

Federal-aid and Grant Management Overview

Territorial Peer Exchange



Federal-aid Intro

Characteristics of the FAHP

- Federally assisted, State-administered
- Requires States to have highway agency
- Funding tied to specific categories of roads
- States pay for maintenance
- Matching requirements
- Contract authority

Federal Responsibilities in FAHP

- Review and approve State proposals
- Develop regulations and guidance
- Promulgate standards
- Provide technical assistance
- Distribute Line of Credit
- Pay States for their eligible expenses

State and Local Responsibilities in FAHP

- Conceive, plan, design, initiate and construct projects
- Maintain and operate highways

Purpose of an Authorization Act

- Authorizes Programs
- Sets program-specific requirements
- Authorizes “funds” (line of credit)
- Specifies fund characteristics (formula, match, eligible activities, etc.)
- Typically covers multiple years



Budget Authority

Appropriated Budget Authority (ABA)

- Most Federal programs operate with ABA
- Requires two acts of Congress to implement programs (Authorization and Appropriation)

Contract Authority (CA)

- Most of FHWA programs operate with CA
- Authorized amounts are available without further legislative action
- Requires a provision in the law (23 USC 118(a)) and the program must receive 90% or more of its receipts from a Trust Fund.



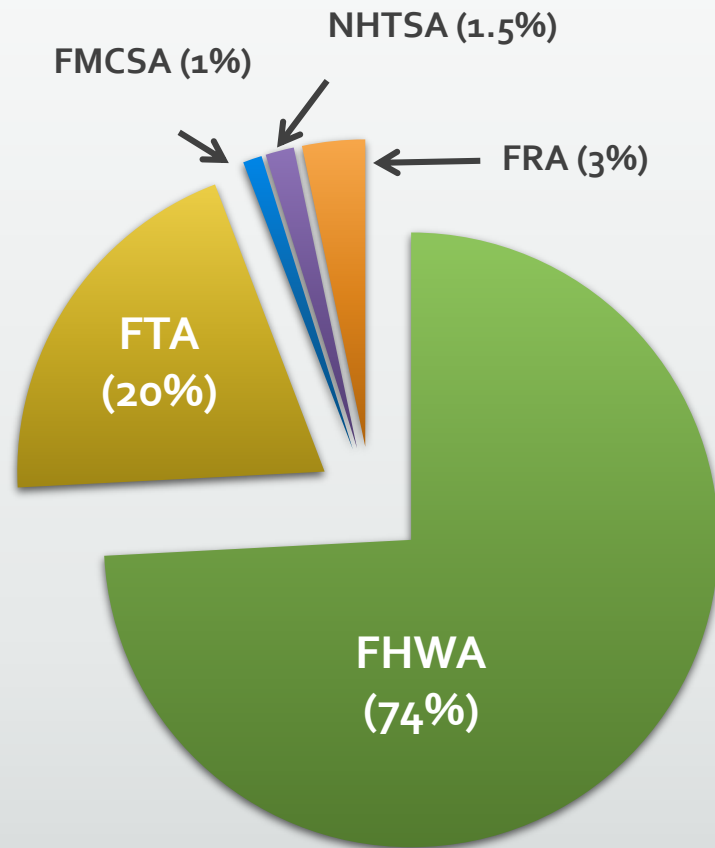
Purpose of an Appropriations Act

- Funds Appropriated Budget Authority programs
- Sets an annual obligation limitation for programs with Contract Authority
- Sets an annual limitation for FHWA Admin funding
- Appropriates an amount of liquidating cash from the Trust funds to pay State's eligible expenses



Note: Most Federal programs are funded through appropriated budget authority, courtesy of an appropriations act. However, as the FAHP operates under contract authority, the appropriations act serves a different function for FHWA.

Fixing America's Surface Transportation (FAST) Act



- Signed into law Dec. 4, 2015 (P.L. 114-94)
- Highways, highway safety, transit, motor carrier, and railroads
- 5-year Act – FYs 2016-2020
 - \$305 B in total authorizations
 - \$226 B authorized for FAHP
 - \$70 B in transfers to keep HTF solvent

Questions



Highway Trust Fund

Highway Trust Fund (HTF)

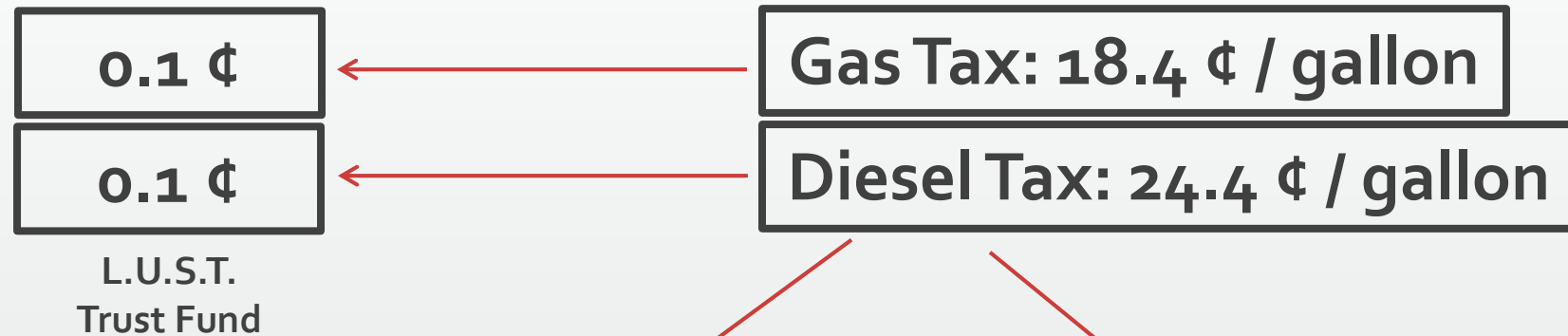
Federal-aid Highway Act of 1956

- Provided authorizations for FY 1957 – 1969
- Established Trust Fund to collect revenues to pay for authorizations, FY 1957 – 1972

