



NORTH CAROLINA
Department of Transportation



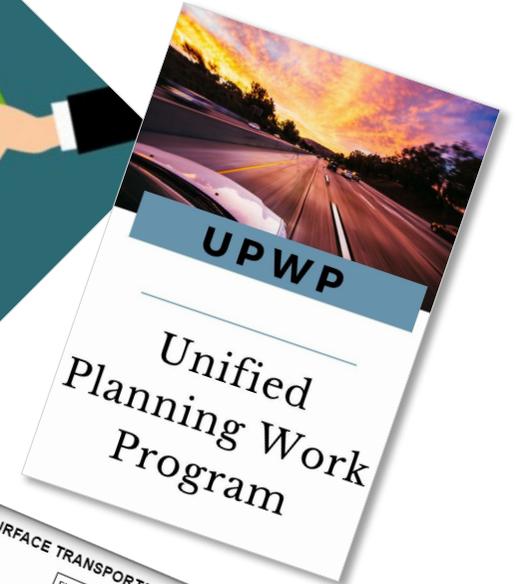
Review of Procurement, Invoicing, PWP's, and 2 CFR 200 for RPO's and MPO's.

Daryl Vreeland

October 12 and 15, 2020

Transportation Planning Division

Presentation sections



Fiscal year	2016	2017	2018	2019	2020
Estimated funding*	\$11,163 B	\$11,424 B	\$11,668 B	\$11,976 B	\$12,137 B

*Calculated (sum of estimated individual State STBG appropriations)

RPO's skip this section

Intro note

- Everything in this presentation applies to RPO's and MPO's!
- RPO's (and MPO's < 200k population) simply ignore the section detailing STBG-DA funds.
 - DA funds are only available to MPO's over 200k in population.
- MPO's and RPO's are used interchangeably throughout this presentation.
- For more info, please refer to the [RPO administrative procedures manual](#) or [MPO administration documents](#).

Objectives

- To provide guidance, education, support, and direction to ensure non-federal entities (LPA's of RPO's/MPO's) follow applicable requirements and guidelines
- To expedite reimbursements to non-federal entities
- To ensure reimbursements are documented properly to withstand third-party scrutiny. (i.e. audits)
- To achieve consistency among recipients of federal funds.

Purpose

- Provide review and resources (links) for MPO and RPO use in:
 - Procurement
 - Invoicing
 - PWP
- Remember your yearly Indirect cost allocation plan
- For applicable MPO's: STBG-DA

Big Picture

- Those receiving Federal funds are responsible for following state and federal regulations.
- Remember to properly document.
- Keep records for longer than you think.
- Audits occur years after you've finished a study/project.
- [Regulations define Improper payment as](#): (click to go to reg)
 - **“...any payment where insufficient or lack of documentation prevents a reviewer from discerning whether a payment was proper”.**
- If auditor discovers improper payment, LPA must pay that back to NCDOT.

What is 2 CFR 200?

- 2 CFR 200 (**Updated sections to 2 CFR 200**)
 - UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS
 - *Formerly:*
 - 44 CFR PART 13
 - 2 CFR 225 Cost Principles for State and Locals
 - OMB Circulars A-87, A-102, A-133
 - Federal Program Guidelines

Update to 2 CFR 200

- Amended August 13, 2020.
- Amendment is published in [Federal Register](#)
- You may need to cross-reference the amendments (manually). Here is the [currently-published version.](#)
- Click on the link to the amendment to be sure.

ACRONYMS

§ 200.0 Acronyms.

CROSS REFERENCE

Link to an amendment published at [85 FR 49529](#), Aug. 13, 2020.

Click on this

The image shows a screenshot of a Federal Register entry. The title is "ACRONYMS". Below it, the section is "§ 200.0 Acronyms.". There is a "CROSS REFERENCE" section with a green background. Inside this section, there is a link: "Link to an amendment published at [85 FR 49529](#), Aug. 13, 2020.". A red oval highlights the link. A purple callout box with the text "Click on this" has an arrow pointing to the link.

Be sure to reference the Amendments

Outdated Version (no Aug, 2020 amendments)

§ 200.322 Procurement of recovered materials.

A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery, and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75885, Dec. 19, 2014]

NEW (amended) VERSION

§200.322 Domestic preferences for procurements.

(a) As appropriate and to the extent consistent with law, the non-Federal entity should, to the greatest extent practicable under a Federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subawards including all contracts and purchase orders for work or products under this award.

(b) For purposes of this section:

§ 200.323 Procurement of recovered materials.

A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where

Some other new sections

§ 200.215 Never contract with the enemy.

Federal awarding agencies and recipients are subject to the regulations implementing Never Contract with the Enemy in [2 CFR part 183](#). The regulations in [2 CFR part 183](#) affect covered contracts, grants and cooperative agreements that are expected to exceed \$50,000 within the period of performance, are performed outside the United States and its territories, and are in support of a contingency operation in which members of the Armed Forces are actively engaged in hostilities.

§ 200.216 Prohibition on certain telecommunications and video surveillance services or equipment.

- (a) Recipients and subrecipients are prohibited from obligating or expending loan or grant funds to:
- (1) Procure or obtain;
 - (2) Extend or renew a contract to procure or obtain; or
 - (3) Enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in [Public Law 115-232](#), section 889, covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities).

2 CFR 200 – manually check update

- [August 13, 2020 update to 2 CFR 200.](#) (PDF)
- [ECFR](#) (Amendment portion only)

§ 200.213 Suspension and debarment.

Non-federal entities are subject to the non-procurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, [2 CFR part 180](#). These regulations restrict awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities.

[80 FR 43309, July 22, 2015]

§ 200.216 Prohibition on certain telecommunications and video surveillance services or equipment.

(a) Recipients and subrecipients are prohibited from obligating or expending loan or grant funds to:

[85 FR 49539, Aug. 13, 2020]

- Where's 200.215? You must check manually (until these discrepancies get fixed...)

Among the updated sections...

- 200.318 – General procurement standards
 - The non-Federal entity **must have and use documented procurement procedures, consistent with State**, local, and tribal laws and regulations and the standards of this section,
- 200.320 Methods of procurement to be followed

Among the updated, part 2

- 200.215 – Never contract with the enemy
- 200.216 - Prohibition on certain telecommunications and video surveillance services or equipment
 - telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities)

Among the updated, part 3

- 200.322 Domestic preferences for procurements
 - (a) As appropriate and to the extent consistent with law, the non-Federal entity should, to the greatest extent practicable under a Federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States
- 200.414 Indirect (F&A) costs

FHWA guidance regarding this update

- Currently awaiting additional FHWA-specific guidance regarding the August 13, 2020 update to 2 CFR 200.
- [Redlined reference document](#) (not OMB guidance).
 - From performance.gov

PROCUREMENT

MPO/RPO process to hire a consultant

- This presentation is a brief overview.
- The fully detailed process can be found in [TPD's procurement process for MPO/RPO's](#)
- “If one of the MPO's <or RPO's> member agencies is carrying out the work, it is the responsibility of the LPA to ensure this process is followed”

If non-LPA will procure work

- Best practice: Have an interlocal agreement between LPA and Town/non-LPA member organization
- Establishes reimbursement protocol (between LPA and Town), and
- Clarifies legal responsibilities

Non-LPA-led work -- payment flows

- Town(non-LPA) pays 100% (\$100k) of study cost
 - (let's assume 80%/20% for this example)
- Town would request/invoice 80% (\$80k) reimbursement from LPA quarterly (or monthly, etc).
- LPA pays Town the 80% (\$80k) reimbursement.
- LPA invoices NCDOT for that 80% (\$80k) amount paid to the Town in the regular quarterly invoice.
 - Be sure not to reduce amount requested by another 80%.
 - You want the full 80% (\$80k) back, not 80% of the 80% (\$64k) requested.

