

# **ADMINISTRATION OF VDOT'S FEDERAL PLANNING FUNDS**

**Transportation & Mobility Planning Division**

Revised March 2018

# FOREWORD

This manual identifies essential procedures in the development and management of VDOT's State Planning and Research (**SPR**) Work Program. It also provides the individual VDOT project managers with procedures and information for fulfilling their responsibilities for administering federal planning funds.

The manual is comprised of four parts: Part I covers the development and management of the SPR Work Program, which is administered by the Transportation and Mobility Planning Division's (**TMPD**) Planning & Investment Resources Section; Part II provides the administrative responsibilities of VDOT project managers in the Metropolitan Planning Organization (**MPO**) areas and covers the Metropolitan Planning (**PL**) funds passed through to the MPOs and the SPR funds used to support the MPO process; Part III covers the administrative responsibilities of VDOT project managers for the Rural Transportation Planning Program (**RTPP**); and Part IV covers the administrative responsibilities of VDOT project managers for projects/studies funded with SPR Funds for Special Studies (SPR funds not covered under Parts II and III).

Other projects contained in the SPR Work Program with funding sources such as the Office of Intermodal Planning & Investment (**OIPI**) Surface Transportation Program (**STP**) funding, and Safe Routes to School (**SRTS**) non-infrastructure funding, are administered through TMPD. The agreements for OIPI STP funds have been developed and modeled after the master SPR & PL agreements. The agreements for SRTS have been developed and modeled after the VDOT Local Assistance Division Enhancement agreements. General policies and procedures (not including specific timelines or schedules) contained within this manual are applicable to the projects funded with OIPI, STP and SRTS non-infrastructure funds currently housed in the SPR Work Program.

All situations cannot be anticipated; therefore VDOT project managers should refer to the master agreement & letter of authorization (**LOA**), as applicable, for further information for the appropriate use of funds and compliance with VDOT, state and federal laws, regulations, policies, and procedures. TMPD's Planning & Investment Resources Section (**PIRS**) is available and provides additional assistance and clarification when necessary.

# Table of Contents

FOREWORD \_\_\_\_\_ ii

## **Part I - ADMINISTRATION OF THE SPR WORK PROGRAM**

A. INTRODUCTION.....	Part I-Page 1
B. GENERAL.....	Part I-Page 1
C. APPROPRIATION CODES.....	Part I-Page 2
D. MATCH REQUIREMENTS.....	Part I-Page 2
1. PL Funds.....	Part I-Page 2
2. SPR Funds.....	Part I-Page 3
3. STP (OIP) Funds.....	Part I-Page 4
4. SRTS Funds.....	Part I-Page 4
E. DEVELOPMENT OF A DRAFT SPR WORK PROGRAM.....	Part I-Page 3
1. Determine PL Funds.....	Part I-Page 3
2. Determine the Amount of SPR Funds Available.....	Part I-Page 4
3. SPR Funding for Continuing Activities.....	Part I-Page 5
4. Determine Activities for the Draft Work Program.....	Part I-Page 5
5. Internal Approval of Draft Work Program.....	Part I-Page 6
6. Submit Draft SPR Work Program.....	Part I-Page 6
7. Project Code Allocation.....	Part I-Page 7
F. DEVELOP FINAL SPR WORK PROGRAM.....	Part I-Page 7
G. CHANGES TO SPR WORK PROGRAM.....	Part I-Page 7

H. MONITORING THE SPR WORK PROGRAM.....	Part I-Page 8
1. Processing Invoices.....	Part I-Page 8
2. Maintaining Status Reports.....	Part I-Page 9
3. Expenditures.....	Part I-Page 9
I. FEDERAL PROJECT AGREEMENTS.....	Part I-Page 9
1. Modifying a Federal Project Agreement.....	Part I-Page 10
2. Finalizing a Federal Project Agreement.....	Part I-Page 10
J. ANNUAL PROGRESS REPORT.....	Part I-Page 11

## **Part II - METROPOLITAN PLANNING PROCESS (PL)**

A. INTRODUCTION.....	Part II-Page 1
B. PL FUNDS AVAILABLE.....	Part II-Page 2
C. UNIFIED PLANNING WORK PROGRAM ( <b>UPWP</b> ).....	Part II-Page 2
1. Amending the UPWP.....	Part II-Page 3
D. MASTER PL AGREEMENT & LOA.....	Part II-Page 4
1. Amending the Master PL Agreement & LOA.....	Part II-Page 6
E. DEPROGRAMMING PL FUNDS (DIRECT CARRYOVER).....	Part II-Page 7
F. INDIRECT COST ALLOCATION.....	Part II-Page 8
G. PASS-THROUGH (THIRD PARTY) AGREEMENTS.....	Part II-Page 10
H. INVOICES.....	Part II-Page 11
1. Computer Purchases.....	Part II-Page 13
2. Travel.....	Part II-Page 13

I. CPA AUDIT REPORT.....	Part II-Page 13
J. MONTHLY EXPENDITURE REPORTING.....	Part II-Page 15
K. ANNUAL PERFORMANCE & FINANCIAL REPORT.....	Part II-Page 15

