

# Federal-Aid Projects: Inactive Obligations & Project End Dates

2021 Local Systems Virtual Spring Meeting Series: Regional  
Construction and Contract Administration

- March 4 – Central Region
- March 10 – Eastern Region
- March 11 – Western Region



## I.M. 1.200

# Federal Fund Management

- Financial Controls
- Single Audit Requirements
- Reporting
- **Inactive Obligations**
- **Project End Dates (PED)**
- Close-out Procedures

# Instructional Memorandums (IM)

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IOWA DOT  
GETTING YOU THERE

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## LOCAL SYSTEMS

### INSTRUCTIONAL MEMORANDUMS & FEDERAL-AID GUIDE

#### FEDERAL-AID PROJECT DEVELOPMENT GUIDE FOR LOCAL PUBLIC AGENCIES

The Federal-Aid Project Development Guide for Local Public Agencies, referred to hereinafter as the Federal-aid Guide, provides a concise summary of information and instructions for local public agency (LPA) staff and consultants involved in the planning, development and construction of LPA federal-aid transportation projects. Where appropriate, the Federal-aid Guide references the I.M.s and other documents for more detailed information and instructions.

[Federal-Aid Project Development Guide for Local Public Agencies.](#)

#### NON-FEDERAL-AID PROJECT DEVELOPMENT GUIDE FOR LOCAL PUBLIC AGENCIES

The Non-Federal-Aid Project Development Guide for Local Public Agencies, referred to hereinafter as the Non-Federal-aid Guide, provides a concise summary of information and instructions for local public agency (LPA) staff and consultants involved in the planning, development and construction of LPA non-federal-aid transportation projects. Where appropriate, the Non-Federal-aid Guide references the I.M.s and other documents for more detailed information and instructions.

[Non-Federal-Aid Project Development Guide for Local Public Agencies.](#)

### SEARCH INSTRUCTIONAL MEMORANDUMS (IMS)

Type in a key word to search. If searching multiple words or a phrase, use quotes to get the specific phrase search results. For example, "contractor furnished borrow."



### INSTRUCTIONAL MEMORANDUMS

The IMs provide assistance to LPAs on a wide variety of transportation-related topics. Some IMs supplement the Guide by providing more detailed information or instructions that are applicable to federal-aid transportation projects. Other IMs are applicable to state or locally funded projects. Still others are applicable to all types of projects. If the applicability of an IM is limited by funding or other considerations, this is explained in the "Contents" section at the beginning of the IM.

[View or print the IM Table of Contents](#)

[IM Renumbering Conversion Chart](#)

# Iowa DOT Guidance I.M. 1.200 & Attachment A


← → ↻ 🏠 🔒 iowadot.gov/local\_systems/publications/im/1200.pdf ☆ 🌐 🗨️ 📁 S ⋮

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## INSTRUCTIONAL MEMORANDUMS

To Local Public Agencies



GETTING YOU THERE

To: Counties and Cities	Date: June 24, 2020
From: Local Systems Bureau	I.M. No. 1.200
Subject: Federal Funds Management	

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**Contents:** This Instructional Memorandum (I.M.) includes guidelines and procedures for a Local Public Agency (LPA) and Iowa DOT staff to comply with various Federal requirements relating to the management of Federal funds, including financial controls, single audit requirements, reporting, inactive obligations, project end dates, and close-out procedures. This I.M. also includes the following attachment:

[Attachment A](#) – Procedures for Estimating Project End Dates

**Introduction**

Title 23, United States Code, Section 106(g)(4) requires the Iowa DOT to ensure that LPAs receiving Federal funds have adequate project delivery systems and sufficient financial controls to properly manage Federal funds.

There are also extensive Federal regulations that govern how the Iowa DOT and the LPA must manage and



# Inactive Obligations - Background

- ▶ **What is an inactive obligation?**

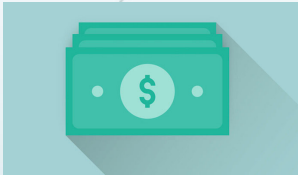
- ▶ An active (obligated) project without a processed Federal-aid reimbursement for 12 months or more.