TPD's procurement procedure for MPO's and RPO's.

- Following TPD's procedure ensures compliance with applicable State and Federal requirements regarding procurement of Private Engineering Firms.
- Involve TPD coordinator every step of the way
 - Includes OIG review of DRAFT contract
 - reviews pay rates, overhead rates and other non-salary costs included in the consultant contracts.
 - Your TPD contact will coordinate the review.
 - Make sure prime and ALL subs are prequalified.

PEF procurement Process

1. LPA notify TPD coordinator of intent to acquire PEF.
2. TPD coordinator to verify project is in adopted UPWP with sufficient funds.
 - a) MPO to involve TPD coordinator in consultant selection process/ committee
3. LPA submit draft RFLOI to TPD coordinator
4. TPD to review RFLOI
5. TPD give approval to MPO staff to advertise work

PEF Process, page 2

5. (con't) If work is less than \$50k, then LPA doesn't need to formally advertise, but still must target a pool of 5-6 prequalified firms and request proposals/letters of interest.
6. LPA staff transmits copy of proposals received to TPD coordinator for their review. (TPD staff are selection committee members)
7. TPD coordinator [verifies prequalification status](#) of firms for the work tasks identified.

PEF Process, page 3

8. MPO/RPO Staff schedules PEF selection meeting.
9. PEF selection is made.
 - a) If service is for contracting out MPO operations, agreement shall not exceed a 2-year contractual period. Must be re-advertised every 2 years.
10. a) **MPO/RPO staff to submit draft contract, scope, manhours, etc to TPD coordinator.**
 - b) TPD Coordinator to email package to OIG for their review. OIG to review overhead, pay rates, other non-salary costs, etc.

Process, page 4

- c. After OIG review, TPD coordinator to transmit [Consultant Approval Memo](#)
 - i. TPD may approve, approve with comments, or not approve.
 - ii. If OIG has comments that need addressing, TPD coordinator may email LPA to address comments, and submit revised contract/cost proposal.
- 11. LPA to transmit executed contract to TPD coordinator.

Process, page 5

12. TPD coordinator to submit to Planning Unit Head the following for entry into SAP:

- Executed contract
- OIG review letter
- TPD's Consultant Approval letter

NCDOT Integrated Project Delivery (IPD)

[Professional Engineering Firm Management - Guidance for Project Managers](#)

- The purpose of this document is to introduce new Project Managers with the Department to the basic concepts of PEF management



On-call contracts

- **On-call contracts** or limited service agreements (example: planning services on-call) **shall not exceed 5 years.**
- This includes the initial period plus all possible contract extensions.
- [23 CFR 172.9 \(a\) \(3\) \(i\)](#)

Preparing RFP/RFLOI

- Be sure to list the specific Discipline Codes you seek within your RFP/RFLOI
- Transportation Planning codes start on page 56
- [Discipline Code listing](#)
 - Tran Planning – page 56
 - Bike/Ped – page 100
- [RFLOI template](#)

[NCDOT Local projects administration web page](#)

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TRANSPORTATION PLANNING Unit contact: James Upchurch (919) 707-0928

TRANSPORTATION PLANNING jhupchurch@ncdot.gov

Discipline Code	Discipline	Description of Work	Key Personnel Required	Employee NC Registration Required	Minimum Years of Experience	Firm NC Registration Required	Additional Requirements
141	Multimodal Transportation Planning						Must show expertise in development of the Transportation Plans which consider various modes of transportation and connections among them, including collection and forecasting of socio-economic data and travel survey data, and public participation for development of a plan.
261	Long Range Transportation Planning						Must show expertise in the development of the Multimodal Long Range Transportation Plans to satisfy Federal regulations. These typically occur in urban areas with greater than 50,000 population.
140	Travel Demand Model Development	Travel Demand model development for small area models (under 50,000) and regional models. Development of a new travel demand model or major/minor update of an existing travel demand model for various sizes of urban area					Must provide a list of travel demand model development projects for which the firm has worked on. Each project must contain: specific staff involved with the project and the role they played in the development; the type and size of the travel demand model (size of study, number of TAZ and major components of model approach); and anything unique or special on these projects. Must provide a list of other areas the firm has specialty (i.e. toll modeling, transit modeling, activity

A note on Discipline Codes (use in RFLOI)

- List the work codes that the consultant should be prequalified in by NCDOT. There is a choice as to whether the consultant (or team of consultants) should be prequalified in ALL work codes or ANY COMBINATION of work codes.
 - If ALL, then the LGA should reject any submittal as “not responsive” if any of the work codes is missing.
 - If ANY COMBINATION, then the LGA has some flexibility to evaluate the consultants, even if they are not prequalified in all work codes

NCDOT prequalification

- Be sure your consultant is [pre-qualified](#) with NCDOT
 - or needs to obtain prequalification status prior to contract execution
 - Pre-qualified to do the work under a given discipline code.
- Sub-contractors also **ALL** need to be pre-qualified.
- [PREQUALIFICATION SEARCH PAGE](#)
 - Enter firm name and look for the discipline codes they are prequalified to perform.

Review of DRAFT cost proposal

- Per Federal regulations, NCDOT requires that your draft cost proposal has been reviewed by NCDOT's OIG office to compare proposed rates vs approved.
 - Provide a draft cost proposal to your TPD coordinator.
 - Your TPD coordinator will submit the cost proposal for OIG review, and transmit any findings to you.
 - Have your consultant address the comments and provide a new draft contract with the changes to your TPD coordinator.

Can TPD review draft cost proposal?

- Generally, TPD staff is to send the cost proposal to NCDOT's Office of Inspector General (OIG) for review.
- In rare circumstances, TPD can review.
 - Consultant must have voluntarily provided data in the CRS system, otherwise OIG must conduct the review.
 - Request from TPD Director -- Explain the circumstance.
- Prime and **all subcontractor rates** must be reviewed.
- Review letter should be submitted along with first study invoice for NCDOT reimbursement.

Why OIG review—23 CFR172.11

Allowable costs and oversight.

- b(1) *Indirect cost rates.* (i) **Indirect cost rates shall be updated on an annual basis** in accordance with the consultant's annual accounting period and in compliance with the Federal cost principles.
- FHWA Policy (order 4470.1A)
 - [FHWA Policy for Contractor Certification of Costs...](#)

Format for proposed contract costs

EXAMPLE OF A STANDARD PROPOSAL:

CLASSIFICATION	EMPLOYEE	MAN-HOURS	HOURLY RATE	TOTAL
Project Manager	Jane Doe	10	\$50.00	\$500.00
Sr. Engineer	John Doe	40	\$40.00	\$1,600.00
CADD	Adam Smith	80	\$20.00	\$1,600.00
Clerical	Eve Smith	20	\$15.00	\$300.00
TOTAL DIRECT LABOR				\$4,000.00
OVERHEAD RATE	130.00%	<i>(applied to DL)</i>		\$5,200.00
SUB-TOTAL				\$9,200.00
FEE	9.00%	<i>(applied to DL and OH)</i>		\$828.00
COST OF CAPITAL	1.23%	<i>(applied to DL)</i>		\$49.20
SUB-TOTAL				\$10,077.20
DIRECT NON-SALARY COSTS:				
TYPE	QUANTITY	UNIT PRICE	TOTAL	
Mileage	500	\$0.56	\$280.00	
Reproduction	100	\$0.04	\$4.00	
Per Diem	5	\$110.80	\$554.00	
TOTAL DIRECT NON-SALARY COSTS				\$838.00
GRAND TOTAL				\$10,915.20

These items vary from firm to firm
* Note – not all firms have an overhead rate.

Consultant may use:
[NCDOT Scope and Manday estimate form](#)
-sometimes referred to as the “kitchen sink” spreadsheet

Maximum allowable non-salary direct costs

*This memo is periodically updated with the latest rates, which may cause the link to not function. A simple internet search will find the latest version.