**Part III - ADMINISTRATION OF SPR FUNDS TO SUPPORT THE RURAL TRANSPORTATION PLANNING PROGRAM (RTPP)**

A. INTRODUCTION.....	Part III-Page 1
B. RURAL TRANSPORTATION PLANNING (RTP) ASSISTANCE PROGRAM.....	Part III-Page 1
1. Purpose & Eligibility.....	Part III-Page 1
2. Funding.....	Part III-Page 1
3. Assistance Scope of Work.....	Part III-Page 1
4. Procedure for Assistance Scope of Work.....	Part III-Page 2
5. Amending the Assistance Scope of Work.....	Part III-Page 2
C. MASTER SPR AGREEMENT & LOA.....	Part III-Page 3
1. Articles & Appendices .....	Part III-Page 3
2. Amending the Master SPR Agreement & LOA.....	Part III-Page 6
E. CARRYOVER OF SPR FUNDS.....	Part III-Page 6
F. INDIRECT COST ALLOCATION.....	Part III-Page 7
G. PASS THROUGH (THIRD PARTY) AGREEMENTS .....	Part III-Page 9
H. INVOICES .....	Part III-Page 9

1. Computer Purchases.....	Part III-Page 11
2. Travel.....	Part III-Page 11
I. CPA AUDIT REPORT.....	Part III-Page 11
J. MONTHLY EXPENDITURE REPORTING.....	Part III-Page 12
K. ANNUAL PERFORMANCE & FINANCIAL REPORT.....	Part III-Page 13

## **Part IV – ADMINISTRATION OF SPR FUNDS FOR SPECIAL STUDIES**

A. <a href="#">INTRODUCTION</a> .....	Part IV – Page 1
B. <a href="#">REVIEWING CONSULTANT INVOICES</a> .....	Part IV – Page 1
C. <a href="#">MONTHLY EXPENDITURE REPORTING</a> .....	Part IV – Page 1
D. <a href="#">QUARTERLY PROGRESS REPORTS</a> .....	Part IV – Page 2
E. <a href="#">ANNUAL PROGRESS REPORT</a> .....	Part IV – Page 2

## **APPENDICES**

<a href="#">APPENDIX A - MONTHLY EXPENDITURE REPORTING</a> .....	A-1
<a href="#">EXHIBIT A-I – EXPENDITURE REPORTS IN CARDINAL</a> .....	A-3
<a href="#">APPENDIX B - REVIEWING CONSULTANT INVOICES</a> .....	B-1
<a href="#">EXHIBIT B-I VOUCHER INSTRUCTIONS</a> .....	B-3
<a href="#">EXHIBIT B-IV CURRENT ESTIMATE FORM</a> .....	B-6

## **APPENDIX C - TIMELINES FOR ADMINISTRATIVE ACTIVITIES**

EXHIBIT C-I: <a href="#">PART I</a> – Timeline/Checklist for Administration of VDOT’s SPR Work Program.....	C-0
EXHIBIT C-II: <a href="#">PART II</a> – Timeline/Checklist for Metropolitan Planning.....	C-2
EXHIBIT C-III: <a href="#">PART III</a> – Timeline/Checklist for RTPP.....	C-0

EXHIBIT C-IV: <a href="#">PART IV</a> – Timeline/Checklist for SPR Funds for Special Studies.....	C-1
<a href="#">APPENDIX D – PRE-AWARD AUDIT INFORMATION</a> .....	D
Pre-award Audit Information .....	D-2
<a href="#">APPENDIX E</a> – ACCOUNTING FOR PAYMENTS TO PDCS & MPOS FOR SPR & PL FUNDS.....	E
Accounting for Payments to PDCs & MPOs for SPR & PL Funds.....	E-2
<a href="#">APPENDIX F</a> – CERTIFICATION OF PROJECT EXPENDITURES.....	F
Introduction to Tableau Reader: The Project Expenditure Workbook.....	F-2
<a href="#">APPENDIX G</a> – 2 CFR 200-INDIRECT COSTS, AUDIT REQUIREMENTS.....	G
Indirect Costs.....	G-1
Audit Requirements.....	G-2

# **Part I**

## **Administration of VDOT's SPR Work Program**

## **A. INTRODUCTION**

Each year, the Virginia Department of Transportation receives a federal apportionment of SPR funds and PL funds. As required, the Department submits a statewide work program to the Federal Highway Administration (**FHWA**) for federal review and approval of the transportation planning activities to be funded. This work program, called the VDOT SPR work program, includes both SPR and PL funds. Administration of these funds is governed by 23 CFR Part 420 – Planning and Research Program Administration.

## **B. GENERAL**

The SPR Work Program is developed cooperatively by FHWA, state, regional and local transportation officials. The program comprehensively documents the proposed use of federal-aid highway PL and SPR transportation planning funds in the state. Approval of the work program by FHWA is required for the authorization-obligation of the federal-aid program funds. The work program includes a description of work to be accomplished as well as financial information.

