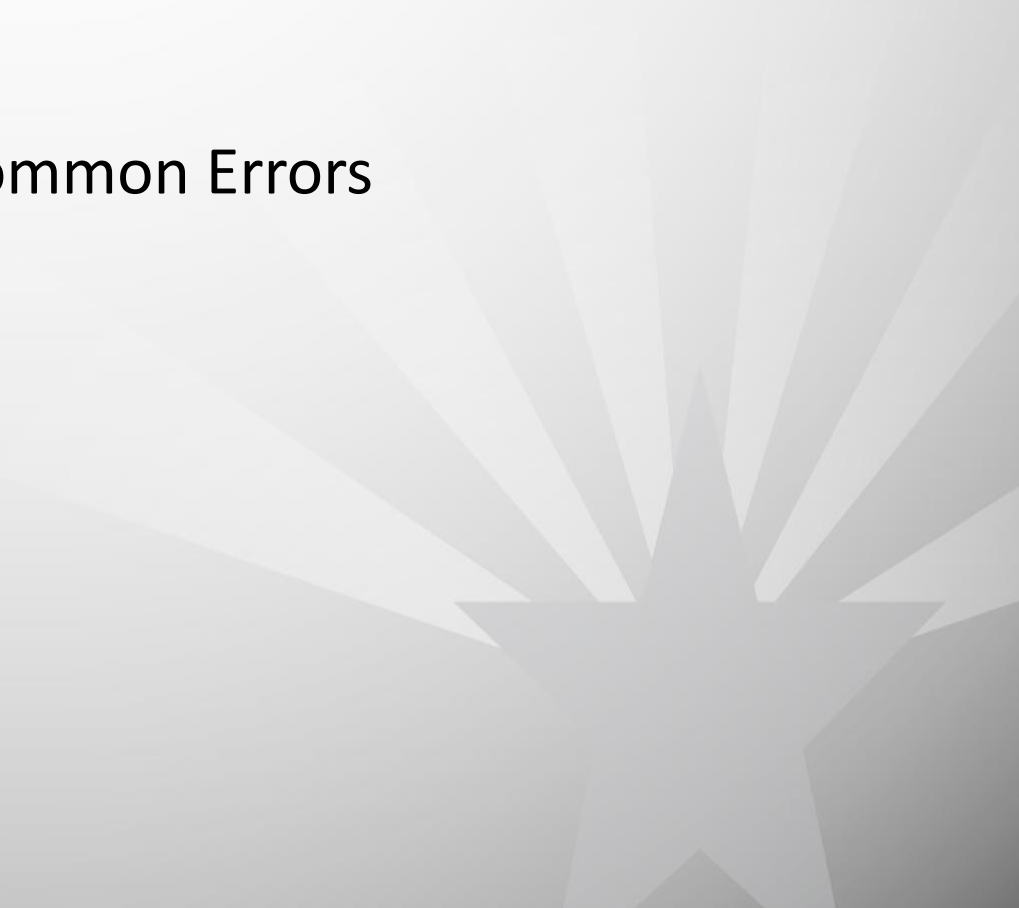
## MODULE 1: Federal Authorization

### **FEDERAL AUTHORIZATION**

**Presented by:**

Elise Maza  
Alison Hart  
Maria Coronado

# Presentation Overview

- Introductions
  - Federal Aid
  - Packet Overview & Common Errors
  - Project End Dates
  - Inactive Projects
  - Questions
- 

# Introductions

- Elise Maza – Program/Project Funding Administrator
  - Patrycja Kozaczka – Accounting Manager over Resource Administration/Project Accounting/Final Voucher
    - Alison Hart– Resource Administration Manager
      - Rebecca Fimbres– PRB/Project Master
      - Mary Villarreal-Perry & Maria Coronado– Construction/Awards/Increases, GAE Encumbrances
      - Socorro Juarez– MPD Projects
      - Velia Gomez-Zuniga– PA/FV liaison, Special Projects (MPD)

# Federal Aid

# Federal Aid Highway Program

- Reimbursement program
- Requires a State or local match
  - 5.7% for Arizona (only Nevada has a lower match at 5%), based on percentage of federal lands in the state
- Funding is distributed by formula to States pursuant to a federal transportation program authorization (apportionments) and annual budget bills (obligation authority)
- Funded primarily from the Federal Highway Trust Fund
- The current long-term reauthorization bill, the Infrastructure Investment and Jobs Act (IIJA), also known as the Bipartisan Infrastructure Law (BIL), was signed into law on November 15, 2021.