FAST Act

- Provided authorizations for FY 2016 – 2020
- Extended Highway Trust Fund through 09/30/2022

Federal Fuel Taxes



Effective October 1, 1997

Federal Truck User Taxes

Truck Sales

- 12% of retail price for trucks over 33,000 lbs. or trailers over 26,000 lbs. GVWR

Truck Use

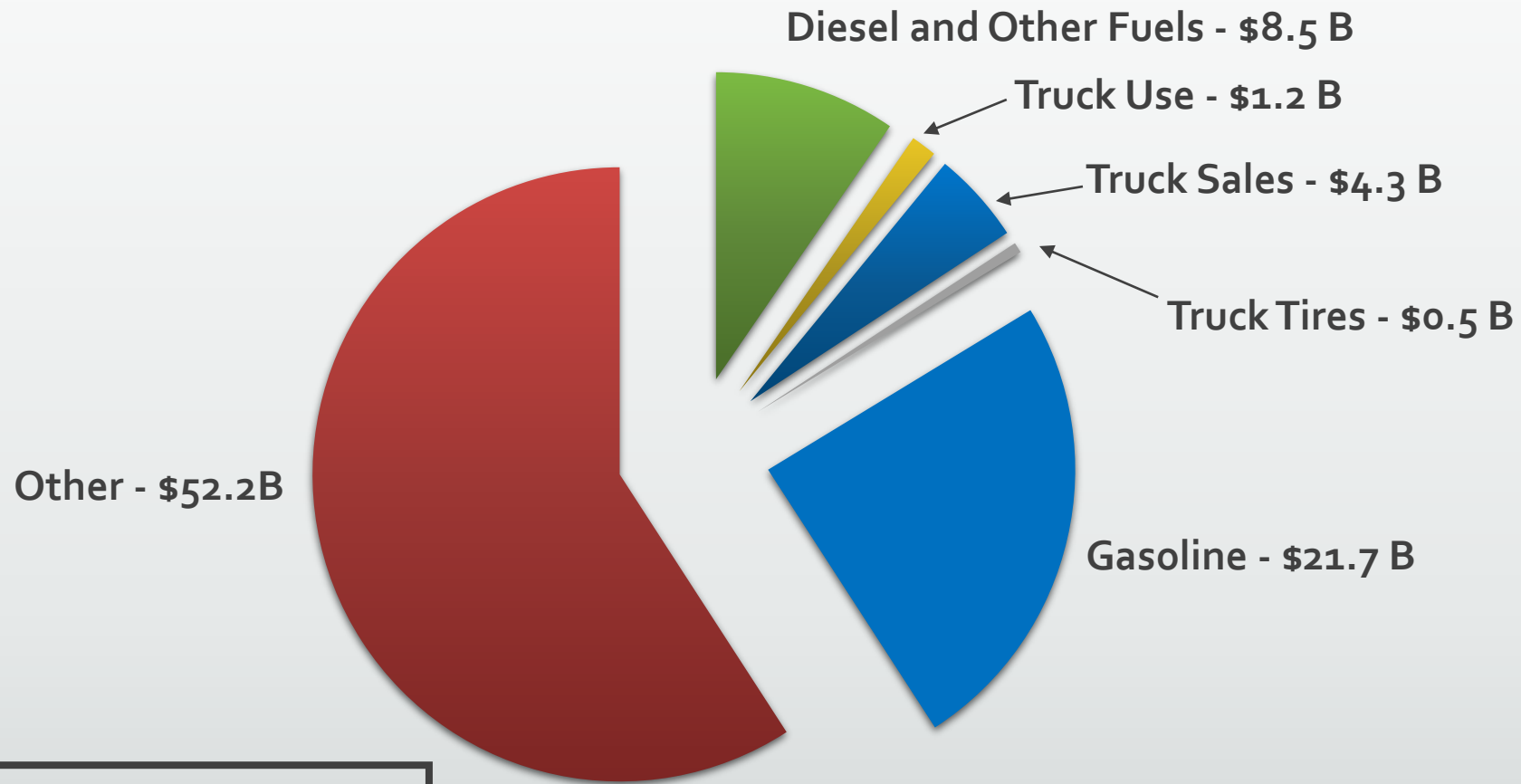
- Up to 55,000 lbs. No tax
- Over 55,000 lbs. \$100+\$22/1000 lbs. \$550 maximum

Tires

- 9.45 cents for each 10 lbs. exceeding 3500 lbs. maximum rated load capacity (4.725 cents for bias-ply or super single tire)

Effective January 1, 2005

Net Highway Account Income-FY16



Total Net = \$88.3 Billion

Funds Distribution in FAHP

Apportionments

- Distributed by formula specified in law
- Distributed on October 1st
- Withdrawn only by law
- All States are recipients
- 92% of Highway funds are apportioned

Allocations

- No formula in law
- Distributed throughout year
- Discretionary (competitive) grants may be withdrawn by administrative action
- Only some states are recipients
- Can be reserved for FHWA use (e.g. FHWA Admin, R&D)
- 8% of Highway funds are allocated

FAST Act Apportioned Programs

- National Highway Performance Program (NHPP)
- Surface Transportation Block Grant Program (STBG)
- Congestion Mitigation & Air Quality (CMAQ)
- Highway Safety and Improvement Program (HSIP)
- Metropolitan Planning (PL)
- National Highway Freight Program (NHFP) 

FAST Act Selected Allocated Programs

- Federal Lands Transportation Program
- Tribal Transportation Program
- Puerto Rico and Territorial Highway Program
- Work Zone Safety Grants
- Highway Use Tax Evasion
- Nationally Significant Freight & Highway Projects 
- TIFIA (credit) program
- Nationally Significant Federal Lands & Tribal Projects (ABA) 

Availability of Funds

Funds For:

Good Through:



Funds lapse if not obligated within their period of availability

Questions



Obligations

Obligations

- State Request, Federal Approval
 - Commits State's line of credit
 - Commits Federal Government to pay Federal share of eligible expenses
- Based on Best Cost Estimate
- Protects funds from lapsing
- Traditional point of budgetary control

Obligation Limitation

What is it?