The Work Program consists of two main parts. Part I identifies programs administered by TMPD including funding provided to other Divisions/Districts, the Rural Transportation Planning Program, and Metropolitan Planning Organizations. The Research Council (RC) administers Part II that fulfills the requirement for SPR funded research, development and technology transfer (**RD&T**) activities. TMPD oversees the administrative process for the entire work program.

Several federal projects are encompassed in the Work Program. For instance, the following is a listing of the federal projects included in the state fiscal year 2017 (**FY-17**) SPR Work Program:

- SPR-S17-1(001) SPR – Transportation Planning Administered Annual Activities
- SPR-S17-1(002) SPR – Rural Transportation Planning Program
- SPR-PL-S17-1(003) PL – Metropolitan Planning Funds
- SPR-S17-1(004) SPR – Research Council’s portion of the work program

Each special study and pooled fund study has its own federal project number.

## C. APPROPRIATION CODES

Each type of federal highway fund has an appropriation code. Appropriation codes for the federal highway fund types usually change with a new or amended federal highway act. As part of the work program, the State must include a financial summary that indicates the type of federal funds and the State and/or local match.

Of the State's total apportionment of SPR funds, by federal statute a minimum of 25% must go towards RD&T activities relating to highway, public transportation, and intermodal transportation systems unless an exception is granted by the Secretary of Transportation.

The following is a list of SPR and PL appropriation codes:

### **SPR**

M55 SPR, FY-13 (MAP-21)

M55E SPR, FY-15 (MAP-21 Extension)

Z55 SPR, FY-16 (FAST Act)

M56 SPR-mandatory 25% for research, FY-13 (MAP-21)

M56E SPR-mandatory 25% for research, FY-15 (MAP-21 Extension)

Z56 SPR-mandatory 25% for research, FY-16 (FAST Act)

### **PL**

M45 PL, FY-13 on, (MAP-21)

M45E PL, FY-15 (MAP-21 Extension)

Z45 PL, FY-16 (FAST Act)

## D. MATCH REQUIREMENTS

### 1. PL Funds

For PL funds the match ratio is 80/20 (i.e. 80% of the total cost is federal PL funds with a required match of 20% of the total cost). VDOT has agreed to provide half of the required 20% match with state funds. Therefore, the PL portion of the work program is funded with 80% federal PL funds, 10% state funds, and the remaining 10% must be provided by local funds. Typically, the Planning District Commissions (**PDCs**) on behalf of the MPO provide these local funds. The exceptions are as follows: the Cities of Bristol, TN and VA, provide the local match for the Bristol MPO and the Metropolitan Washington Council of Governments (**COG**) provides the local match to the Transportation Planning Board (the area MPO) for Northern Virginia jurisdictions.

## **2. SPR Funds**

The typical match ratio for SPR funds is also 80/20 (i.e. 80% of the total cost is federal SPR funds with a required match of 20% of the total cost). For the Rural Transportation Planning Program the required 20% match is provided by the PDCs. In other applications, the 20% match is typically provided by state funds.

In certain circumstances, FHWA will allow using 100% federal funding for a study. For instance, the Transportation Research Board Correlation Service was allowed to use 100% federal SPR funds. Other instances include pooled fund studies and the National Cooperative Highway Research Program (NCHRP).

## **3. OIPI STP Funds**

The typical match ratio for STP funds is also 80/20 (i.e. 80% of the total cost is federal STP funds with a required match of 20% of the total cost, provided by the state).

## **4. SRTS Funds**

SRTS funds are 100% federal funds and no state match is required.

# **E. DEVELOPMENT OF A DRAFT SPR WORK PROGRAM**

## **1. Determine PL Funds**

As part of developing the draft SPR work program, the amount of PL funds available for the upcoming fiscal year must be determined. The available funds come from three sources: new PL allocations, carryover funds, and deprogrammed funds.

Sometime after the beginning of the Federal Fiscal Year (FFY), which runs from October 1 – September 30, FHWA will post the apportionment of PL funds for all states for that FFY. VDOT's fiscal year runs from July 1 – June 30, and this means that the VDOT authorized amount of the PL funds apportioned to the State are provided to the MPOs through the SPR Work Program and LOA that begins the following July 1<sup>st</sup>. Based on this timing difference, the authorized portion of the FFY apportionment will be provided to the MPOs during VDOT's next fiscal year (i.e. new PL allocation).

The State's authorized amount of the apportionment of PL funds is allocated to the urbanized areas by a formula that considers air quality and

population (Article II – Source of Funds). PIRS calculates the allocation to the urbanized areas each fiscal year. A spreadsheet has been developed to calculate the allocation amounts.

The amount of PL funds carried over is calculated. The carryover is the amount of unexpended PL funds from the last completed fiscal year. This amount is determined by a spreadsheet that PIRS maintains and is verified by Cardinal.

PIRS informs the VDOT project managers of new PL funding for the upcoming FY. Additionally, they provide the carryover amount (unexpended funds from fiscal year two years prior to the upcoming fiscal year). The VDOT project managers are instructed to (1) verbally notify the MPOs of the new PL money, (2) request verification of the carryover amount, and (3) remind the MPOs about procedures for deprogramming money.

