

FUNDING AUTHORIZATION OVERVIEW

Funding Authorization is how the Federal Highway Administration authorizes, or obligates, funds for the project. No work can occur before Funding Authorization occurs.

POLICY: NCDOT will not participate in any work that occurs before Funding Authorization is obtained. The Project Agreement must be executed and any required documentation must be completed before Funding Authorization occurs.

Funding Authorizations are divided into three (3) phases. For the work associated with the project, it is important to have the correct authorization. All funding authorizations must be reflected in the [Project Agreement](#) and Programmed in the [STIP](#). **All funding authorizations must be confirmed in writing from the Program Manager or Division Project Manager.**

The three phases are:

- Preliminary Engineering (PE)
- Right of Way (ROW)
- Construction (CON)

Refer to the [FUNDING](#) and [STIP](#) Sections for more information.

Funds must be authorized in the Fiscal Year in which they were programmed. If the schedule programmed into the STIP cannot be met, then the LGA must request an amendment to the STIP – see [STIP](#) section for more information.

Once funds have been authorized for a particular phase, it is important that the LGA use those funds in a timely manner. FHWA ties project inactivity to the failure to use funds within a certain time frame after authorization – see [SCHEDULE](#) for more information.

PROCEDURE

When all appropriate steps have been met (see separate sections on [PE](#), [ROW](#), and [CON Authorization](#)), the PROGRAM MANAGER will request funding authorization from FHWA. Authorization of funds can take up to two full weeks. Any work incurred prior to authorization of funds will not be eligible for reimbursement.

IMPORTANT: State funds must be authorized before Agreement is prepared and executed – CONTACT your Division Project Manager for more information.