- A budgetary mechanism to control Federal spending for contract authority programs

Who does it?

- Congress – through legislation

Why?

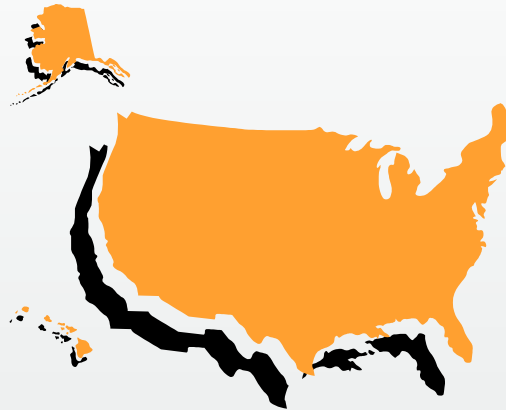
- To be responsive to current budget policies

Obligation Limitation - *Characteristics*

Oct 1, 2017 – Sep 30, 2018



Good for 1 year



State-by-State limit



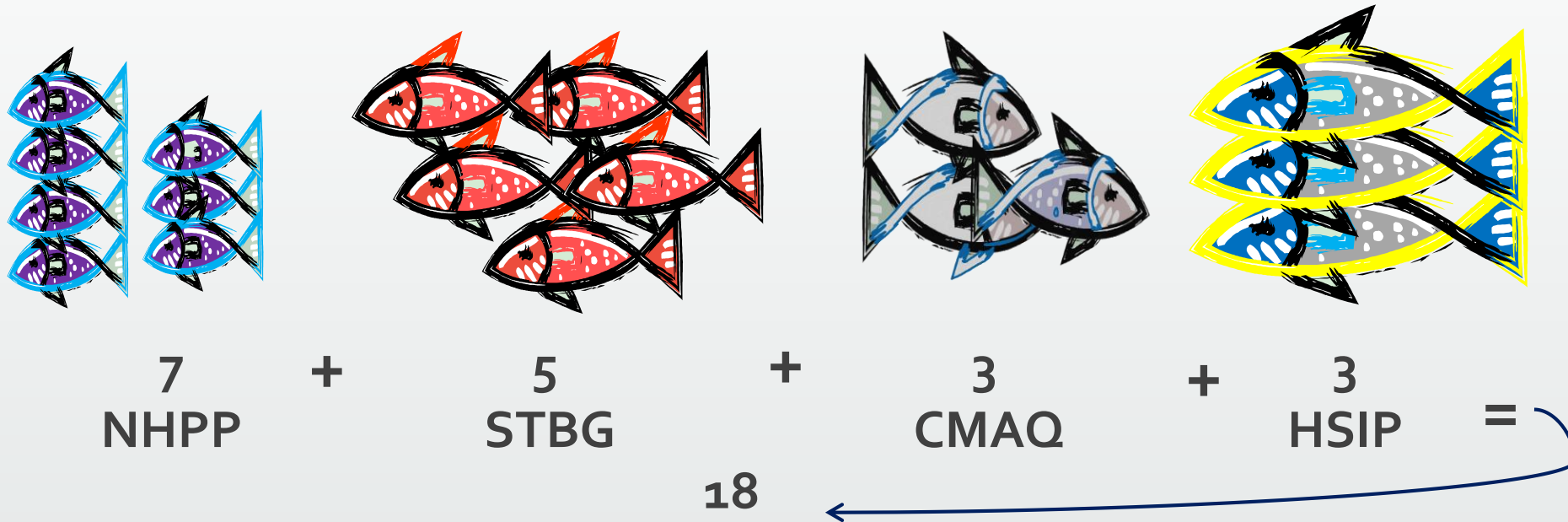
Applies to total program

The obligation limitation is determined by dividing the National Limitation minus amounts reserved from distribution by total apportionments and allocations.
The FY17 limitation percentage for States was 92.8% of a State's apportionment.

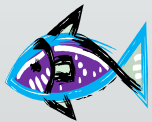
“Formula” Limitation is like a Fisherman’s Catch Limit



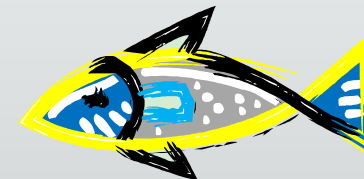
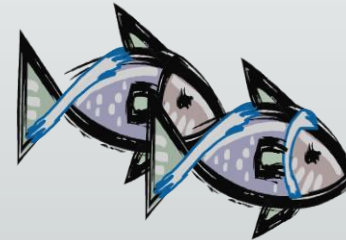
Catch any fish, but only 18



OR..... any other combination that equals 18



Left for Next FY



Questions



Laws, Statutes, Regulations, and FHWA Policy

Where to find Highway Law

Most highway law is compiled and organized (codified) into title 23, United States Code (Statute)

- Program eligibilities
- Federal share
- Apportionment formulas

Some provisions are not codified in Title 23

- Uniform Relocation Act
- Americans with Disabilities Act of 1990
- FAST Act authorization of funds
- Some project delivery provisions

Codified or not, the law is the law – FAST Act is P.L. 114-94

Laws vs Regulations

- Laws are passed by Congress and most provisions of laws are codified in the United States Code
- After laws are passed, Federal Agencies are required to issue regulations that describe how the law will be implemented. *23 CFR for the FAHP*
- Someone violating a regulation is, in effect, violating the law that created it.