# Apportionments vs Obligation Authority

- Apportionments (checks)
  - Amount set in program authorization bill
  - Represent upper annual limit
  - Broken into various program categories via formula
- Obligation Authority (cash)
  - Amount set annually in budget bills
  - Generally 88-95% of apportionments
  - Ratio results in excess apportionments
- Both Apportionments and Obligation Authority are required to fund projects

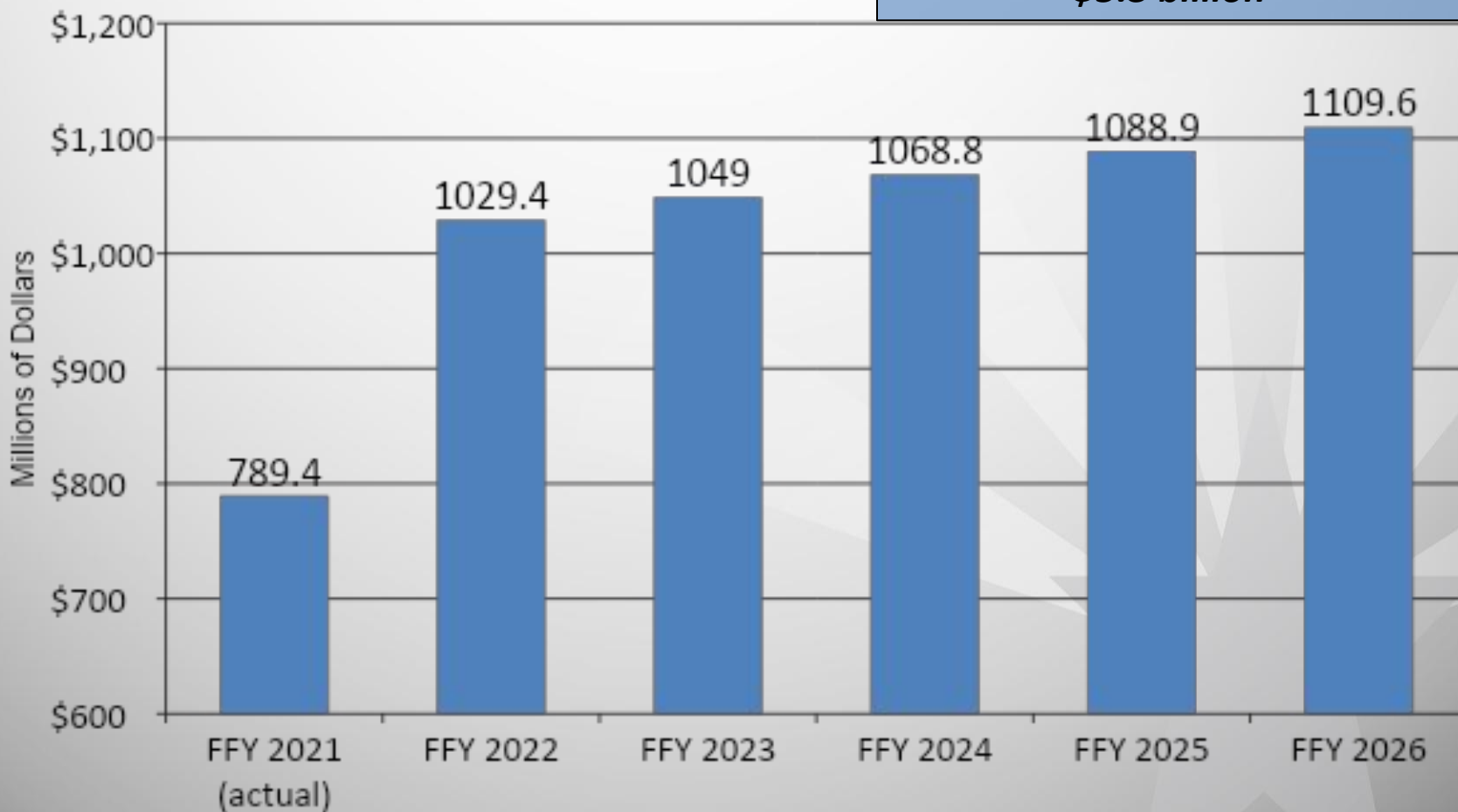
# Bipartisan Infrastructure Law (BIL) *formerly IIJA*: Funding