Car Rental Rate Includes Tax

<u>Subsistence:</u>	<u>In-State</u>	<u>Out-State</u>
Breakfast	\$ 8.60	\$ 8.60
Lunch	\$ 11.30	\$ 11.30
Dinner	\$ 19.50	\$ 22.20
Lodging	\$ 75.10	\$ 88.70
	<u>\$ 114.50</u>	<u>\$ 130.80</u>



STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

ROY COOPER GOVERNOR J. ERIC BOYETTE SECRETARY

August 13, 2020

MAXIMUM ALLOWABLE NON-SALARY DIRECT COSTS

CONSULTANTS ARE LIMITED TO THE LOWER OF THEIR ACTUAL RATES OR THE RATES IMPOSED BELOW

Reproduction:			
Copies (B&W)	\$ 0.09	Vellums	\$ 3.00
Copies (B&W)	\$ 0.15 11" x 17"	Stick-ons	\$ 1.00
Copies (color)	\$ 0.83	Covers	\$ 0.50
Copies (color)	\$ 1.66 11" x 17"	Binding	\$ 0.50
Blueprints	\$ 0.35	Mylars	\$ 5.90
Blueprints	\$ 1.30 42" x 72"	Mylars	\$ 21.00 3' x 4'
Bond	\$ 0.42	Bond	\$ 3.50 34" x 68"
Computer:		Other:	
CADD	\$ -	Film & Development	\$ 20.00 per roll
<i>recovered through overhead</i>			
Mileage:		CEI/Technician-type contracts:	
Sedan	\$ 0.575 per mile	2-WD Truck	\$ 835.00 per month
Carryall	\$ 0.595 per mile	4-WD Truck	\$ 915.00 per month
Car Rental	\$ 45.00 per day	2-WD Truck gas reimbursement	\$ 0.13 per mile
Gas for car rental	\$ 0.20 per mile	4-WD Truck gas reimbursement	\$ 0.14 per mile
		2-WD & 4-WD truck gas reimbursement eff. July 1, 2020	
		Phones, computers, iPads, Data Plans, Wi-Fi, etc., <i>recovered through overhead</i>	
Subsistence:		Hotel reimbursement is limited to actual costs not to exceed:	
Breakfast	\$ 8.60	\$ 8.60	\$ 75.10 per day plus tax for <u>in</u> state
Lunch	\$ 11.30	\$ 11.30	\$ 88.70 per day plus tax for <u>out</u> of state
Dinner	\$ 19.50	\$ 22.20	\$ 80.00 per day
Lodging	\$ 75.10	\$ 88.70	for hotel will be proposed for ALL NCDOT proposals.
	<u>\$ 114.50</u>	<u>\$ 130.80</u>	

Independent Cost Estimate/Contract Cost

- [CFR 200.323](#)
 - a) “...the non-Federal entity must make independent estimates before receiving bids or proposals.”
 - d) “The cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used.”
 - **Use Lump Sum**

Independent Cost Estimates

- Selected consultant sends blank cost sheet – except that staff names and hourly wages should be populated
- LPA uses this information to estimate manhours and thus total cost.
- PEF to develop their estimate, and LPA to develop one.
- Then, LPA may use theirs, the PEF's, or a new one as a result of negotiation.

Reminder – Federal Contract Provisions

- Once the cost proposal is approved by NCDOT's OIG office, and you receive TPD approval, then (**and only then**) present for governing body action / signature to enter into contract.
- TPD cannot review for required federal provisions.
- [Contract Provisions \(all contracts with Federal Funds\)](#)
 - This does not contain the exact language of all the provisions.
 - That must be determined by your LPA's legal representation.
- **The legal burden is upon (sub)recipients of federal funds to follow all federal regulations.**

Contract Provisions

- **Refer to Appendix II to Part 200** – Contract Provisions for Non-Federal Entity Contracts Under Federal Awards

INVOICING

- This applies to:
- Invoices from consultants to LPA
- And, Invoices from LPA to NCDOT

Invoicing 101

- Purchase Order (PO) – official confirmation of an order. A document sent from a purchaser to a vendor that authorizes a purchase. (PWP approval letter)
- Invoice – request payment for a purchase
- WBS – work breakdown structure – a breakdown of projects (all MPO's) into smaller components (your MPO).
 - Consider it a bank account number for a given FY or project.
- **You will receive new WBS and PO numbers every fiscal year.**

Invoice contents

Invoice package to NCDOT must contain:

- 1) **Cover letter** with PO and WBS numbers.
 - Total amount spent during invoice period
 - Net amount to be reimbursed for each WBS number.
- 2) Signed certification (by accounting manager)
- 3) Proof of payment(s) (for contractors, items, etc)
- 4) Statement/description of work performed
 - Include any consultant invoices and their statements of work
- 5) DBE form (for purchases/consultant expenses)

Details on certain Cover letter requirements

- Invoice number
- Address on letterhead matching address on file with NCDOT's fiscal division.
- [NCDOT Key Invoice Components](#)

Invoice numbers: *Basic Rules*

On the cover letter to TPD:

- Less than 16 characters
- Use a unique invoice number (each fiscal year) for each invoice you send to TPD.
- **No special characters** (letters and numbers only)
- Don't use the same invoice number twice in a given fiscal year.
- If applicable, **use the invoice number on the invoice generated by your LPA (accounting department)**

Invoice number examples

- Otherwise, create a logical number, for example:
- **Example invoice number:**
- Invoice 1
- Invoice FY20Q2SPR, FY20Q2PL, FY20Q3DA, FY20Q4SPR,
- Invoice FY20Q2 (if only 1 funding source)
- Invoice 20191215 (year/month/day)

Address on letterhead (invoice)

- Address on invoice must match address in SAP system.
- If LPA needs to change address or name of organization in NCDOT's system -LPA must fill out [Substitute Form W-9 --\(aka: Vendor Registration Form\)](#)
- Until the form is approved or *if address on your letterhead doesn't match what's on file with NCDOT,* **add to invoice (either cover letter or certification):**
 - **Remit check to: (address on file in NCDOT's SAP/financial system).**

Generally Accepted Accounting Principles, or GAAP

- Per GAAP cost principles, an invoice should:
 - For 1 month of consultant or RPO work:
 - **State the time period being billed.**
 - Ex: “...for work performed from Jan 1, 2020 – Jan 31, 2020.”
 - Be dated ***after*** the time period of work being invoiced.
 - Only include costs incurred for work done during the month being invoiced.
 - Include **specific meeting dates and title of meeting.**
 - Proof of payment (for counters, consultant payments, etc)

Common invoice errors

- \$ Amount in cover letter does not correspond to \$ Amount in the table or back-up documentation.
- **Failure to describe work accomplished or what the funds were expended on. (applies to PWP also)**
- Dates in the Invoice or Cover Memo are incorrect.
 - Dates of invoice period is incorrect. Invoice for month of January can not have activity in December or Feb.
- Certification not signed by LPA's Financial Officer.
- Amount in PWP or invoice is greater than amount available. (or more than variance limits)

Common errors page 2

- Wrong PO and/or WBS numbers.
- **Not specifying dollar amount to be applied to which WBS/PO number (for those that have multiple WBS).**
- Forgetting to remove taxes paid from total expenses calculation.