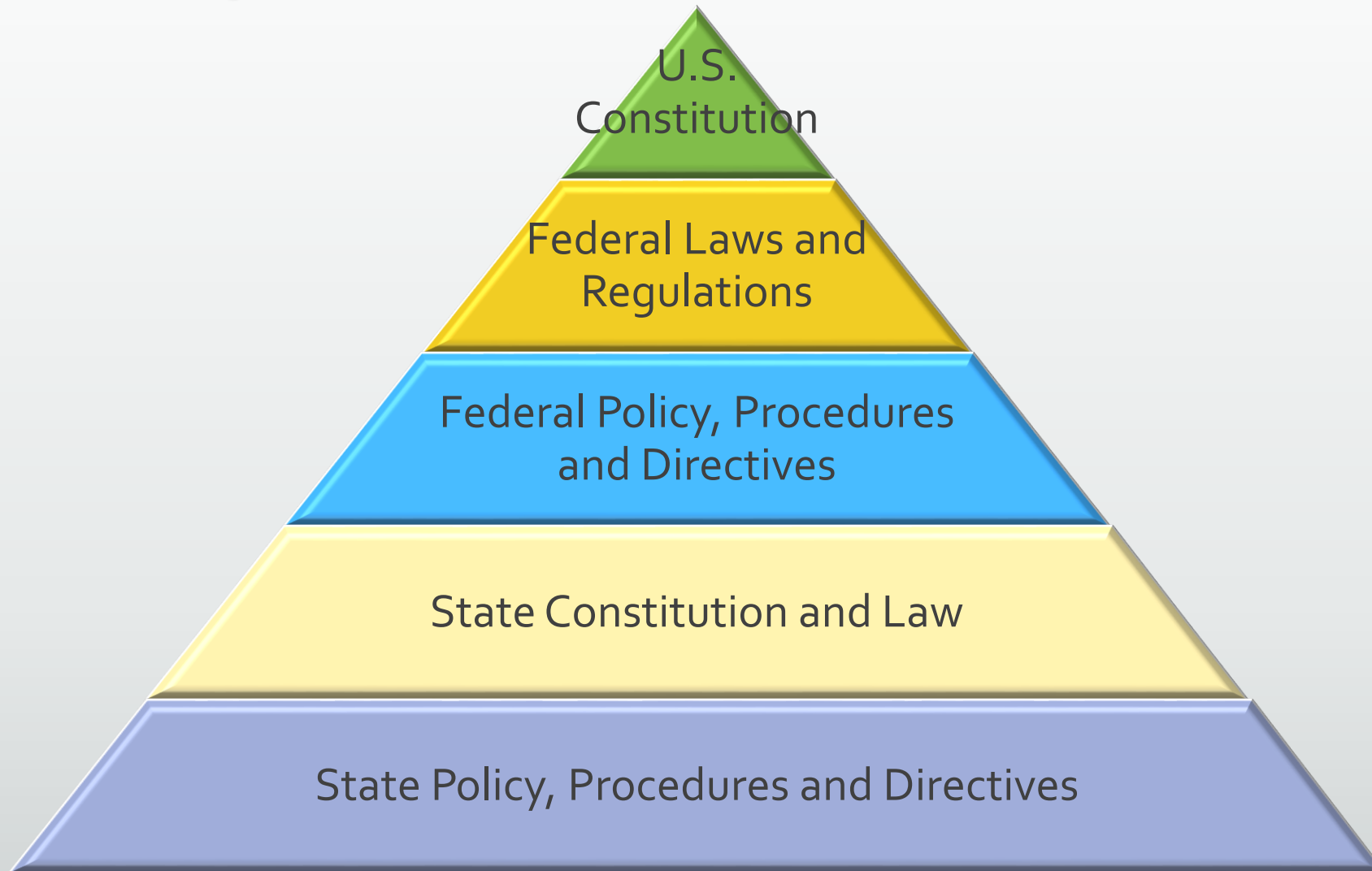
Other Applicable Federal Requirements

- 49 CFR – Transportation
 - Nondiscrimination
 - Disadvantaged Business Enterprises (DBE)
 - Uniform Relocation Assistance for Real Property Acquisition
- 2 CFR 200 – Uniform Requirements
- National Environmental Policy Act (NEPA)
- Clean Air Act (CAA)

Uniform Requirements vs Programmatic Requirements

- Uniform Requirements are those regulations identified in 2 CFR 200 and apply to **ALL** Federal agencies that provide awards and **ALL** recipients and subrecipients that receive Federal awards/subawards.
- Programmatic Requirements are those regulations that are applicable to the specific program of funds being used. The FAHP programmatic requirements are found in 23 CFR and 49 CFR.
- Both the Uniform and Programmatic requirements must be followed on Federal-aid projects.

Hierarchy of Law



Questions



Introduction to the Uniform Guidance (2 CFR 200)

2 CFR 200

An Introduction to the Uniform Guidance

Why Was The Uniform Guidance Created?



- ✓ Executive Order 13520 – Reducing Improper Payments
- ✓ Presidential Memorandum Feb 2011 – Administrative Flexibility , Lower Costs, and Better Results for State, Local and Tribal Governments
- ✓ Council of Financial Assistance Reform (COFAR)

2 CFR 200

An Introduction to the Uniform Guidance

So.. What is the Uniform Guidance?