The MPOs may deprogram (directly carryover) PL funds from the current fiscal year into the next fiscal year. They must make this request in writing by March 31<sup>st</sup> in order for the deprogramming to be processed and incorporated into the final SPR Work Program. Should the request not be received by March 31<sup>st</sup>, processing and timing differs. After that date, the deprogramming will not be processed until the final invoice for the current fiscal year has been paid. This will result in the deprogramming not being processed until the upcoming fiscal year. Therefore, the deprogramming is not incorporated into the final SPR Work Program for the upcoming year, and would necessitate an amendment to the final SPR Work Program after it has been approved by FHWA.

## **2. Determine the Amount of SPR Funds Available**

As part of developing the draft SPR Work Program, the amount of SPR funds available for the upcoming fiscal year also must be determined. The available funding come from three sources: new money, unobligated money, and released money. A distinction needs to be made between SPR dollars for planning activities and research activities.

The estimate of new SPR funds for the upcoming fiscal year is requested by PIRS from the VDOT Financial Planning Division around December. Until that number is received, the latest official planning estimate from the prior year may be used. When the estimate of new SPR funds is provided, about 75% normally goes to planning activities, which includes the allocation for the Rural Transportation Planning Program. Federal statute mandates that a minimum 25% of SPR shall go to RD&T activities. In Virginia, the RD&T portion is provided regularly to the **RC** for transportation planning research activities. Coordination at this point between the RC and TMPD determines if sufficient need and special funding requirements for the RC warrant supplemental funds beyond the 25%.

The unobligated money is the amount of SPR funds that are not under agreement. This can be obtained from the Federal Financial Management System (FMIS). When determining the unobligated amount, be sure to deduct any commitments for SPR funds that will be made before the end of the current fiscal year. Additionally, only the amount of unobligated funds for which there is budget authority can be programmed in the work program.

Additional money may be available for release. This is determined by reviewing federal projects to see if there are (1) actual unexpended money available for release from prior fiscal year projects, or (2) anticipated unexpended money from current fiscal year projects.

### **3. SPR Funding for Continuing Activities**

TMPD Section Managers and District Planning Managers are requested to identify the amount of SPR funds required for the upcoming FY activities. These activities may include but are not limited to: (1) Staff support for each urban area (input to the UPWP), (2) special programs such as the Bicycle & Pedestrian program and computer services, and (3) special studies.

After the funding for TMPD continuing activities and district planning support has been approved by VDOT Administration the remaining funds are set-aside as special study funds. TMPD works to identify special projects that support the planning program with divisions/districts (these requests should not include special study requests previously submitted by the District Planning Managers).

### **4. Determine Activities for the Draft Work Program**

The amount of funding required for TMPD and District Planning activities is determined, being sure to fund continuing studies and other required or expected commitments (i.e. NCHRP). All the TMPD-initiated requests for SPR funding for special studies are compiled, and any ineligible activities eliminated.

TMPD-initiated SPR special studies that directly support the planning program and that are managed by other divisions or districts are submitted to PIRS with approval by the Division/District Administrator before a set deadline which typically occurs before April. PIRS compiles the requests into one spreadsheet by Division/District, with the priority of each project, requested funding amounts, and any other information that may be helpful to the approval process.

The requests (funding & descriptions) are reviewed by PIRS and Division Administration for eligibility based on FHWA and VDOT guidelines.

In order to satisfy requirements for Financial Planning and Fiscal Divisions, it is necessary to identify what is being funded out of VDOT's new fiscal year allocation; these items and amounts are what will appear in the budget supplement. This is in addition to detailing out the federal funding aspect, which must include a summary of all federal projects under the work program.

In addition to the financial information, verbiage detailing out the activities must be prepared by PIRS in coordination with project managers as part of the draft submitted to FHWA.

## **5. Internal Approval of Draft Work Program**

Once all funding requirements for the draft are finalized within the Division, it is necessary to obtain the approval of the VDOT TMPD Administrator for recommended activities and funding for the draft. Any comments by the VDOT TMPD Administrator would be incorporated. After his/her approval, the VDOT project managers are provided with:

- (1) the amount of PL funds available for each MPO,
- (2) amount of SPR funds to be used by VDOT personnel in support of the UPWP for each MPO area,
- (3) other SPR funded special activities, and

## **6. Submit Draft SPR Work Program**

Once the financial information and verbiage have been finalized:

1. The draft SPR Work Program is sent to FHWA for their comments. This should be done by May 1<sup>st</sup>.
2. The draft SPR Work Program is sent out for intergovernmental reviews by the Central Shenandoah, Northern Shenandoah Valley, and West Piedmont Recipients.
3. All divisions/districts managing SPR funding for special studies are requested to submit a formal request to continue any previous years' studies to be included in the draft SPR Work Program.

## **7. Project Code Allocation**

Once the draft Work Program is approved by FHWA, PIRS sets up project codes in Cardinal.

PIRS prepares and submits budget journal and funding source allocation spreadsheets for the projects receiving funding for the current fiscal year to Financial Planning.