MPO/RPO invoices to NCDOT – basics

- Date of invoice should be after period of performance.
- Invoice for Federal funds must be for 80% of your quarterly expenditures. (spend 100%, invoice NCDOT for 80%)
 - Make sure your invoice is for 80% of the amounts of any attached consultant invoices. (unless you've paid another municipality the 80%, and asking reimbursement for that 80%)
- Mileage/Hotel/meals – please indicate the date and location of the meeting
 - Ex: “Mileage for SPOT workgroup meeting in Raleigh, Sept 1, 2017”

NCDOT has a standard invoice form for consultant use

[Link to NCDOT's standard invoice form \(Excel\):](#)

Department of Transportation

Remit to: _____

INVOICE FORM

LUMP SUM FEE

Partial Billing
 Final Billing
 T.I.P. No. _____
 WBS No. (State Project No.) _____
 Federal Project No. _____
 Lump Sum Fee* _____

DOT Contract No. _____
 DOT Invoice No. _____ L-
 Firm Invoice No. _____
 Date of Invoice _____
 Tax ID # _____
 Firm Name _____
 Signed _____
Put Printed Signature Name in this Block

Line Item	Activity <small>not for cost approval</small>	Line Item \$ Amt	% of Fee	% Complete Last Report	% Complete to Date	% of Fee Complete	Sub-consultant Name	\$ Paid Sub-consultant This Invoice
10								
20								
30								
40								
50								
60								
70								
80								
Total			100%					\$
Fee \$ _____			x _____ %	=	\$ _____			
			Less Prior Billings	=	\$ _____			
			TOTAL AMOUNT DUE	=	\$ _____			
Total Amount Paid DDE[if this invoice]			\$ _____					
Grand Total Paid DDE[if all invoices]			\$ _____	IF Final Invoice				
Complete or Applicable								
Original Fee			\$ _____					
List any Supplements			1. \$ _____					
			2. \$ _____					
			3. \$ _____					
			4. \$ _____					
*Total Lump Sum Fee			\$ _____					
<small>*Include original fee and all supplements [if any]</small>								

NCDOT APPROVAL
 X COMPLETE APPROVED

By _____ Date _____

Keep Approval Block on same page as invoice

Submit: 1 Original + 1 Copy of Invoice - 1 Monthly Progress Report (see above letter instructions)
NOTE: These invoices are entered into our Fiscal program. Please do not highlight/shade the figures.
Please do not fold invoice or highlight/shade any information

MPO/RPO – aim for 30-day to process consultant invoices

- Recommended to follow State guidelines:
- Consultants submit invoices within 30 days from the performance period, and paid within 30 days from receipt.
- [NCDOT memo regarding invoices and payment within 30 days](#)

DBE-IS form is required

(if consultant / vendor used that quarter or invoice period)

- List payments to consultants (or vendors) that occurred in the quarter.
 - Includes any payments from LPA to MPO-member jurisdictions
 - (for MPO eligible work they may be project managing)
- Be sure the form is signed.
 - (certifying the payments listed are accurate)
 - [PDF of DBE-IS form](#)
- Only needed with invoices containing payments to consultants or vendors

Example DBE-IS form

**State of North Carolina
Department of Transportation
Subcontractor Payment Information**

with Invoice To: Bheshad Norowzi
North Carolina Department of Transportation
Transportation Planning Branch
1554 Mail Service Center
Raleigh, NC 27699-1554

Firm Invoice No. Reference _____
NCDOT PO / Contract Number 7500017326
WBS No. (State Project No.) 39225.1.10
Date of Invoice _____
Signed _____

Be sure to sign and date

Obtain PO and WBS numbers from TPD each FY

Redacted for privacy

Redacted for privacy

Invoice Line Item Reference	Payer Name	Payer Federal Tax Id	Subcontractor / Subconsultant / Material Supplier Name	Subcontractor / Subconsultant / Material Supplier Federal Tax Id	Amount Paid Subcontractant / Material Supplier This Invoice	Date Paid To Subcontractor / Subconsultant / Material Supplier This Invoice
Jul-14	City of Greenville	[Redacted]	MioVision	[Redacted]	\$ 5,263.00	8/20/2014
Jun-14	City of Greenville	[Redacted]	Transmap Engineering	[Redacted]	\$ 29,458.67	8/29/2014
Total Amount Paid to Subcontractor Firms					\$ 34,721.67	

Proof of Payment

- Evidence of Payment
- Copy (front and back) of cancelled checks, or
- Copy of bank statement showing where checks have cleared, or
- A certified EBT (Electronic Benefits Transfer) statement
- 2CFR200.302 "...and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award. "

Required by Federal regulations-2 CFR 200

- **2 CFR 200.302(b)(4) Financial Management**
 - The non-Federal entity must adequately safeguard all assets and assure that they are used solely for authorized purposes. See § 200.303 Internal controls.
- **2 CFR 200.400(d) Policy Guide**
- ...the accounting practices of the non-federal entity must ...provide for adequate documentation to support costs charged to the federal award.
- **2 CFR 200.53(b) Improper Payment**
 - ... any payment where insufficient or lack of documentation prevents a reviewer from discerning whether a payment was proper.

Invoice detail requirements

Greenville Urban Area MPO
Third Quarter Report, Fiscal Year 2015-2016
January 1, 2016 - March 31, 2016

*there are variance rules in
the procedures*

Detail of Expenditures

TASK #	TASK	PL104 budget for FY16 Total	Staff	Professional	Supplies, Training, Advertising	Total 3rd qtr FY16	80% reimbursement	Amount of PL104 funds remaining after 3rd Quarter expenditures
			Salaries	Services	This Quarter			
II-A-1	Networks and Support Systems • Traffic Volu	\$60,000.00				\$0.00	\$0.00	\$40,718.24
II-A-2	Travelers and Behaviour • Dwelling Unit, Pop	\$15,000.00				\$0.00	\$0.00	\$15,000.00
II-A-3	Transportation Modeling • Travel Model Upda	\$150,000.00				\$0.00	\$0.00	\$150,000.00
II-B-1	Targeted Planning • Air Quality Planning/Con	\$15,000.00				\$0.00	\$0.00	\$14,826.85
II-B-2	Regional Planning • Community Goals and C	\$95,000.00	\$5,466.49			\$5,466.49	\$4,373.19	\$82,794.34
II-B-3	Special Studies	\$100,000.00				\$0.00	\$0.00	\$100,000.00
	Corridor study	\$20,000.00						
	Bike Plan	\$30,000.00						
	MTP update	\$50,000.00						
III-A-1	Planning Work Program	\$25,000.00	\$1,338.58			\$1,338.58	\$1,070.86	\$12,069.86
III-A-2	Metrics and Performance Measures	\$35,000.00				\$0.00	\$0.00	\$35,000.00
III-B-1	Prioritization	\$30,000.00	\$4,127.30			\$4,127.30	\$3,301.84	\$15,679.19
III-B-2	Metropolitan TIP	\$30,000.00	\$1,115.39			\$1,115.39	\$892.31	\$26,711.54
III-B-3	Merger/Project Development	\$25,000.00				\$0.00	\$0.00	\$23,896.04
III-C-1	Title VI Compliance	\$10,000.00				\$0.00	\$0.00	\$10,000.00
III-C-2	Environmental Justice	\$10,000.00				\$0.00	\$0.00	\$10,000.00
III-C-3	Minority Business Enterprise Planning	\$0.00				\$0.00	\$0.00	\$0.00
III-C-4	Planning for • Elderly	\$0.00				\$0.00	\$0.00	\$0.00
III-C-5	Safety/Drug Control Planning	\$0.00				\$0.00	\$0.00	\$0.00
III-C-6	Public Involvement	\$20,000.00			\$495.00	\$495.00	\$396.00	\$17,374.99
III-C-7	Private Sector Participation	\$0.00				\$0.00	\$0.00	\$0.00
III-D	Statewide and Extra-Regional Planning	\$50,000.00	\$892.38		\$706.79	\$1,599.17	\$1,279.34	\$48,235.23
III-E	Management Ops, Program Support Admin	\$100,000.00	\$10,653.01		\$265.93	\$10,918.94	\$8,735.15	\$71,159.76
	TOTALS	\$870,000.00	\$23,593.15		\$1,467.72	\$25,060.87	\$20,048.70	\$673,466.04

Invoice checklist

- 1) Is invoice for 80% of total expended?
- 2) Invoice follows GAAP principles? (date of invoice, period of performance, etc)
- 3) Are there enough funds in the task code?**
- 4) Description of work and consultant invoices attached?
- 5) Project in UPWP and funds / fund source identified?
 - 1) Ex: If purchasing a traffic counter, is this noted in PWP task description?