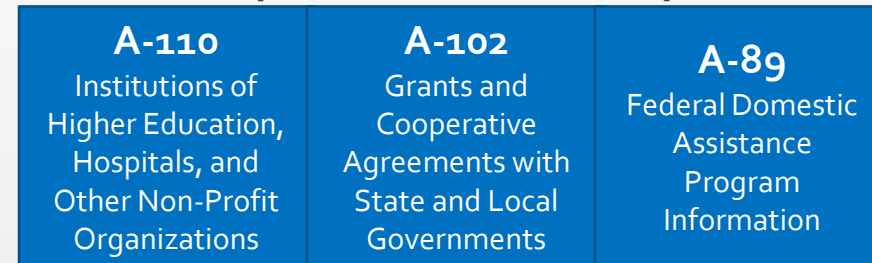
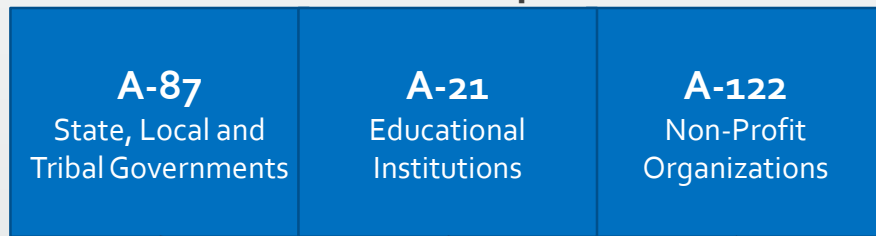
- ✓ Official Name - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal awards
- ✓ OMB Uniform Guidance that combines 8 previous Federal grant regulations into **ONE** comprehensive guidance.
- ✓ Codified at 2 CFR 200

2 CFR 200

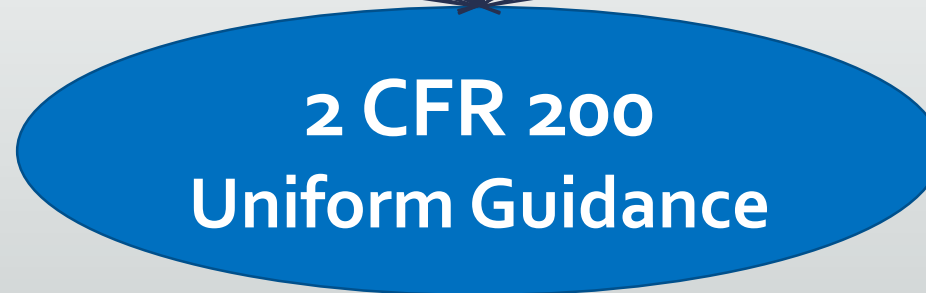
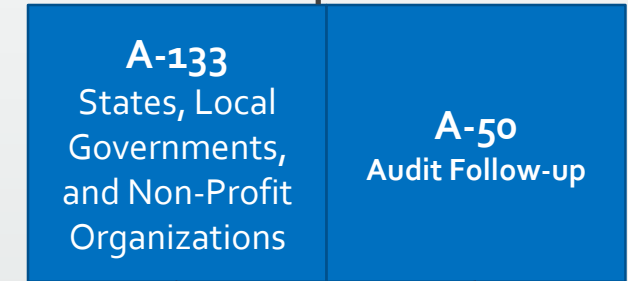
An Introduction to the Uniform Guidance

Administrative Requirements (Formally 49 CFR Part 18 & 19)

Cost Principles



Audit Requirements



2 CFR 200

An Introduction to the Uniform Guidance

To Whom Does the Uniform Guidance Apply?



✓ The Uniform Guidance applies to:

- to Federal agencies that make Federal awards to non-Federal entities
- To non-Federal entities that receive Federal grant funds.



Yes, the Uniform Guidance applies to FHWA, State DOTs, Local and Tribal Governments!

2 CFR 200

An Introduction to the Uniform Guidance

When Did the Uniform Guidance Become Effective?



"The Uniform Guidance's administrative requirements and cost principles applies to new federal awards issued by federal awarding agencies on or after December 26, 2014."

The Uniform Guidance's audit requirements will apply to audits of non-federal entity fiscal years beginning on or after December 26, 2014.

Please
Note



FHWA policy and guidance impacted by the Uniform Guidance is currently being developed and updated.

2 CFR 200

An Introduction to the Uniform Guidance

The Uniform Guidance is divided into six parts:

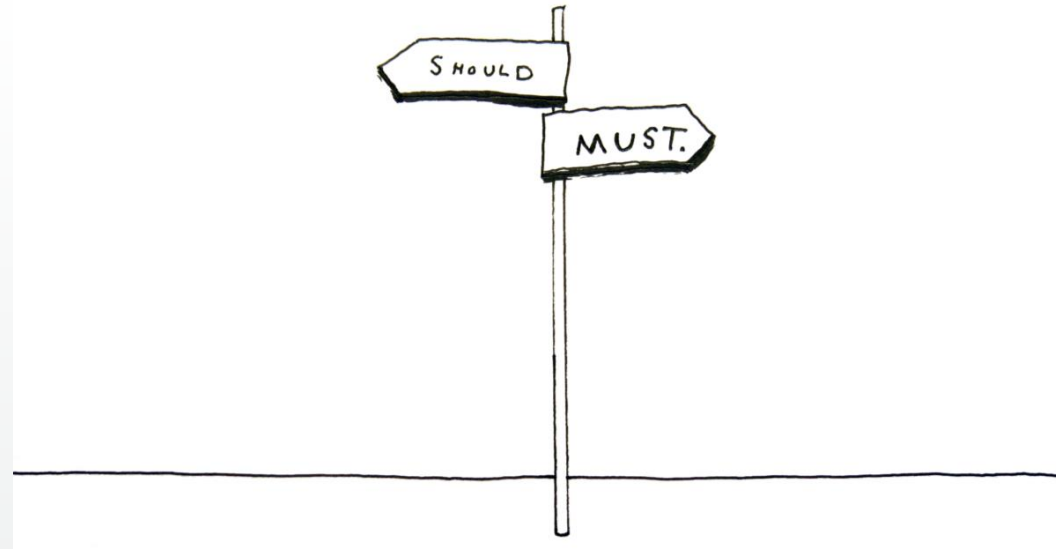
- Subpart A—Acronyms and Definitions
- Subpart B—General Provisions
- Subpart C—Pre-Federal Award Requirements and Contents of Federal Awards
- Subpart D—Post-Federal Award Requirements
- Subpart E—Cost Principles
- Subpart F—Audit Requirements

It also includes 11 appendices. Of particular note to FHWA is:

- Appendix VII—States and Local Government and Indian Tribe Indirect Cost Proposals.