## **F. DEVELOP FINAL SPR WORK PROGRAM**

Any comments received from FHWA and the intergovernmental review will need to be incorporated into the final SPR Work Program. Any changes to the draft that may come from negotiations with Financial Planning regarding funding of other activities will also be incorporated.

Part II of the SPR Work Program information is coordinated with the RC. For part I activities, PIRS sets up the projects in Cardinal and informs Financial Planning of the amount to allocate for each project. All activities and descriptions, funding amounts, and worksheets need to be finalized. Once accomplished, the final SPR Work Program is submitted to FHWA by the middle of June to allow for processing of federal project agreements.

Federal project agreements (PR-2) must be processed for each new federal project included in the final SPR Work Program. Federal project modifications (PR-2A) must be processed for those federal projects that are being modified in the final SPR Work Program.

After FHWA approval is received on the work program, TMPD staff and other VDOT entities receiving funding are informed of the authorized funding amounts and projects to use for their activities. PIRS sets up a summary expenditure report for the SPR Work Program.

## **G. CHANGES TO SPR WORK PROGRAM**

Throughout the year, changes may be made to the SPR Work Program with the approval of FHWA. There are two types of changes: those that require a federal project modification and/or project agreement, and those that do not.

Changes that do not require a federal project modification and/or project agreement include:

1. Reallocating funds between activities within one federal project number such that the total amount under agreement does not change.
2. Adding a new activity under a federal project number by using funds from another activity under that same federal project number.

Changes that require a federal project modification and/or project agreement are ones where there is a change in the total amount under agreement or when adding a new federal project number to the SPR Work Program.

When making changes to the SPR Work Program, it is important to notify Financial Planning Division of any reallocation of funds between projects and the changes to the association of projects with federal project numbers need to be communicated to the Fiscal Division. Additionally, the summary expenditure report is updated.

## **H. MONITORING THE SPR WORK PROGRAM**

PIRS, in cooperation with project managers, is responsible for monitoring the work program to ensure VDOT's compliance with federal and state policies and procedures. Processing of invoices, maintaining status reports, and monitoring expenditures are part of those responsibilities.

### **1. Processing Invoices**

1. Once invoices have been reviewed and approved for payment by the VDOT project manager, PIRS or District Accounting Section as appropriate, reviews invoices for compliance with procurement and VDOT policies and procedures.
2. PIRS or appropriate District Accounting Section forwards invoices to Fiscal who will enter invoices into Cardinal for processing and payment.
3. The payments are posted to the appropriate internal spreadsheets for monitoring:
  - SPR and PL invoices are timely and within amounts set by the LOA
  - Consultant invoices do not exceed tasks/contract amounts
  - Duplicate payments are not issued
  - Appropriate files are maintained

## 2. Maintaining Status Reports

Internal spreadsheets are maintained to record information regarding the execution of agreements, LOAs, indirect certification statements, CPA Audits, and annual performance reports. PIRS coordinates with VDOT project managers to ensure adherence to the set procedures for these administrative activities.

## 3. Expenditures

1. Each month, PIRS sends an email to all VDOT project managers to remind them of due reports.
2. Once VDOT project managers have reviewed and reported expenditures into TMPD's Financial Database, PIRS is responsible for comparing these reports to Cardinal reports. VDOT project managers are notified of any discrepancies.
3. PIRS makes journal entries to correct errors as reported by the Central Office (CO) VDOT project managers, district accounting staff process the journal entries in the districts.

## I. FEDERAL PROJECT AGREEMENTS

After FHWA approves a new federal project through the SPR Work Program, a federal project agreement must be executed. When federal dollars are put under agreement, the FHWA authorizes the work activity to proceed and those dollars are considered obligated. PIRS is responsible for executing federal project agreements for planning funds.

### Procedure

1. A detailed estimate is prepared for the federal project. If there is more than one project under a federal project agreement, then a spreadsheet detailing the allocation of funds among the projects is prepared.
2. The federal project agreement is entered into the FMIS and includes the Dun and Bradstreet Data Universal Numbering System. (**DUNS**) number.
3. The TMPD PIRS Manager approves the federal project agreement in FMIS.
4. A copy of the detailed estimate is sent to FHWA's fiscal contact for approval in FMIS.

5. Once FHWA has approved the agreement in FMIS, the printed document page and detailed estimate is sent to Fiscal Division.
6. TMPD and RC assist one another in entering federal project agreements when necessary. When TMPD sets up a RC project, a printed document page and detailed estimate is sent to the RC.

## **1. Modifying a Federal Project Agreement**

If a federal project is changed such that the total amount of funds changes, then a federal project modification (PR-2A) must be processed. PIRS is responsible for modifying a federal project agreement.