Invoice checklist, page 2

- 6) Proof of payment attached?
 - 7) Taxes removed from total?
 - 8) DBE-IS form attached (and signed)?
 - 9) Invoice #, PO, and WBS in subject line?
- STBG-DA, SPR, and PL funds have different WBS numbers (each fiscal year)—properly identify so correct invoice amount is applied to proper WBS number.

Invoice checklist – page 3

- If requesting reimbursement for consultant work:
- **On the first invoice reimbursement request to NCDOT, include the OIG review letter for the study/project.**
 - This will keep this vital piece of documentation stored in NCDOT's payment system and help you with audits.
 - Don't need to resend with subsequent invoices for the study.
- (in addition to the usual consultant invoices, statements of work, DBE form, and other invoice elements, etc)

Elements of a good invoice cover letter



February 15, 2018

Coordinator, FHWA-PL Fund Distribution
 North Carolina Department of Transportation
 Transportation Planning Branch
 1154 Mail Service Center
 Raleigh, NC 27699

SUBJECT: FHWA, Section 104(f) Planning Funds and STP DA Funds
 Greater Raleigh Urban Area, Invoice No. 2 FY 2018/2019
 FY 2019 Contract No. 7500023064 wbs: 48269.1.13 PL, 48275.1.6 STP-DA

Dear Coordinator:

The Greater Raleigh Urban Area planning work program provides for expenditure of Section 104(f) PL Funds in the amount of \$872,360 (80% = \$697,888 PL+\$174,472 Member Shares) and STP DA Funds in the amount of \$2,000,000 (80% = \$1,600,000 STP-DA+\$400,000 Member Shares) for FY 2018/2019. For the period 10/01/18 to 12/31/18, a total of \$332,208 in costs has been incurred in the Section 104(f) and a total of \$61,472 in costs has been incurred in the STP DA Funds.

This letter is to request reimbursement of Section 104(f) in the amount of \$265,766 (\$332,208 x 80% = \$265,766 and STP DA Funds in the amount of \$49,178 (\$61,472 X 80% = \$49,178)

Section 104(f) Funds:

Total Amount Eligible for Reimbursement to Date	\$ 510,579
Less Previous Payments/Requests for Payment	\$ (244,813)
Net Amount Payable this Invoice	\$ 265,766

STP DA Funds:

Total Amount Eligible for Reimbursement to Date	\$ 205,588
Less Previous Payments/Requests for Payment	\$ (156,410)
Net Amount Payable this Invoice	\$ 49,178

Total Reimbursement \$ 314,944

In this example, there is only 1 PO number.

Invoice #

Total expended is X. 80% reimbursement is Y.
 Be sure to mention the reporting period of <start date> to <end of date of reporting period> (typically one quarter)

Could also submit as 2 separate invoices. (one per WBS number)

Total reimbursement this invoice

FY, WBS, and PO# in subject

Details of each WBS / funding source.

Cover letter errors

- If the cover letter is inaccurate in some way TPD can not process. **If there are errors, you must resubmit the invoice package** with a corrected cover letter.
- Typical errors on the cover letter
 - wrong WBS,
 - wrong PO,
 - wrong period of performance,
 - wrong reimbursement amount (doesn't match spreadsheet).

Invoices to NCDOT – request by funding source

- Invoices to NCDOT (PWP also) need to have description of work and who did the work (consultant or RPO staff)
 - In the PWP: who will do the work.
 - On the invoice: who did the work.
- On the invoice to NCDOT... **Each funding source needs to be identified and request reimbursement from each source**, as applicable.
 - Each funding account requires separate documentation, proof of payment, description of work accomplished (for those particular funds), etc.

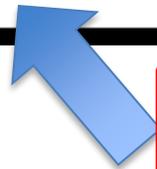
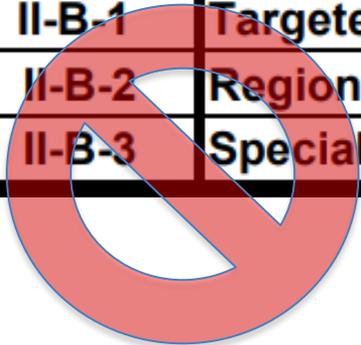
Multi-funding source example expenditure report (could also submit separate invoices)

CODE	TASK/DESCRIPTION	Expenditures 1st Quarter-PL	Expenditures 1st Quarter-STP-DA
II-A	SURVEILLANCE OF CHANGE		
1	Traffic Counts	\$5,000	\$5,484
2	Vehicle Miles of Travel	\$2,000	\$76
3	Street System Mileage Change	\$2,569	\$0
4	Traffic Crashes	\$4,322	\$0
5	Transit System Data	\$1,753	\$0
6	Dwelling Unit, Pop/Empl Changes	\$5,380	\$0
7	Air Travel	\$500	\$1,640
8	Vehicle Occupancy Rates	\$0	\$0
9	Travel Time Studies	\$4,363	\$0
10	Mapping	\$8,453	\$3,325
11	Central Area Parking Inventory	\$2,000	\$1,479
12	Bike & Ped Facilities Inventory	\$3,291	\$2,093
13	Bike & Ped Counts	\$3,771	\$1,912

UPWP / PWP

PWP- What's wrong with this?

Task Code	Task Description	Section 104 (f) (PL Funds) Highway		
		Total	Local 20%	FHWA 80%
II-A	Data and Planning Support			
II-A-1	Networks and Support System	\$10,000	\$2,000	\$8,000
II-A-2	Travelers and Behavior	\$10,000	\$2,000	\$8,000
II-A-3	Transportation Modeling	\$150,000	\$30,000	\$120,000
II-B	Planning Process			
II-B-1	Targeted Planning	\$30,000	\$6,000	\$24,000
II-B-2	Regional Planning	\$50,000	\$10,000	\$40,000
II-B-3	Special Studies	\$400,000	\$80,000	\$320,000



What is the study? Need to provide detail and cost of each study.

What's wrong with this PWP task description?

Task Code	Prospectus Task Code Titles	Task Code Title Descriptions	Total Costs
II-B-3	Special Studies		\$1,295,500
		<p>Conduct feasibility studies/ corridor assessments as appropriate for project development and planning purposes. This may include a range of studies for project development and planning purposes on an as-needed basis. Develop and review Environmental Impact Statements (EIS), Environmental Assessments (EA), Categorical Exclusions (CE), FONSI, feasibility studies and other NCDOT and City planning documents. Assist MPO members with STP-DA funded projects process. Manage City Bond referendum studies and projects. Assist CCPB with small area plans transportation elements.</p>	

Doesn't identify an individual study! This is not an acceptable study description.

Each special study needs to be itemized

FTA CODE	TASK CODE	TASK DESCRIPTION	MPO Planning and Admin - PL104		
			Local 20%	Federal 80%	TOTAL
	II-A	Data and Planning Support	\$ 27,000	\$ 108,000	\$ 135,000
44.24.00	II-A-1	Networks and Support Systems	\$ 12,000	\$ 48,000	\$ 60,000
44.23.01	II-A-2	Travelers and Behavior	\$ 3,000	\$ 12,000	\$ 15,000
44.23.02	II-A-3	Transportation Modeling	\$ 12,000	\$ 48,000	\$ 60,000
	II-B	Planning Process	\$ 52,000	\$ 208,000	\$ 260,000
44.23.02	II-B-1	Targeted Planning	\$ 3,000	\$ 12,000	\$ 15,000
44.23.01	II-B-2	Regional Planning (CTP, MTP, etc)	\$ 13,000	\$ 52,000	\$ 65,000
44.27.00	II-B-3	Special Studies	\$ -	\$ -	
		SW Bypass corridor/small area plan	\$ 5,000	\$ 20,000	\$ 25,000
		PATS Community Transportation Plan	\$ 5,000	\$ 20,000	\$ 25,000
		Bike/Ped/Greenway Master Plan	\$ 26,000	\$ 104,000	\$ 130,000

Another example

Title of each study is listed with cost estimate!