- ▶ **Why does it matter?**

- ▶ Iowa DOT's inactive obligation balance must remain less than 2% of total obligations at the end of each quarter to remain in compliance with federal regulations.
- ▶ This includes both local projects and primary projects.
  - ▶ End last quarter (12/31/20): Local Agencies =
    - ▶ 22.6% of the Inactive Obligations
    - ▶ Of roughly 1100 open Federal-aid projects, 30% are local agency projects

## Inactive Obligations – Local Agencies

- ▶ **How to I prevent my project from becoming inactive?**
  - ▶ The most effective method for managing inactive projects is to keep them from becoming inactive in the first place.
    - ▶ **Make a habit of requesting reimbursement every 6 months.**
  - ▶ Adjust obligations per [IM 1.200](#)
    - ▶ Shall be adjusted whenever current cost estimate would decrease Federal funds by more than \$250,000.
    - ▶ Process varies depending upon type of cost
      - ▶ Construction Projects – start with your Regional Field Engineer or Administering Bureau
    - ▶ Support via cost estimate.
  - ▶ Timely project close-outs





## Inactive Obligations – Monitoring

- ▶ **How do I know if my project has inactive obligations?**
  - ▶ Iowa DOT reviews quarterly.
    - ▶ Will Become Inactive without Action
    - ▶ Is Currently Inactive
  - ▶ Regional Field Engineers will reach out
    - ▶ Ask that you request reimbursement or process a billing
      - ▶ Partial mobilization payment
    - ▶ Will need the following information:
      - ▶ Current total project cost estimate
      - ▶ Reason for inactivity (beyond LPA control)
      - ▶ Date when reimbursement request will be processed or when project will be ready to close out.
    - ▶ Lack of response may result in de-obligation of remaining unexpended federal funds



## Project End Dates (PED) - Background

### ► What is a Project End Date (PED)?

- PEDs establish the **period of performance**, required by Federal Regulations, for all Federal-aid projects.
  - Only costs incurred between FHWA authorization and the PED are eligible for reimbursement.
- PEDs are estimated per Attachment A, IM 1.200
- Single PED for each project.
- PEDs also set **close-out timing requirements**.
  - Local Agencies must submit final reimbursement requests to Regional Field staff, including all required paperwork, **within 45 days of the PED**.



## Project End Dates - Estimating

- ▶ [I.M. 1.200 Attachment A](#): Procedures for Estimating PEDs [June 2020 Update]
- ▶ Iowa DOT will estimate an initial Project End Date (PED) per this I.M.
  - ▶ Construction and Construction Engineering (CE) [+1 year, September 30]
  - ▶ DOT sponsored construction authorized completely as Advance Construct (AC)
  - ▶ Preliminary Engineering (PE) and Right-of-Way (ROW)
  - ▶ Railroad and utility work [+ 6 months, September 30]
  - ▶ Research and pooled fund studies
  - ▶ Other types of non-construction work [+ 1 year, September 30]
- ▶ Review the I.M. for your project during Development.
  - ▶ **Request additional time, if necessary, at time of project turn in.**
  - ▶ Include project close-out time.



# FMIS Document & Modifications in Doc Express

## Agreement and Resolutions

03-C003-062 - Allamakee County BRS-C003(62)--60-03

FMIS Doc

FMIS Federal-aid Project Agreement (FMIS Document)

update

Iowa DOT

0 comments 0 supporting documents

Jul 24 2018 02:04 PM EDT **Submit**  
Version 1 (current)  
Iowa DOT - Tom Brunscheon