### **Procedure**

1. A revised detailed estimate is prepared for the federal project. If there is more than one project under a federal project agreement, then a spreadsheet detailing the allocation of funds among the projects is prepared.
2. The federal project agreement modification (PR-2A) is entered into the FMIS.
3. The TMPD PIRS Manager approves the federal project agreement modification in FMIS.
4. A copy of the revised detailed estimate is sent to FHWA's fiscal contact for approval in FMIS.
5. Once FHWA has approved the modified agreement in FMIS, the printed signed document page and revised detailed estimate is sent to Fiscal Division by PIRS.
6. TMPD and RC assist one another in entering federal project agreements when necessary. When TMPD sets up a RC project, a printed document page and detailed estimate is sent to the RC.

## **2. Finalizing a Federal Project Agreement**

Once work has ended on a federal project, typically by the end of a fiscal year, the project needs to be "finalized" (closed out). In order to final a federal project, PIRS verifies the expenditures made to the project and reconciles the information on the expenditure reports to the federal bill listing. Discrepancies

are reconciled and corrections are made. PIRS sends an e-mail to the CO Fiscal Federal Aid mailbox indicating that the project can be closed. PIRS will review for final verification of expenditures, project allocations and federal billing. PIRS will mark project Final in FMIS and process documentation from FPMD to complete the final voucher process. PIRS reconciles all financial systems, processing adjustments to project codes and agreements so that project expenditures match project allocations. PIRS also closes the project in VDOT's Project Certification Database.

## **J. ANNUAL PROGRESS REPORT**

In coordination with all recipients of SPR funds, an annual progress report is prepared each year in September by PIRS outlining the accomplishments, budgeted amounts, and expenditures of activities in TMPD's previous SPR Work Program. This report is sent to FHWA to satisfy part of the requirements for the administration of SPR funds.

## **Part II**

### **Metropolitan Planning Process (PL)**

## **A. INTRODUCTION**

Each year the federal government apportions PL funds to each state. Virginia then allocates the VDOT budget authorized portion (obligation authority) of these federal funds to the MPOs to carry out the transportation planning requirements. How much each MPO is allocated is determined by a formula based upon Urbanized Area population and air quality status. A LOA is the funding document by which the PL funds, and any other planning funding to be covered under the master agreement, are actually made available to each MPO. Use of these funds is identified in each MPO's UPWP. This section provides the procedures for expenditures of PL funds.

The LOA is typically between VDOT and the PDC who acts as staff to the MPO. There are three exceptions to this contractual relationship: (1) for the Bristol MPO, VDOT contracts with both the City of Bristol, VA and the City of Bristol, TN; (2) for the MPO in the Northern Virginia area, VDOT contracts with the Metropolitan Washington Council of Governments (COG); and (3) for the Kingsport MPO, VDOT contracts with LENOWISCO PDC and the City of Kingsport, TN. The entity receiving the PL funds on behalf of the MPO is herein referred to as "Recipient."

SPR funds are also utilized for VDOT's support of the MPO process. Each year District Planning Managers estimate the amount of SPR funds required for their support to each MPO. These funds are included in the SPR Work Program and the appropriate MPO UPWPs.

The individual VDOT Project Managers are responsible for ensuring appropriate administration of the federal planning funds used to support the MPO process. This includes ensuring MPO compliance with the master PL agreement and LOA and complying with the following procedures regarding PL and SPR funds.

## **B. PL FUNDS AVAILABLE**

The amount of PL funds available each fiscal year to the Recipient has three components: (1) carryover, (2) deprogrammed funds (direct carryover), and (3) new allocation.

- 1) The carryover is the amount of unexpended funds from two years prior to the program year. (i. e. - unexpended funds from FY-13 will be carried over to FY-15). This is an automatic process. Once PL funds are allocated to an area, they stay with the area and continue to be carried over; the MPO will not lose funds because they are unspent. Each year PIRS reviews carryover amounts in Cardinal. This information is included in the figures provided to the VDOT Project Mangers to verify with the MPO.

- 2) The deprogrammed funds (direct carryover) are those in the current year that the Recipient requests to have released directly to the next year. (i.e. FY-15 PL funds may be deprogrammed for use in FY-16) This process is not automatic and is initiated by the Recipient with MPO approval. See the section on [Deprogramming PL funds](#) for details of the process.
- 3) The new allocation is money that is new to the area for that fiscal year. The State's authorized PL funds are allocated to the urbanized area by the state's formula that considers air quality and population (Article II – Source of Funds). Since the federal fiscal year begins October 1st, the VDOT budget authorized portion of the apportionment for that federal fiscal year is then allocated to the areas for use in VDOT's next fiscal year (i.e. the authorized federal FY-15 PL funds are allocated to the areas in VDOT's FY-16). PIRS calculates the allocation to the urbanized areas, typically during January/February. They notify the VDOT Project Managers who in turn notify the Recipient of the new funds available for the upcoming fiscal year.

### **C. UNIFIED PLANNING WORK PROGRAM (UPWP)**

The UPWP includes a description of all urban transportation and transportation related planning activities programmed within the MPO area during the next year regardless of funding sources. The UPWP also provides the amount and type of funding by task.