- What we Don't know...
  - Level of Obligation Authority (OA), aka, funding.
  - Amounts sub-allocated to the MPOs.
  - Project/Funding qualifications, awaiting rules and guidance.
  - Electric Vehicle Programs formula funding.
- When will we know more...
  - Funding for the Electric Vehicle formula programs is expected in the “near future.”
  - The Continuing Resolution, and therefore funding, expires February 18<sup>th</sup>.

# BIL Apportionments

## FFY 2021 – FFY 2026

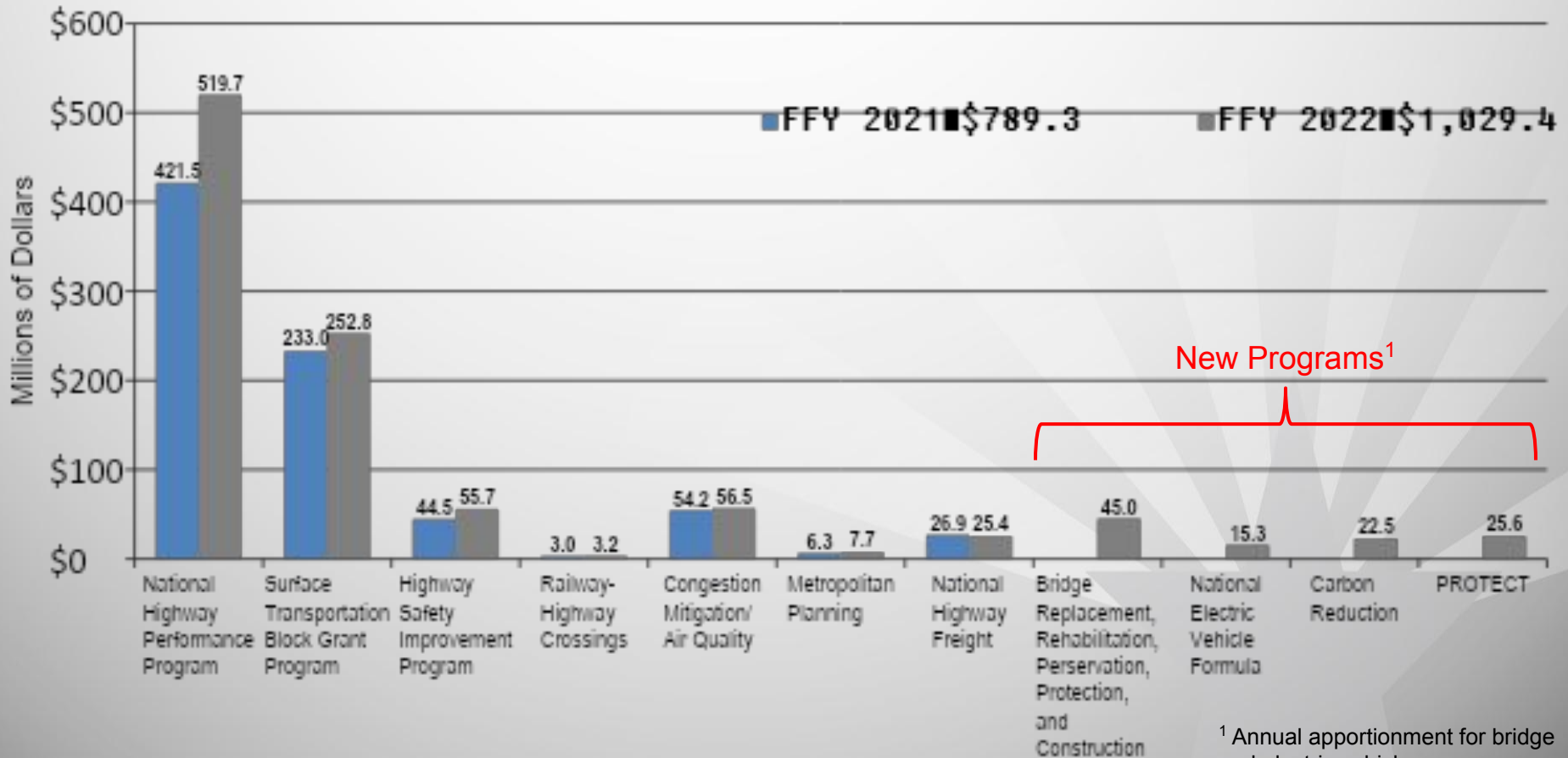
**Total BIL Apportionments:  
\$5.3 billion**