		FHWA STBG-DA Funds		
		Total 100%	Local 20%	FHWA 80%
II-B	Planning Process			
II-B-1	Targeted Planning	\$0	\$0	\$0
II-B-2	Regional Planning	\$0	\$0	\$0
II-B-3	Special Studies	\$1,560,000	\$312,000	\$1,248,000
	Village of Clemmons- Bicycle and Pedestrian Plan			
	FTA Pilot Transit-Oriented Development Grant			
	MTP & CTP Consultant	\$300,000	\$60,000	\$240,000
	Lewisville-Clemmons Road - Clemmons FS	\$100,000	\$20,000	\$80,000
	Montroyal Reconnection Study - Rural Hall	\$100,000	\$20,000	\$80,000
	Northridge Park Dr to Langenthal Dr. Connector Study Rural Hall	\$100,000	\$20,000	\$80,000
	Main Street Transportation Study - Walkertown	\$80,000	\$16,000	\$64,000
	MPO Freight Study Phase III	\$75,000	\$15,000	\$60,000
	PMP and Human Services Plan	\$100,000	\$20,000	\$80,000
	Downtown Streetscape Plan - Winston Salem	\$150,000	\$30,000	\$120,000
	Lewisville-Clemmons Road Interchange/Kinnamon Bridge Study - Clemmons	\$100,000	\$20,000	\$80,000
	Pedestrian Plan	\$175,000	\$35,000	\$140,000
	PTRM Household Survey - Winston-Salem MPO Share	\$50,000	\$10,000	\$40,000
	Bicycle Master Plan	\$30,000	\$6,000	\$24,000
	Salem Creek Greenway FS	\$200,000	\$40,000	\$160,000

Yet Another Example

- ✓ Each study is listed in corresponding funding category.
- ✓ Each funding category shows funding % and total.

FTA CODE	TASK CODE	TASK DESCRIPTION	MPO Planning and Admin - PL104			Transit Planning - 5303				STBGDA (Flexed to PL)		
			Local	Federal	TOTAL	Local	State	Federal	Total	Local	Federal	Total
			20%	80%		(10%)	(10%)	(80%)				
	II-A	Data and Planning Support	\$ 7,305	\$29,221	\$ 36,526	\$2,363	\$2,362	\$18,900	\$23,625	\$ 6,566	\$ 26,266	\$ 32,832
44.24.00	II-A-1	Networks and Support Systems	\$ 1,623	\$6,494	\$ 8,117	\$1,890	\$1,890	\$15,120	\$18,900			
44.23.01	II-A-2	Travelers and Behavior	\$ 2,435	\$9,740	\$ 12,175	\$473	\$472	\$3,780	\$4,725			
44.23.02	II-A-3	Transportation Modeling	\$ 3,247	\$12,987	\$ 16,234					\$ 6,566	\$ 26,266	\$ 32,832
	II-B	Planning Process	\$ 17,046	\$68,182	\$ 85,228	\$740	\$740	\$5,920	\$7,400	\$ 61,618	\$246,473	\$ 308,092
44.23.02	II-B-1	Targeted Planning	\$ 9,740	\$38,961	\$ 48,702							
44.22.00	II-B-2	Regional Planning	\$ 4,870	\$19,481	\$ 24,351	\$740	\$740	\$5,920	\$7,400			
44.27.00	II-B-3A	Special Studies Operations	\$ 2,435	\$9,740	\$ 12,175					\$ 1,642	\$ 6,566	\$ 8,208
44.27.00	II-B-3B	Corridor Studies Pilot Operations	\$ -	\$0	\$ -					\$ 1,642	\$ 6,566	\$ 8,208
44.27.00	II-B-3C	Special Studies Pass-Through	\$ -	\$0	\$ -							
44.27.00	II-B-3D	TDM Coordinator								\$ 11,935	\$ 47,741	\$ 59,676
44.27.00	II-B-3E	Regional Transit Feasibility Study								\$ 20,000	\$ 80,000	\$ 100,000
44.27.00	II-B-3F	Asheville Bike Ped Count Equip.								\$ 12,000	\$ 48,000	\$ 60,000
44.27.00	II-B-3G	Waynesville Grnway Feas. Study								\$ 14,400	\$ 57,600	\$ 72,000
	III-A	Planning Work Program	\$ 3,247	\$12,987	\$ 16,234	\$202	\$203	\$1,620	\$2,025	\$ 3,283	\$ 13,133	\$ 16,416

In PWP: Total funds by funding source
(have 20%, 80%, and 100% columns)

TASK CODE	TASK DESCRIPTION	MPO Planning and Admin - PL104		
		Local 20%	Federal 80%	TOTAL 100%
II-A	Data and Planning Support	\$ 45,000	\$ 180,000	\$ 225,000
II-A-1	Networks and Support Systems	\$ 12,000	\$ 48,000	\$ 60,000
II-A-2	Travelers and Behavior	\$ 3,000	\$ 12,000	\$ 15,000
II-A-3	Transportation Modeling	\$ 30,000	\$ 120,000	\$ 150,000

Make sure UPWP has these 3 columns for PL,
STBG-DA, (and SPR if applicable) (for all
funding sources)

PWP project description.

What's wrong with this?

o **Greenville MPO Non-motorized Transportation Plan** This item is carried forward from the previous Fiscal Year, since it is not expected to be completed. While the total plan is estimated at \$140,00, it is expected that \$40,000 will be expended in the previous fiscal year, leaving \$100,000 for FY2017. An additional \$30,000 is programmed for project management, for a total expenditure of \$130,000 in FY17.

The City of Greenville plans to develop an integrated non-motorized transportation plan which will update the existing bike/ped plan, and will include greenways, and expand the scope of greenway planning throughout the MPO. A single combined bike/ped/greenway master plan will save in update costs over the years by integrating these plans into a comprehensive multi-modal transportation plan that will include these modes of transportation. The non-motorized transportation plan study will draw from existing transportation plans, but also involve gathering new information through data collection and public involvement. The resulting plan will identify key destinations throughout the MPO, and determine the best non-motorized transportation connections between these destinations

Should say: "The City of xxx will acquire a consultant.." or "A consultant will be used to"

23 CFR 450.308

- “The UPWP shall identify work proposed for the next 1- or 2-year period by major activity and task (including activities that address the planning factors in § 450.306(b)), **in sufficient detail to indicate who** (e.g., MPO, State, public transportation operator, local government, or consultant) **will perform the work**, the schedule for completing the work, the resulting products, the proposed funding by activity/task, and a summary of the total amounts and sources of Federal and matching funds.”

Task code variance*

- RPO:
 - A variance of up to \$5,000 compared to current programmed amount for any category in the PWP is considered a minor revision and is allowed without amendment **if approved in advance** by the TPD RPO Coordinator. (per [RPO manual](#))
 - NCDOT staff will send e-mail to RPO with revision approval.
- MPO
 - A difference of 100% or 2,500, whichever is less, may be allowed if approved in advance by the TPD MPO Coordinator
 - (per [NCDOT procedure for MPO invoice processing](#))

PWP Revisions

- Revisions to PWP can only occur for the current fiscal year PWP.
- Can't change PWP for previous fiscal years.
- **Can't submit revisions for last (fiscal) year's PWP when turning in 4th quarter invoice in August.**

Various Regulations and guidance

Equipment

- **§ 200.439 Equipment and other capital expenditures.**
- (1) Capital expenditures for **general purpose equipment**, buildings, and land are unallowable as direct charges...
- **§ 200.48 General purpose equipment.**
- “Examples include office equipment and furnishings, modular offices, telephone networks, information technology equipment and systems, air conditioning equipment, reproduction and printing equipment, and motor vehicles.”