Run Date: 07/24/2018  
Run Time: 14:01:50

U.S. DEPARTMENT OF TRANSPORTATION  
FEDERAL HIGHWAY ADMINISTRATION  
FEDERAL-AID PROJECT AGREEMENT

Report: FMISD05A  
Page 1 of 1

RECIPIENT: 19-Iowa  
RECIPIENT PROJ. NO(S): 6003C003062  
FEDERAL PROJECT NO: C003062

1. The State through its department of transportation, or other recipient, has complied, or hereby agrees to comply, with the applicable terms set forth in (a) Title 23, U.S. Code, highways; (b) The regulations issued pursuant thereto, and the policies and procedures promulgated by the Federal Highway Administration; and (c) All other applicable federal laws and regulations. The State, or other recipient, stipulates as a condition to payment of the Federal funds obligated, it accepts and will comply with the provisions set forth in 23 CFR 630.112. These provisions incorporate by reference all other federal laws and regulations pertaining to the project or the activity for which the funds are obligated. For purposes of emphasis, such applicable provisions include, but are not limited to, the requirements of Appendix A to 2 CFR Part 170—Annual Reporting subaward and executive compensation information, and 2 CFR 200, including for those funds for which such amount will be used in subsequent years. Relative to the above designated project, the FHWA has authorized certain work to proceed as evidenced opposite the specific item of work. For such authorized work, the federal funds obligated or advance-construction authorized, are not to exceed the amount shown herein. The balance of the estimated total project cost is an obligation of the State or other direct recipient. Such authorization extends only to project costs incurred by the State, or other recipient, following Federal Highway Administration's authorization to proceed.

PROJECT TITLE: Along A26, over BR, Upper Iowa River in Allamakee County. - Bridge Replacement  
PROJECT DESCRIPTION: Along A26, over BR, Upper Iowa River in Allamakee County. - Bridge Replacement  
DUNS#: 120527275

CLASSIFICATION OF PHASE OF WORK TO BE PUT UNDER AGREEMENT			EFFECTIVE DATE OF AUTHORIZATION		
HIGHWAY PLANNING & RESEARCH					
PRELIMINARY ENGINEERING					
RIGHT-OF-WAY					
CONSTRUCTION			06/15/2018		
OTHER					
PROGRAM CODE	FAIN	URBAN WITH	TOTAL COST	FEDERAL SHARE	FEDERAL FUNDS UNDER AGREEMENT
Z240	19C003062	Z240	\$804,236.00	80.00%	\$643,388.80
TOTAL			\$804,236.00		\$643,388.80

CLASSIFICATION OF PHASE OF WORK TO BE PUT UNDER AGREEMENT			EFFECTIVE DATE OF AUTHORIZATION			
HIGHWAY PLANNING & RESEARCH						
PRELIMINARY ENGINEERING						
RIGHT-OF-WAY						
CONSTRUCTION			06/15/2018			
OTHER						
PROGRAM CODE	FAIN	URBAN WITH	TOTAL COST	FEDERAL SHARE	FEDERAL FUNDS UNDER AGREEMENT	ADVANCED CONST. FUNDS
Z240	19C003062	Z240	\$804,236.00	80.00%	\$643,388.80	\$0.00
TOTAL			\$804,236.00		\$643,388.80	\$0.00
ESTIMATED TOTAL COST:			\$804,236.00			
TOTAL AUTHORIZED FOR PROJECT:			\$643,388.80			

TRANSPORTATION, IOWA DEPT OF

AVAILABLE FUNDS CERTIFIED BY: Daniel Stokes DATE: 06/07/2018  
APPROVED AND REQUESTED BY: Daniel Stokes DATE: 06/07/2018  
AGREEMENT/MODIFY REQUESTED BY: Daniel Stokes DATE: 06/07/2018

FEDERAL HIGHWAY ADMINISTRATION

PROJECT INFORMATION REVIEWED BY: Paul LaFleur DATE: 06/14/2018  
APPROVAL RECOMMENDED BY: Paul LaFleur DATE: 06/14/2018  
APPROVED AND AUTHORIZED BY: Peter Jensen DATE: 06/15/2018

RECIPIENT REMARKS: BRS-C003(62)-60-03, Letting Date 7/17/18, FA 80/20, STIP= 80162, NEPA 1/26/18-PCE, Project End Date 6/30/2021.

DIVISION REMARKS:

RECIPIENT REMARKS:

BRS-C003(62)-60-03, Letting Date 7/17/18, FA 80/20, STIP= 80162, NEPA 1/26/18-PCE, Project End Date 6/30/2021.