#### **Procedure for Developing UPWP**

1. The VDOT Project Manager notifies the MPO of the PL funds available for the next fiscal year. Typically, the notification will occur in January/February.
2. The VDOT Project Manager coordinates with the VDOT District Civil Rights Manager on the activities planned for the MPO UPWP, and requests appropriate Title VI and other Civil Rights inputs that should go into the MPO UPWP for the fiscal Year. These inputs should regard the VDOT District review of the MPO Title VI program and, as appropriate, inputs on activities to develop, update or implement the MPO public participation plan, Constrained Long Range Plan (CLRP) and/or Transportation Improvement Program (TIP).
3. The VDOT Project Manager provides the MPO with VDOT's (TMPD & District) input in the UPWP, including input on Title VI and Civil Rights activities and copying the District Civil Rights Manager. This is a listing of VDOT activities that are funded with SPR and other funds to support the planning process in the MPO area.

4. Both the Technical Committee and the MPO must approve the UPWP.
5. The MPO staff submits the MPO approved UPWP to the VDOT Project Manager for approval.
6. The VDOT Project Manager reviews the UPWP and forwards to FHWA recommending their approval. (The VDOT Project Manager reviews, comments, and resolves any issues during the Technical Committee process.)
7. FHWA approves and/or provides comments to the VDOT Project Manager on the UPWP.
8. The VDOT Project Manager notifies the MPO staff of the approval and/or concerns of FHWA regarding the UPWP. The VDOT Project Manager works with the MPO staff and FHWA to resolve any issues and follows through with the process until approval of the UPWP is acquired.

## **1. Amending the UPWP**

An amendment to the UPWP is required if there is any change in the character or extent of the work or new activities utilizing PL funds or other federal funds provided by VDOT for planning activities, such as SPR or OIPI STP or Congestion Mitigation and Air Quality (CMAQ). In Transportation Management Areas (TMAs), the UPWP must be amended for any change in the character or extent of the work or new activities no matter what the funding source, including local funds. Amending the UPWP requires MPO, VDOT (VDOT Project Manager), and FHWA approval. The procedure for amending the UPWP follows the same procedure for the original UPWP. If the UPWP amendment changes the total PL funds provided to the MPO, then the LOA must be amended also (See section on [Amending the Master PL Agreement](#) &/or LOA). Any changes to the PL or SPR funds must be reviewed by PIRS for accuracy prior to processing UPWP amendments.

## **D. MASTER PL AGREEMENT AND LOA**

The master PL agreement contains provisions that generally do not change each year. If necessary, PIRS will make revisions. Every five years an updated master PL agreement is executed as a contractual agreement between the agreeing parties. This contractual arrangement is typically between VDOT and the PDC who acts as staff to the MPO. There are three exceptions to this contractual relationship: (1) for the Bristol MPO, VDOT contracts with both the City of Bristol, VA and the City of Bristol, TN; (2) for the Northern Virginia MPO, VDOT contracts with the Metropolitan Washington Council of Governments

(COG) and (3) for the Kingsport MPO, VDOT contracts with LENOWISCO PDC and the City of Kingsport, TN.

In addition an LOA is prepared annually that states the allocation amount of planning funds covered under the master agreement that the Recipient will be reimbursed by VDOT for activities carried out under their UPWP. VDOT reimburses the Recipient at 90% of the total expenditures up to the agreement amount; of the total project funding, 80% is federal PL, 10% is state funds, and 10% is local funds from the Recipient.

Each year, PIRS prepares the LOA and sample transmittal letter. A set of instructions for executing the LOA is provided to the MPOs no later than the end of May.

## **1. Articles and Attachments**

The following is a listing and brief discussion of the articles and attachments of the master PL agreement &/or LOA:

Article I – Purpose of Funds: funds are to be used for carrying out Metropolitan Transportation Planning and Programming Process within the MPO areas.

Article II – Source of Funds: PL funds are apportioned to Virginia each fiscal year on the basis of the ratio which Virginia's total urbanized area population bears to the total urbanized area population of all states.

Article III – Statement of Work: PL funded activities are identified in the UPWP. This article also covers the process for changes to the UPWP, pass through agreements, and acquisition of equipment.

Article IV – Basis of Payment: covers cost overruns of UPWP line items, invoices, audits, costs, and travel.

Article V – Progress Schedules and Reports: covers the requirement for quarterly progress reports and schedules.

Article VI – Performance Period: the master PL agreement will identify the performance period, which is a fiscal year that begins on July 1<sup>st</sup>. The annual LOA will specify the dates for that fiscal year.

Article VII – Termination of Agreement: details provisions for terminating the agreement.

Article VIII – Retention of Cost Records: identifies the requirements for retention of cost records.

Article IX – Publication Provisions: details the provisions for publications and contains the required disclaimer and acknowledgement.

Article X – Settlement of Disputes: details the process for settlement of disputes between the contracting entities.

Article XI – Liability for Planning Process and Administration of Funds: identifies responsibility regarding liability for proper administration of funds.

Article XII – Compliance with Transportation Planning, Clean Air, Title VI Civil Rights, Disadvantaged Business Enterprise, Non-Discrimination and Other Applicable Federal Requirements: identifies applicable federal requirements regarding transportation planning, clean air, Title VI Civil Rights, Disadvantaged Business Enterprise and Non-Discrimination.