Taxes

- **NCDOT does not reimburse for sales tax.**
- In NC, Governmental Entities obtain reimbursement for taxes they paid via a different reimbursement mechanism ([NCGS 105-164.14](#))
- Thus, be sure that taxes are not submitted for reimbursement in your PL/STBG-DA/SPR invoices.

Sole Source?

- Generally, a rare occurrence.
- Competition for goods may be waived under certain conditions. ([NCDOT's purchasing manual](#))
- For example, where a needed product is available from only one source of supply.
- Email me if you want an example waiver request.

What's a project?

- Transportation planning examples:
 - Ex1: FY19 STBG-DA funds for <insert name>MPO
 - Ex2: FY20 PL funds for <insert name> MPO
 - Ex3: FY21 SPR funds for <insert name> RPO
 - Ex4: SPR-funded study X
- ALL Projects have
 - a) (Federal) Authorization dates: Work on the project can begin.
 - b) End dates: Work must be completed by this date.
 - Work done/invoiced outside of these dates can not be reimbursed with Federal funds.

Finished with a project (the fiscal year)?

- (When a specific (individual) project (ex: FY20 SPR-funded RPO operations) is completed, **indicate in your invoice cover memo to TPD that this is the final invoice for the project** (for the fiscal year in this case).
- Dear TPD staff
- Ex: “This is to notify you that this is the final invoice and therefore request closure of the FY20 xxxRPO WBS number of 1234.5.6.”
- Ex: **“This is the final invoice for FY20, and request TPD staff to close out the FY20 xxxRPO WBS number 1234.5.6.”**
- If you have any questions, please contact <RPO staff contact>.
- Sincerely,

Project Funds Management Guide for State Grants (FHWA)

- The primary points of this guidance include:
- The project authorization must reflect the Federal funds needed based on an accurate cost estimate for the scope of work that is ready to proceed for an allowed purpose.
- An obligation is proper when supported by a documented binding agreement supporting the amount of Federal funds recorded to reflect the Federal Government's potential liability.
- A reasonable period of performance needs to be established in which the recipient is to incur eligible costs on the project.
- Projects must be monitored to ensure Federal funds and project agreement estimates reasonably align with current cost estimates and the performance schedule.
- Obligations should be adjusted and projects should be closed within a reasonable timeframe after all required work and applicable administrative actions (e.g., reporting and final billings) have been completed.
- The period of performance must be monitored to ensure cost are incurred during the authorized period and billed as provided in the regulations.
- **Records must be properly retained by the recipient or subrecipient in accordance with the regulations.**

Records Retention

- [2 CFR 200.333](#)
- “Financial records, supporting documents, statistical records....must be retained for a period of 3 years from the date of submission of final expenditure report...”
 - **means 3 years AFTER NCDOT closes the project with FHWA.** (ie, after NCDOT closes the federal project)
 - There may be multiple WBS numbers assigned to single federal project
 - Therefore, federal project closure may occur after a long time period after your final invoice was submitted.
- 200.333(f) “...applies to indirect cost rate proposals...”

A note on records retention -- Closing out the fiscal year

- Remember that item from the previous slide?
- Please note: Closing out the fiscal year in NCDOT's SAP financial system does not coincide with closing the project on the federal level.
- In other words:
- **Keep your project records longer than you think.**

Inactive funds?

- Federal funds must be used effectively, and unused funds must be de-obligated to minimize misuse.
- Inactive projects = project with no activity (invoicing) will be quickly closed and deobligated!
- Project is flagged after 6 months of no activity, and project closure process begins at 9 months.
- On a quarterly basis, NCDOT reviews inactive projects.
- **IT'S IMPORTANT TO INVOICE NCDOT QUARTERLY!**

Miscellaneous reminders

- PWP is to the nearest dollar
- Invoices are to the penny.
- PL and SPR funds are a REIMBURSEMENT program. You must spend 100% of costs first, then invoice NCDOT for reimbursement of the Federal 80%.
 - PL and SPR are not a “grant” program. It’s a reimbursement program.
 - Must show proof of expenditures (for procured items/services)

(200.302 (a) Financial Management)

- **LPA's need to provide PROOF that the LPA payed the consultant** or equipment vendor
- “...tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes...”
- **Provide scanned copy of cashed check issued by LPA to consultant/vendor in your invoice to TPD. (or other form of proof of payment)**
 - See also 200.502 - Basis for determining Federal awards expended

Indirect Costs

Federal-aid Essentials for Local Public Agencies

- FHWA resource with information and resources.

Unfortunately, the companion guide is from 2012 (outdated)

- References outdated regulations
- Understanding cost allocation and indirect cost rates
 - Good info from Rural Community Assistance Corporation (RCAC).

U.S. Department of Transportation
Federal Highway Administration

Search FHWA

Federal-aid Essentials for Local Public Agencies

HOME ABOUT FEDERAL-AID ESSENTIALS VIDEO LIBRARY STATE RESOURCES OUTREACH MATERIALS

Finance
Administrative Requirements

Developing an Indirect Cost Allocation Plan

This approach allows agencies to include indirect costs as a reimbursable item on federally funded projects

Developing an Indirect Cost Allocation Plan

Indirect Cost

Direct Cost

Payroll Stub
Joe Employee
Gross Pay
FIT
AIT
Total

Legal Brief

Jane Employee
at LPA

Joe Contractor

Watch later Share

Companion Resource (PDF, 178 KB) : Includes the printable script for this video

FINANCE

Although the videos in this section can be viewed in any sequence, the titles are arranged in a recommended or preferred order for your convenience.

- Administrative Requirements: Introduction to Cost Principles
- Administrative Requirements: Administrative Requirements
- Administrative Requirements: Transparency Act Sub Award Reporting
- Internal Control: Internal Control Regulations and Requirements
- Internal Control: Introduction to Internal Control
- Administrative Requirements: Single Audit
- Administrative Requirements: Developing an Indirect Cost Allocation Plan

Indirect cost options

3 Options

1. De Minimis (Flat Rate) of 10% (200.414(f))
 - Of modified total direct costs (defined in 200.68)
2. Cost allocation plan
3. Don't invoice indirect costs

De Minimis Rate

- If LPA elects to use the 10 percent de minimis rate, the Uniform Guidance requires that you use Modified Total Direct Costs as the cost base.
- Need to understand allowable costs and have an accounting system to properly account for direct and indirect costs
- Should have internal policies and procedures to manage and provide assurance (and consistency) that a cost is not being applied to both direct and indirect simultaneously.
- **This rate must be applied to all Federal awards.**

Indirect cost allocation plans

- (If this is the agency's choice for charging indirect costs)
- Each major local government (LPA) is required to submit a plan to its cognizant agency (NCDOT in MPO/RPO's case) for indirect costs **annually**.
- MPO/RPO invoices to TPD need to present the indirect cost on the invoice, if applicable.
- [Sample cost allocation plan template](#) (Dept of Interior)
- [Cost allocation plan webinar training presentation](#)
 - (Florida Government Finance Officer Association)

Indirect cost allocation plans

- 2018 RPO manual
- (a) Indirect Cost Allocation Plan
 - Each RPO is required to annually submit current fiscal year's Indirect Cost Allocation Plan to designated NCDOT staff by February 28th, along with draft PWP. This plan is different for each RPO. The fiscal director for the RPO should know what this plan is and work with you. Indirect costs are allowable with the submittal and approval of an indirect allocation plan. NCDOT will accept the indirect cost rate of the RPO approved by the cognizant agency. The Indirect Percentage Rate approved for use in the PWP cannot exceed the percentage rate approved by the Cognizant Federal Agency. If an RPO does not have a cognizant agency letter, NCDOT will approve or negotiate an indirect cost rate based upon the indirect cost plan.