# BIL Apportionment

## FFY 2021 – FFY 2022 Actual



New Programs<sup>1</sup>

<sup>1</sup> Annual apportionment for bridge and electric vehicle programs are assumed to be 1/5<sup>th</sup> of 5yr total.

# CA PACKETS

# Packet Requirements

- CA construction packets include:
  - Preliminary Engineering
    - FARA, DocuSign ADOT PE Letter and **CA Letter** – no map required
  - Construction
    - FARA, **RECAP** (in excel format), FMIS4 Form (needs to match recap) DocuSign CA Letter, TIP or STIP, **MAP** - with location of area and streets project is taking place
    - ITS projects must include Systems Engineering Checklist
    - HSIP projects will need letter (If applicable)

\*Items in red are submitted by the CA agency

# Common Packet Errors & how to avoid

- Recaps
  - Modify Recap to match TIP
  - Columns and rows need to add up across and down
  - Verification of dollar amounts /percentages
  
- MAPS- The location must be visible and quality of the map is very important.  
Map need to be as detailed as possible

# Example of Recap with & without errors

## AGREEMENT ESTIMATE RECAPITULATION

PROJECT: XXX  
Federal Aid Project No.: XXX  
ADOT Tracs No.: XXX  
City Of Phoenix Project No.: XXX

Sheet 1 of  
REVISED  
ENGINEER:



DESCRIPTION	FHWA CODE.	ESTIMATED COST	*FEDERAL FUNDS 94.3%	LOCAL FUNDS 5.7%	LOCAL FUNDS 100.0%
Pave Dirt Alleys - Various Loactions	5	\$771,272	\$727,310	\$43,963	\$0
SUBTOTAL		\$771,272	\$727,310	\$43,963	\$0
Construction Engineering	14.0% 17	\$107,978	\$101,823	\$6,155	\$0
Contingency	0% 17	\$0	\$0	\$0	\$0
Post Design Services	0%	\$0	\$0	\$0	\$0
<b>PROJECT TOTAL:</b>		<b>\$879,250</b>	<b>\$829,133</b>	<b>\$50,117</b>	<b>\$0</b>
				CITY=	\$0

Total Federal (94.3%) = **\$829,133**  
 Total Local (5.7%) = **\$50,117**  
 Total Local (100%) = **\$0**  
 Total Cost = **\$879,250**