RECIPIENT PROJ. NO(S): 8J821827687

1. The State through its department of transportation, or other recipient, has complied, or hereby agrees to comply, with the applicable terms and conditions set forth in (a) Title 23, U.S. Code, highways; (b) The regulations issued pursuant thereto, and the policies and procedures promulgated by the Federal Highway Administration; and (c) All other applicable federal laws and regulations. 2. The State, or other recipient, stipulates that as a condition to payment of the Federal funds obligated, it accepts and will comply with the provisions set forth in 23 CFR 630.112. These provisions incorporate by reference all other federal laws and regulations pertaining to the project or the activity for which the funds are obligated. Solely for the purposes of emphasis, such applicable provisions include, but are not limited to, the requirements of Appendix A to 2 CFR Part 170—Award terms for Reporting subaward and executive compensation information, and 2 CFR 200, including for those funds for which such amount will be subawarded to a subrecipient, 2 CFR 200.331.3. Relative to the above designated project, the FHWA has authorized certain work to proceed as evidenced by the date entered opposite the specific item of work. For such authorized work, the federal funds obligated or advance-construction authorized, are not to exceed the amount shown herein. The balance of the estimated total project cost is an obligation of the State or other direct recipient. 4. Such authorization of Federal funds extends only to project costs incurred by the State, or other recipient, following Federal Highway Administration’s authorization to proceed with the project.

**PROJECT TITLE:** In the City of Davenport, along Elm St, over Canadian Pacific RR, from Mound Street to Eastern Avenue - Bridge and Approaches - CCS  
**PROJECT DESCRIPTION:** In the City of Davenport, along Elm St, over Canadian Pacific RR, from Mound Street to Eastern Avenue - Bridge and Approaches - CCS  
**DUNS#:** 120527275  
**PROJECT END DATE:** 09/30/2024

CLASSIFICATION OF PHASE OF WORK TO BE PUT UNDER AGREEMENT	EFFECTIVE DATE OF AUTHORIZATION
HIGHWAY PLANNING & RESEARCH	
PRELIMINARY ENGINEERING	
RIGHT-OF-WAY	
CONSTRUCTION	11/07/2020
OTHER	

PROGRAM CODE	FAIN	URBAN/ WITH	TOTAL COST	FEDERAL SHARE	FEDERAL FUNDS UNDER AGREEMENT	ADVANCED CONST. FUNDS
Z230	693JJ22130000Z230IA1827687		\$2,457,955.00	80.00%	\$1,000,000.00	\$966,364.00
<b>TOTAL</b>			<b>\$2,457,955.00</b>		<b>\$1,000,000.00</b>	<b>\$966,364.00</b>

Recipient: 19-Iowa                      Project Number: 3577607              Version:              Current  
 DUNS: 120527275                      Transaction #: 49                      Business Month: 11/2018  
 Project Status: Active

**Project Information**

General Information

Recipient Project #: 8V073577607  
 Project Action: Project Change  
 Project Title: Pedestrian Underpass beneath U.S. 63 & Sidewalk Trail from 1st St. to 3rd St. in Black Hawk County and the city of Hudson. - PE/CE/PCC Sidewalk  
 Project Description: Pedestrian Underpass beneath U.S. 63 & Sidewalk Trail from 1st St. to 3rd St. in Black Hawk County and the city of Hudson. - PE/CE/PCC Sidewalk

Status Dates

Project Completed:  
 Project End Date: 6/30/2022  
 Final Voucher Paid:  
 Last Payment: 3/5/2020  
 Last Action: 3/5/2020

Authorized Dates

PE: 6/14/2016  
 ROW:  
 Const.: 11/19/2018  
 SPR:  
 Other:

Other Project Information

Project Oversight: Assumed/Locally Administered  
 STIP Reference: 90051  
 ICR: 0.00

Emergency Relief

Disaster Fiscal Year:  
 Emergency Relief Eligible:  
 Disaster Sequence Number:  
 Emergency Relief Code:

Special Project Groupings

Major:    IFP:  
 Pooled Fund:  
 Other:

Project Funding

Advance Construction:	\$154,704.80	Expenditures:	\$398,905.33
Federal Funds:	\$551,000.00	ROW Funds:	\$0.00
State Funds:	\$0.00	Adv. Const. Converted:	\$0.00
Local Funds:	\$176,426.20	Soft Match (Active Details):	\$0.00
Private Funds:	\$0.00		
Non-Monetary Funds:	\$0.00		
Other Funds:	\$0.00		
<b>Total Cost:</b>	<b>\$882,131.00</b>		

## Project End Dates - Monitoring

- Be aware of the PED.
- Make the Contractor aware of the PED.
- Regional Field Staff may reach out and request a status update if PED less than 6 months out.
  - Response requires a written report/response. (email okay)
  - Indicate if all eligible costs will be incurred prior to the PED
  - Indicate anticipated full project completion.
  - Ensure final paperwork and reimbursement request will be submitted to Regional Field staff no later than 45 days after PED.
- Request PED Extension, as necessary.