Indirect cost allocation plans

- Indirect Costs Annual Requirements due with draft PWP (February 28)
 - 1) Cognizant Federal Agency Letter approving/acknowledging Indirect Cost Rate
 - 2) Cost Allocation Plan (or documentation/worksheets supporting the calculation of the Indirect Cost Rate)
 - 3) Certificate of Indirect Costs
- An LPA may choose to not charge indirect costs.

Budgeting indirect cost

- Assume rate of 1.234%
- Total Allocation \$50,000
- Less capital outlay and subcontracts (5,000)
- Amount available for other expenses 45,000
- Amount subject to indirect cost 44,451
- (\$45,000 divided by 101.234%)

- Budgeted amount for indirect cost \$549

Verification

- Amount subject to indirect cost \$ 44,451
- Indirect Cost rate X 0.01234
- Maximum indirect cost for this
project as currently budgeted \$ 549

Resources, page 1

- [FHWA regulations regarding consultant services](#)
- [NCDOT eSignature Policy](#)
- [Doing Business with NCDOT-consultant forms](#)
 - (includes [DBE form](#), [NCDOT scope and manday estimate form](#), [Invoice template](#), [RS-2\(prime\)](#), [RS-2\(subconsultant\)](#))
 - [Consultant Rate System-May 22, 2019 update](#)
 - [Steps for firms to prepare for the CRS](#)
- [NCGS 159-34](#) (State law requiring use of GAAP)
- [Maximum allowable non-salary direct costs](#)

Resources page 2

- [NCDOT Discipline Codes](#)
- [NCGS 143 Article3D procurement of engineering services](#)
- [23 CFR 172](#) (Procurement, management, and administration of engineering and design related services)
- [2 CFR 200](#)
- [TPD procedure for Procurement of consultant services by MPO/RPO's.](#)
- [Prequalification search](#)

Resources, page 3

- [2018 RPO manual](#) (updated Jan, 2020)
- [MPO and RPO administration manuals](#)
- [FHWA Order 4470.1A Policy for Contractor Certification of Costs](#)
- [Contract Provisions \(for contracts using Federal Funds\)](#)
- [NCDOT memo regarding invoices and payment](#) (within 30 days)
- [RFLOI template](#)
- [Vendor Registration Form](#) (substitute form W-9)

Resources, page 4

- [Accounting Standards Codification](#): The FASB's centralized reference tool for GAAP
- [FASAB Handbook](#): Standards & guidelines for financial reporting at federal government organizations
 - an approximate 2,500-page PDF
- [FHWA Consultant Services](#)
- [NC Treasurer - Compliance Supplement page.](#)
- [NCDOT procedure for MPO invoice processing](#)
- [NCDOT's purchasing manual](#) (for non-PEF procurement)

Resources, Page 5

- [Federal-aid Essentials for Local Public Agencies](#)
- [Understanding cost allocation and indirect cost rates](#)
- [FHWA's Project Funds Management Guide for State Grants](#)
- [Sample cost allocation plan template](#) (word doc)
- [Cost allocation plan webinar training presentation](#)
- [Key invoice components \(NCDOT Fiscal\)](#)
- [MPO Allowable Expenditures](#)

Resource, page 6

- [NCDOT – IPD – Professional Engineering Firm Management – Guidance for Project Managers](#)
- [2 CFR 200](#) (**Updated sections to 2 CFR 200**)
 - UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS
 - *Formerly:*
 - 44 CFR PART 13
 - 2 CFR 225 Cost Principles for State and Locals
 - OMB Circulars A-87, A-102, A-133
 - Federal Program Guidelines

Resource, Page 7

Mini-Brooks Qualifications Based Selection

- North Carolina “Mini-Brooks”
 - [G.S. 143-64.31](#) et seq.
 - Became law in 1987 for the procurement of architectural and engineering services based on qualifications.
- **Applies to State and Local Governmental Units.**
 - Announce (advertise)
 - **competitors' qualifications are evaluated and the most qualified competitor is selected**
 - **price is not used as a selection factor**

Resources, Page 8 – Audit info

- On the Schedule of Expenditures for Federal and State Awards include program name and CFDA number.
- MPO's: Metropolitan Planning/ PL 104(f) funds – CFDA Number (20.205-5)
 - <https://files.nc.gov/nctreasurer/documents/files/SLGFD/LGC/LocalGovFiscalMn/gmt/AnnualAud/2020ComplianceSupp/20.205-5.pdf>
- RPO's: SPR funds (RPO program) - State Planning and Research – RPO program - CFDA Number (20.205-8)
 - <https://files.nc.gov/nctreasurer/documents/files/SLGFD/LGC/LocalGovFiscalMn/gmt/AnnualAud/2020ComplianceSupp/20.205-8.pdf>
- NC Treasure's Compliance Supplement page:
- <https://www.nctreasurer.com/divisions/state-and-local-government-finance-division/lgc/local-fiscal-management/annual-audit>

STBG-DA section

- This part only pertains to MPO's that receive STBG-DA funds (greater than 200k in population)
- (and choose to flex those funds for planning purposes)

STBG-DA funds--Did you modify UPWP?

- If you are adding additional DA funds (for planning purposes), you need to coordinate with NCDOT STIP unit so they can amend the STIP for the new/additional amount. You **MUST** also let various TPD staff know (see below)
- MPO Checklist:
 - Did the MPO contact NCDOT's STIP unit to modify the STIP for additional STBG-DA funding amount?
 - Did the MPO modify the TIP?
 - Did the MPO modify the UPWP?

Process to authorize additional STBG-DA funds for planning purposes

1. Once your UPWP, TIP, and STIP are amended, then MPO's must email a PDF copy of all 3 items to:
 - Jamal Alavi – jalavi@ncdot.gov
 - Your TPD coordinator
 - Daryl Vreeland – dvreeland@ncdot.gov

STBG-DA funds authorization process pt2

2. TPD will then use the modified UPWP and TIP and seek federal authorization of the modified amount.
3. Important note: **Funds MUST be federally authorized and available for use to the MPO PRIOR to the MPO beginning any work using those funds.**
 - a) Remember that FHWA must approve the UPWP amendment, so allow additional time before encumbering dollars.
4. Please work with your TPD coordinator to check the SAP system to determine if the funds have been authorized. (There's no automated notification system).

UPWP how-to amend summary

- Prior to using any funds in amended UPWP:
- MPO staff must ensure UPWP has been approved by FHWA
- MPO staff is responsible for ensuring that funds have been federally authorized **PRIOR** to the MPO encumbering those funds.
 - Otherwise the MPO will not be able to receive federal funds for unauthorized work.

What happens to unused DA funds (those used to supplement PL planning)?

- If the MPO has flexed DA funds for planning purposes, and some of those remain unspent....
- When the “project” (the bank account for the fiscal year) is closed, those funds go back to the MPO’s Federal DA fund account.
- Upon closure, the STIP unit will be able to see the new, (higher, in this case) balance of the MPO’s DA funds.
- TMA MPO’s can not “lose” DA funds (those funds supplementing planning/PL) because they were unspent – (unless rescission or some other action)

Finished with a FY of DA funds?

- (When a specific (individual) project (ex: FY20 STBG-DA project year) is completed, indicate that in your invoice cover memo to TPD that this is the final invoice for the project.
- Dear TPD staff
- According to our records, the final invoice for <project> has been paid and all deliverables have been met. This is to notify you that we request closure of the FY20 xxxMPO STBG-DA WBS number 1234.5.6.
- Or add this line to the final invoice cover letter **“This is the final invoice for WBS 1234.5.6 (xxxMPO FY20 DA funds). Please close out this account”**
- If you have any questions, please contact <MPO staff contact person>.
- Sincerely,

Thank you

- Any Questions?

Change log