## AGREEMENT ESTIMATE RECAPITULATION

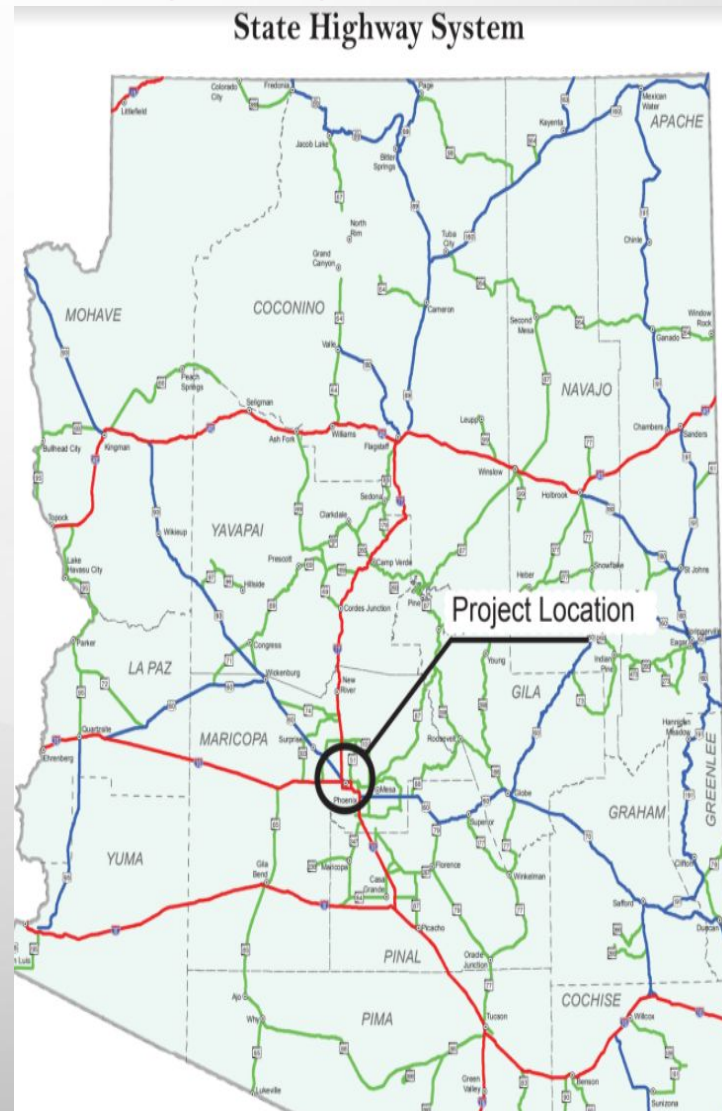
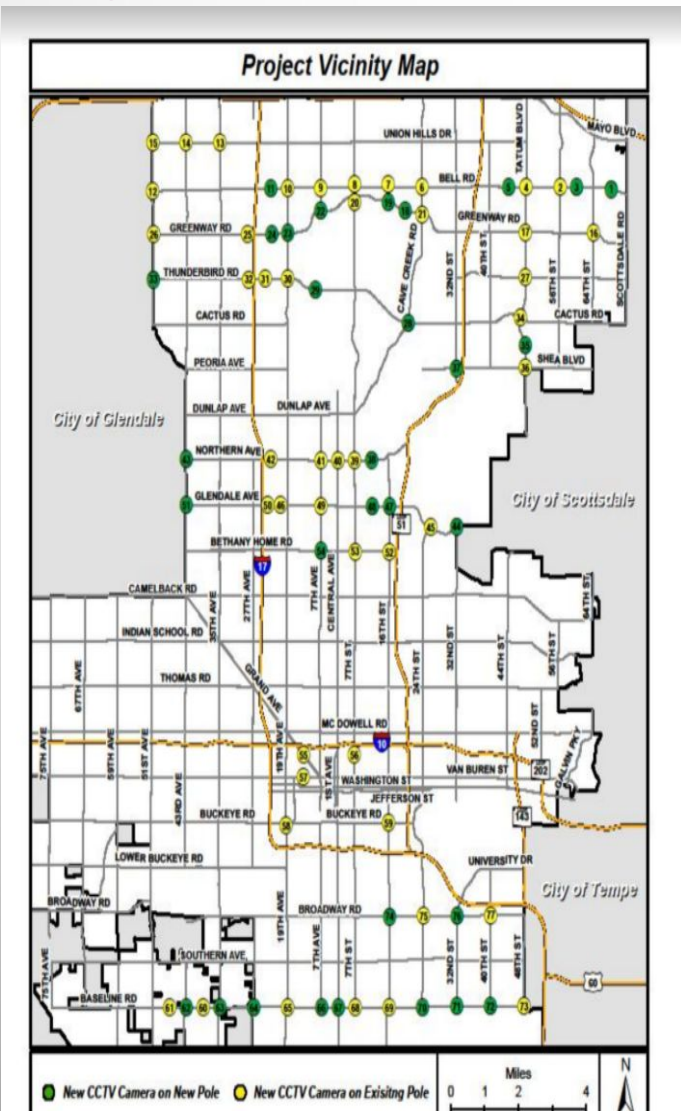
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Total Federal (94.3%) = **\$829,132**  
 Total Local (5.7%) = **\$50,117**  
 Total Local (100%) = **\$2**  
 Total Cost = **\$879,250**