2 CFR 200 Should vs. Must



- Not in definitions
- COFAR: “should” does not signify “must”
- Should indicates a best practice suggestion

2 CFR 200: Subpart A

A Few Essential Definitions

- 2 CFR 200.69 – *Non-Federal entity* means a state, local government, Indian tribe, institution of higher education (IHE), or nonprofit organization that carries out a Federal award as a recipient or subrecipient.
- 2 CFR 200.86 – *Recipient* means a non-Federal entity that receives a Federal award directly from a Federal Agency.
- 2 CFR 200.93 – *Subrecipient* means a non-Federal entity that receives a sub award from a pass-through entity to carry out part of a Federal program. A subrecipient may also be a recipient of Federal awards directly from a Federal agency.



Contractor vs. Subrecipient

- 2 CFR 200.23 – *Contractor* is an entity that receives a contract as defined in §200.22 Contract
- 2 CFR 200.22 – *Contract* means a legal instrument by which a non-Federal entity purchases property or services needed to carry out the project or program under a Federal award.
- 2 CFR 200.38 – *Federal Award* means Federal financial assistance that a non-Federal entity receives directly from a Federal awarding agency or indirectly from a pass-through entity.
- 2 CFR 200.92 – *Subaward* means an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal program.



A FAHP Project Agreement as well as a related sub-recipient award issued to an LPA is considered a Federal Award.

2 CFR 200: Subpart B General Provisions

▪ 200.100 Purpose

Establish uniform administrative requirements, cost principles, and audit requirements for non-Federal entities

No additional or inconsistent Requirements


200.101 Applicability

The Uniform Guidance applies to Federal agencies that make Federal awards to non-Federal entities

Terms and Conditions flow down to sub-awards to sub-recipients

2 CFR 200: Subpart B

General Provisions

- **200.102 Exceptions** 
- No EXCEPTIONS for ANY audit requirement
- Administrative Requirements and Cost Principles Only in **unusual circumstances**
- OMB Approval – **2 CFR 1201**
- More restrictive guidance but no less restrictive (unless required by statute)

2 CFR 200: Subpart B General Provisions

- **200.111 English Language** 
 - Award document written in English and amounts in US Dollars
- **200.112 Conflict of Interest** 
 - Agencies must have policy in place
- **200.113 Mandatory Disclosures** 
 - Written disclose of violations of law involving fraud, bribery or gratuity violation affecting the award



FHWA already
established conflict of
interest policy in 23
CFR 1.33

Questions



FAHP Project Authorization Process

2 CFR 200: Subpart C

Pre-Federal Award Uniform Requirements

Federal awarding agencies decide upon the appropriate instrument for the award:

Four instrument Types:

1. *Grant Agreement*
2. *Cooperative Agreement*
3. *Contract*
4. *Fixed Amount Award*



*A **cooperative agreement** requires substantial involvement in carrying out the activity of the award*

*A **Fixed Amount Award** cannot be used in programs which require a mandatory cost sharing or match. A Fixed Amount Award may not reflect actual costs incurred.*

*A **contract** is an instrument by which a non-Federal entity purchases property or services needed to carry out the project or program under the Federal award*






FAHP Project Agreement

- *Title 23 U.S.C. 106(a)(2)* requires States to enter into a formal project agreement with FHWA for each Federal-aid project.
- *23 CFR 630 Subpart A – Project Authorization and Agreements*
 - §630.106(a)(1) – State DOTs must obtain an authorization to proceed from FHWA before beginning work on any Federal-aid project.
 - Authorization is provided only for the phase of work that is ready to proceed
 - §630.106(a)(2) – FHWA will issue authorization to proceed through or after execution of a formal project agreement with the State.

2 CFR 200: Subpart C

Pre-Federal Award Requirements

Federal Award Information

1. Recipient Name
2. DUNS number
3. FAIN Number
4. Federal Award Date
5. Period of Performance Start and End Date 
6. Amount of Federal Funds obligated
7. Total amount of Federal Amount Obligated
8. Total amount of the Federal award
9. Budget Approved by the Federal Awarding Agency
10. Total Approved Cost Sharing or Matching where applicable
11. Federal Award Project Description
12. Name of Federal Awarding Agency and Contact Information
13. CFDA Number and Name 
14. Identification of where the award is R&D
15. Indirect Cost rate for the Federal Award 



23 CFR 630.108

Preparation of Agreement



Additional Data Elements that must be included in the Project Agreement

1. A description of each project location including State and project termini;
2. The work covered by the agreement;
3. The Federal-aid share of eligible costs expressed as either a pro rata percentage or a lump sum set forth in §630.106(f)(1);
4. A statement that the State accepts and will comply with the agreement provisions set forth in §630.112;
5. A statement that the State stipulates that its signature on the project agreement constitutes the making of the certifications set for in §630.112; and
6. Signatures of officials from both the State and FHWA, and the date executed.
7. The project agreement should also document, by comment, instances where:
 - State is applying credits (e.g. toll credits, bridge credits 23 USC 144(e)(3))
 - The project involves unique matching requirements (e.g. tapered match, donations)
 - The State is claiming finance related costs for bond and other debt instrument financing.