# Project End Dates - Extensions

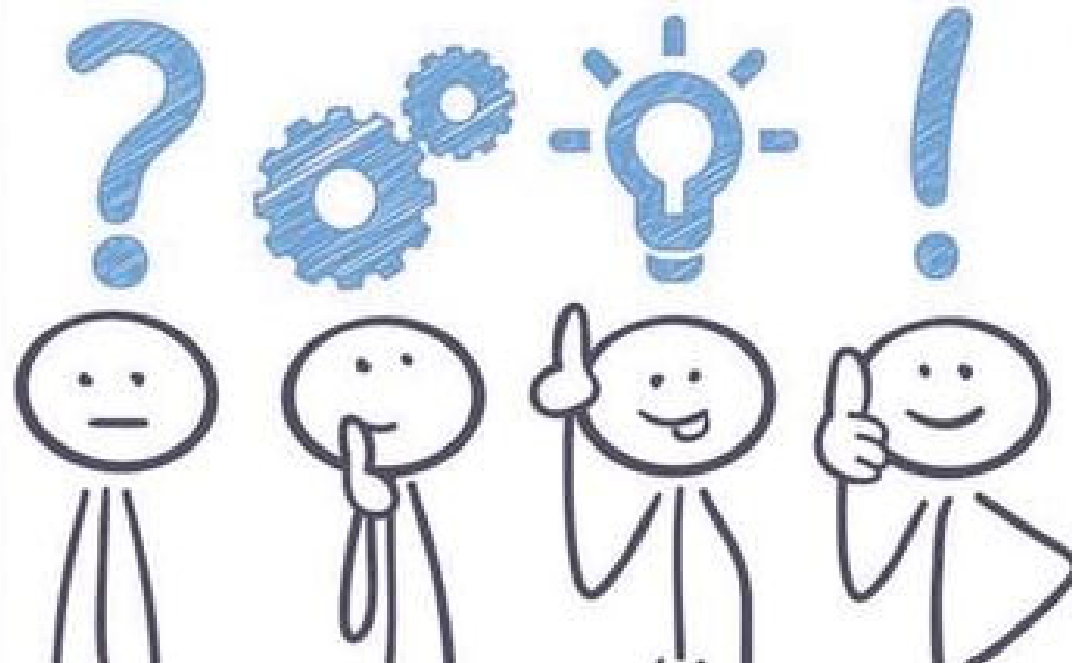


- ▶ PED Extension Justifications:
  - ▶ Documented revisions to the project schedule or other circumstances (change orders, contractually allowable delays, litigation)
  - ▶ Delay of project **beyond control of the LPA**... which would have an impact on the PED.
    - ▶ Examples of situations beyond the control of the LPA include, but are not limited to: litigation, major changes in design, environmental or permit issues, construction claims, unforeseen utility conflicts, differing site conditions, significant additional work, area-wide material shortages, labor strikes, or unusually severe weather.
  - ▶ If you feel a PED is needed, but not sure it is justified – **Ask your Field Engineer**
  - ▶ Please note for Projects with multiple divisions: PED should be extended until ALL divisions are complete, not just Federal-aid eligible, since full project completion and closeout cannot occur until FULL project is complete.
  - ▶ PED extension requests should be submitted as soon as it is determined necessary, but **at least 8 weeks prior to PED to avoid an ineligibility period.** (Later requests not denied, just ineligible period.)

# Project End Dates – Extension Requests

- ▶ How to request PED Extension:
  - ▶ Email the request to your Regional Field Engineer or Administering Bureau
    - ▶ At least 8 weeks prior to PED to avoid an ineligibility period.
    - ▶ Time between PED and FHWA Approval = ineligibility period. Work completed during this period would become Federal-aid, non-participating.
  - ▶ Include justification and duration of the extension
    - ▶ Administering Bureau may request additional information
  - ▶ Administering Bureau will work with FHWA to determine if they will approve or decline the request
    - ▶ FHWA may request additional information
  - ▶ Administering Bureau will relay determination and upload the FMIS modification into Doc Express, if applicable.





# Questions?

Sarah Okerlund

[sarah.okerlund@iowadot.us](mailto:sarah.okerlund@iowadot.us)

515.239.1291