# Example of Good and Bad Vicinity Map



# PROJECT END DATES

# Project End Dates

- The project end date is the final date when the recipient may perform work to be allowable for reimbursement on a federally-funded project
- The end date should be selected based upon the schedule of the scope of work under agreement, not the completion of the entire “project.” ( For example PE, ROW, or construction phases separately)
- The date should be modified if there is a documented change in the project that affects the completion schedule of the project
  - Examples include change orders, contractually allowable delays, delays in award or re-advertisement, litigation delays, etc.
- Any requests to change an end date should be submitted 90 days prior to the end of the current end date or can be changed when adding a new phase to the project agreement (prior to existing end date expiring)
  - ADOT staff is to email [resourceadmin@azdot.gov](mailto:resourceadmin@azdot.gov) with extension request
- If work is performed after the end date of the period of performance it becomes ineligible for federal reimbursement
- If the project end date is modified after the previously approved end date has passed, work performed during the lapse period are not allowable and will not be reimbursed



# Project End Dates Continued

- If costs are identified after the project end date but were incurred before the project end date (e.g., identified during audits, claims, or litigation), the project agreement may be reopened, obligations adjusted, and reimbursement processed
- The billing (liquidation of obligations) for eligible costs incurred during the performance period may occur up to 90 days after the end date unless an extension is otherwise approved
- After the completion of the project, all project documentation is collected and prepared for final records, potentially a project audit, and project closeout
- Why is it important to close projects promptly?
  - Project closeout is important because it facilitates sound internal and funds control
  - Provides FHWA reasonable assurance that the recipient has timely met Federal requirements for the project and charges to the Federal government are accurate and timely
  - Unexpended balances can be promptly released for re-obligation for other purposes
- **2 CFR 200.344 Effective November 12, 2020**
  - The recipient must submit, no later than 120 calendar days after the PAED, all financial, performance, and other reports (e.g. final voucher) as required by the terms and conditions of the Federal award

# INACTIVE PROJECTS

# Inactive Projects

- An inactive project is an eligible transportation project with unexpended Federal obligations for which no expenditures have been charged against the Federal funds within the past 12 months or more
  - A critical inactive is a project with an unexpended balance above \$150,000 with no expenditures in the last 9 months or one authorized prior to January 1, 2020 with an unexpended balance between \$50,000 and \$150,000 and no posted expenditures
  - Projects are deemed inactive if any phase of the project meets this criteria
- We must stay below 2% inactive - status is being closely monitored by FHWA & FMS
  - These activities help to ensure FHWA has accurate financial reports and there is a clear accounting of balances available, obligated and expended from the Highway Trust Fund
- We can lose Federal funding on these projects if we don't get activity and/or are above the 2% threshold
- Recipients must demonstrate that the obligation for the projects remains proper and that the inactivity is beyond the State DOT's control
  - These justifications are documented and submitted to FHWA on a per project basis

# Managing Inactive Projects

- Proper timing in Authorizing Phases- do not authorize a project or phase unless you are ready to start working
- Frequency of the CA to bill to the project – either monthly or quarterly
  - Regularly billing a project to expend obligations is important to avoid inactive status
- Timely invoicing to ADOT FMS
  - Lack of timely billing from sub recipients is not a sufficient justification for the inactive obligation
  - Activity that will clear an inactive project can be as simple as an invoice for staff time
- Ongoing monitoring is a primary component of proactively managing obligations to prevent the obligation from becoming inactive
  - FHWA has quarterly critical inactive reporting- FMS works on these projects to determine if an invoice can be paid or if ready for closeout
  - FMS must provide FHWA valid explanations on any project(s) not able to clear by end of quarter or funding could be lost
  - ADOT Staff has access to Inactive Reporting that is updated daily in the Project Dashboard which can be found in adotdw

**QUESTIONS?**

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**MODULE 1: FEDERAL AUTHORIZATION**

**THANK YOU!**

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