Fiscal Management Information System (FMIS)

Preparation of Agreement



FMIS 5.0

Project

FMIS HomeContactAboutExit

ProjectsFund ControlReportsFUNI

Project InformationProject Details List

Project Information

DocumentFHWA 37 RptHistorical Rpt

[Collapse All](#) [Expand All](#)

General Project Information

Recipient: 47-Tennessee

Federal Project Number: 0013075

Recipient Project #: 126222.00 [\(More...\)](#)

Version: Current (Last signed 2/21/2018 8:33:10 PM)

Transaction Business Month: 02/2018

Transaction #: 214

Project Type: ConventionalDUNS: 878297712

Project Status: Active

Project Action: New Project

Project Title: SR-13, From north of Houston Smith Road to SR-203 - Resurface & Safety

Project Description: Project involves guardrail, pavement marking, and resurfacing.

Project Status Dates

Project Completion Date:

Project End Date: 03/23/2022

Last Action Date: 02/21/2018

Final Voucher Paid Date:

Latest Payment Date:

Review the full Agreement in Participant Workbook

United States Department of Transportation

2 CFR 200. 210

54

2 CFR 200

Post Federal Award Requirements

Period of Performance

Imposes a period when project cost can be incurred and still be eligible for reimbursement.



Period of Performance:
From Start Date
(Project effective
authorization) to End
Date (determined by
SDOT based on
estimated project
schedule)



FHWA Guidance

Period of Performance: Project Agreement Start Date

Agreement Start Date: The date when FHWA authorizes the project to incur costs for the authorized phase and scope of work.

- Each phase should be authorized and funds obligated only when that phase is ready to proceed
 - Authorizing multiple phases at the same time should not occur as this prematurely obligates funds for work not yet ready to proceed
- Phase of work should not be authorized until applicable Federal requirements are met (e.g. NEPA, ROW) and work is ready to proceed in a reasonable period of time.



FHWA Guidance

Period of Performance: Project Agreement End Date

Agreement End Date: The final date when the recipient/subrecipient may incur costs on a Federally funded project.

- End date should be selected based upon the schedule of the of the scope of work under agreement, not to the completion of the entire “project” if it will be authorized in multiple phases.
- Selection of a reasonable end date should include time consideration for finalizing billing documentation and ensuring all Federal requirements are met.
- The end date should **NOT** include future project work or phases that may be added to the project agreement at a later date and is not currently authorized.
- As work is added to a project agreement, the end date may be modified.
- Final costs must be billed and all obligations liquidated within 90 days of the agreement end date unless an extension is requested by the State DOT and approved by the FHWA.

Questions



Project Funds Management

Purpose

To provide an understanding of obligation management and recommended best practices on implementing key project funds management principles.

Project Funds Management Guide for State Grants

The Guide

Project Funds Management Guide for State Grants

- Summarizes current statutes, regulations, and policies for project funds management – ***Does not provide new policies or regulations!***
- Applies to projects authorized in FMIS (Highway Trust Fund Programs)
- **Does not cover all types of projects or situations!**



The Guide

The guide defines the expectations and requirements for:

- Properly **authorizing** projects
- Properly **obligating** funds
- Reasonable **Period of Performance**
- Federal Funds align with **Current Project cost estimates**
- Effective project **monitoring**
- Promptly **closing** projects in FMIS
- **Records retention**

The Guide

The Guide has been revised to:

- Current references and guidance of 2CFR 200
- Provide detailed guidance on project agreement end date and project closeout
- Address a number of issues identified since initial implementation
- Address corrective actions from a number of OIG and **improper payment** findings

Authorizing Federal Projects

Proper authorization

Federal and State laws and regulations have been met

- 23 U.S.C
- 49 U.S.C
- 2 CFR 200 requirements
- 23 CFR 630 applicable requirements
- Principles of Appropriation Law
- Others

applies to Advanced
Construction (AC) Projects



Project authorization with Conditions

- Used only when necessary
- Well documented
- Do not violate any law or regulations
- Should be documented when the conditions have been met



What is a Project Agreement

Contractual agreement between the State DOT and the FHWA

- Federal prerequisites have been met
- Other Federal requirements will be completed

The Guide

Properly Authorizing a Project



- Authorized before work starts or advertised
- Clearly defined project title, description and scope of work for the applicable phase (PE, ROW, CONS)
- Period of performance (PoP) is identified
- Federal Share is established

Properly Authorizing a Project



- Funding must be supported by a documented accurate and current cost estimate
- Only authorized “ready to proceed” phases/projects
- Non-participating cost should be identified
- Signed by an authorized State representative and a minimum two FHWA individuals

Obligations and AC Authorizations

What is an obligation?



A legal liability of the Federal Government to pay for goods or services

- There is a documented binding agreement
- Agreement between Federal agency and grant recipient
- Obligation is for authorized and legal purposes

What is a proper FHWA Project obligation?



- Clearly defines the eligible scope of the work
- Contains the obligation (funds) amount necessary for the work
- Obligation is supported by current project cost estimate
- Complies/meets Federal requirements:
 - 23 CFR 630.106 Initial authorizations
 - 23 CFR 630.110 Project Modifications
 - 23 CFR 635 Part C Physical Construction
 - FMIS Manual
 - Others

The Guide



- State or Local Governments use their own funds for the project
- Projects are programmed the same as other Fed-aid
- Project is authorized by FHWA in the same manner as a regular Federal-aid project
- All Federal provisions must be followed
- The authorization does not constitute any commitment of Federal Funds on the project
- The FHWA will not reimburse the State until the project is converted
- Converting an AC project obligates Federal funds

Obligating funds **Prohibited Practices**

- Obligating funds before project is ready to start/proceed
- Protecting funds from lapsing at year-end
- Obligating funds only to use all obligation limitation
- Authorizing projects for LPAs solely to reserve Federal funds for a future project



The Guide

De-obligating funds Prohibited Practices

- De-obligating funds from solely to free them up, replace them with other funds, or use AC (Reverse AC)
- De-obligating funds solely for the purpose of meeting FHWA's performance goal for inactive obligations
- De-obligating funds from projects with no expenditures but leaving an obligation of a token obligation of Federal funds



Monitoring of Federal Projects



Monitoring Obligations

“An internal control component used to assess the quality of project administration over time and compliance with applicable laws and regulations”

2018 OCFO Memorandum: Project Funds Management Guide for State Grants/ GAO Standards for Internal Control in the Federal Government, 2014.

Monitoring Obligations

If project is not progressing promptly, the project should be withdrawn or closed (if appropriate).



Monitoring Obligations

Periodic Reviews

To adjust or modify project agreement (by State DOT) to reasonably reflect the current cost estimate

- Maintain Federal share as originally authorized or adjusted at bid award
- Use of AC for maximize flexibility on a project



Inactive Obligations



Projects with no expenditures in the previous **12 months** or longer

“State DOT’s should explain the facts and circumstances causing the project inactivity”

Beyond State DOT’s control Examples:

- Litigation
- Unforeseen utility relocations
- Catastrophic events
- Unforeseen environmental concerns

Inactive Obligations

Quarterly Testing of Inactive Obligations

INACTIVE
Obligation



*Inactive Obligation is **proper** if it aligns with the State DOT's documented current cost estimate and demonstrates that the project activity is occurring that requires the remaining amount of obligated funds.*



*An obligation is **improper** if the State DOT cannot provide adequate justification to explain why the project is stalled or is not under contract, and the division office believes the project will not proceed within a reasonable schedule.*

Inactive Obligations

Improper obligation has been detected and:

No action taken by State DOT within a reasonable timeframe?

Obligation is not supported by a documented cost estimate?

The inactive obligation is not beyond State DOT's control?

Unilateral De-obligations by the FHWA Division Office

- FHWA Division office has the authority to unilaterally de-obligate a project
- Division is required to notify State DOT In writing 30 days to respond
- Explanation should be provided in the FMIS Division Remarks

Standard Operating Procedures (SOPs)

Monitoring Obligations

An internal control tool to implement:

- a) effective project funds management,
- b) adequate project delivery systems and,
- c) stewardship and oversight policy agreements

- SOPs should describe monitoring responsibilities and timeframes
- SOP are kept up-to-date
- Easy to follow
- Available for staff



Project Closeout



Closing Projects in FMIS

Project Closeout

When is a project considered completed?

- State DOT submits request to FHWA
 - When work is accepted
 - All required work/deliverables and administrative actions have been completed
 - Contractor is released from responsibility
 - Final payment has been made
 - Unexpended funds has been de-obligated
 - Final documentation completed and retained
- Within period of performance
- Within 90 days of the project agreement end date

Follow procedures established on your Division/State SO agreement and SOPs



Project Closeout

Records Retention

3 years

*Begins when the final voucher is submitted in FMIS
and required documentation is submitted to FHWA*



Can a project be re-opened?



- If eligible additional cost were identified during audit process
- If there is an appeal if a contractor claim or litigation
- If ineligible costs are identified during audit process
- Record retention period restarts (if there is a change is the obligation or expenditure amount)

Improper Payments

Improper Payments Policy

Improper Payment Elimination and Recovery Improvement Act (IPERIA)

- IPERIA is an annual review performed by external auditors
- Transactions are randomly selected in all states
 - Transactions are selected from project billings in FHWA Current Bill system
 - If State is not in auditor sample, then they will be in FHWA sample
- FY15 & FY16 IPERIA testing resulted in increased focus Agency wide
 - FY15 \$479 million in improper payments and 1.08% rate
 - FY16 \$111 million in improper payments and 0.26% rate
 - FY17 \$133 million in improper payments and 0.30% rate
 - Goals: Less than \$100 million and less than 0.25% rate

Improper Payments

What is an improper payment

- An improper payment is one that is:
 - made to an incorrect recipient
 - an incorrect amount (e.g. incorrect Federal share)
 - not in accordance with Federal laws, regulations, or terms and conditions of the Federal award
 - for ineligible, unallowable, or unauthorized goods or services (includes charging to incorrect program code, improvement type/activity)
 - insufficiently documented

Improper Payments

Monitoring Credit Transactions

- Credits may identify potential weaknesses in a project or financial system and/or poorly designed or implemented internal controls
- Proper credit transactions may include:
 - Correcting ineligible funding sources
 - Correcting incorrect Federal share
 - Recoveries due to:
 - Contractor liquidated damages or failed materials
 - Failure to meet Federal requirements
 - Administrative or clerical errors found during project audit or review
 - Repayments due to PE 10-year or 20-year ROW rules

FWHA Oversight Activity

Financial Integrity Review & Evaluation (FIRE) Program

- FIRE is a risk-based financial management oversight program that each Office in FHWA is required to execute.
- Supports FHWA's annual assurances, certifications, and financial reporting
- FIRE components are performed annually:
 - Administrative Self-Assessment
 - Obligation Management Review (Inactive Projects)
 - Improper Payments/Billing Transaction Testing
 - Single Audit Review and Reporting
 - Financial Management Review (Based on Risk)

FWHA Oversight Activity

Compliance Assessment Program (CAP)

The purpose of CAP is to help provide reasonable assurance that Federal-aid highway projects comply with key Federal requirements.

- Implemented each year for a pre-determined population of projects
- Core Question Guide – Required
 - Compliance questions for key regulatory requirements
- Corporate Review Guide – Used if necessary for national review
 - Used when conducting a national review of current or potential risk areas
- Technical Review Guide – Optional
 - Optional guides for program and technical specialist (e.g. Contract Admin, NEPA, ROW)

Questions



Contact Information:

Follow-up Questions or Assistance:

- FHWA Resource Center, Finance Team
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