Article XIII – Virginia Fair Employment Contracting Act: identifies the requirements to comply with the provisions of the Virginia Fair Employment Contracting Act (Sections 2.2-4200 through 2.2-4201 of the Code of Virginia (1950), as amended).

Article XIV – Amendments: specifies procedures for amending the master PL agreement.

Article XV – Certifications: identifies the requirements with regard to the signing of specified certification statement.

Attachment A: Administrative Procedures for Federally Funded Consultant Contracts.

Attachment B: Federal Audit Requirements for Sub-recipients.

Attachment C: Federal VDOT Audit Guidelines In Accordance with OMB Circular 2 CFR 200 Subpart F.

Attachment D: Annual Review of UPWP.

Attachment E: Virginia Fair Employment Contracting Act.

Attachment F: Participation by Disadvantaged Business Enterprises in Department of Transportation Programs.

Attachment G: Notice to Contractors; Compliance with Title VI of the Civil Rights Act of 1964 for Federal-Aid Contracts.

Attachment H: Certification of the Metropolitan Planning Organization; Certification of State Highway Agency.

## Procedure for Executing the Master PL Agreement and LOA

The following is a general overview:

1. PIRS prepares the master PL agreement &/or LOA and final transmittal letter. A package is prepared transmitting two originals of the master PL agreement &/or LOA to the Recipient by cover letter with instructions for execution. PIRS will maintain a tracking sheet which tracks the progress of execution of master PL agreements &/or LOA's.
2. The Recipient provides the information for Attachment D (Personnel and Salaries), completes Attachment E (Indirect Cost Certification Statement), completes Attachment I (Certification of Recipient), signs the master PL agreement &/or LOA, and returns the completed master PL agreement &/or LOA to TMPD for execution.
3. PIRS ensures that the Recipient completes all information.
4. PIRS sends the master PL agreement &/or LOA to the VDOT TMPD Administrator for execution. It is important to have the master PL agreement &/or LOA executed prior to July 1<sup>st</sup>, otherwise, the Recipient will not be reimbursed for any expenditures incurred prior to execution.
5. PIRS retains one original, scans copies of letter and master PL agreement &/or LOA and files on TMPD's Public Outbox Folder. PIRS distributes the agreement as follows:
  - Recipient – letter transmitting an original agreement
  - FHWA – copy of letter with copy of agreement

### 1. Amending the Master PL Agreement and LOA

An amendment to the Master PL agreement is required when there are changes to either the federal or state regulations that govern the policies contained in the agreement. An amendment to the LOA is required when the reimbursable amount changes. This usually occurs when the Recipient requests deprogramming of funds, (See the [Deprogramming of PL funds](#) section), however, it may also occur if SPR or other funding is provided by VDOT for special studies. A UPWP amendment must proceed the amending of the LOA (see the [UPWP Amendment](#) section). The processing of an amendment generally follows the same process for the original master PL agreement &/or LOA.

After an MPO request to deprogram funds is received or additional funding is provided to the MPO for special studies, and VDOT and FHWA have approved the amendment to the UPWP, the following procedure needs to be followed:

### **Procedure for Amending the Master PL agreement and LOA**

1. The VDOT Project Manager receives the amendment request from the Recipient. VDOT Project Manager reviews request and coordinates review of cost figures for accuracy with PIRS. PIRS assists the VDOT Project Manager in completing the amendment documentation. The VDOT Project Manager sends two originals of the master PL agreement &/or LOA amendment to the Recipient.
2. The Recipient signs the amendments and returns them to the VDOT Project Manager for execution.
3. The VDOT Project Manager ensures that the Recipient completes all information and then sends the amendments to PIRS.
4. PIRS sends the amendments to the VDOT TMPD Administrator for execution.
5. PIRS retains one original, scans copies of letter and master PL agreement &/or LOA and files on TMPD's Public Outbox Folder. PIRS sends one executed amendment and two copies to the VDOT Project Manager who distributes the amendments as follows:
  - Recipient – letter transmitting an original executed amendment
  - FHWA – copy of letter with copy of executed amendment

### **E. DEPROGRAMMING PL FUNDS (DIRECT CARRYOVER)**

A Recipient, with MPO approval, may request deprogramming PL funds from one fiscal year directly into the next fiscal year. The VDOT Project Manager has approval authority over the request.

### **Procedure for Deprogramming PL Funds**

If the written request, along with the justification, is received by March 31<sup>st</sup> and the VDOT Project Manager agrees, then:

1. Both the Technical Committee and the MPO must approve an amendment to the UPWP.
2. The MPO staff (the Recipient) submits the MPO approved UPWP amendment to VDOT for approval.
3. The VDOT Project Manager reviews the UPWP amendment and forwards to FHWA and PIRS recommending their approval.
4. FHWA and PIRS approve and/or provides comments to the VDOT Project Manager on the UPWP amendment.
5. The VDOT Project Manager notifies the MPO staff of the approval and/or concerns of FHWA regarding the UPWP amendment. The VDOT Project Manager works with the MPO staff and FHWA to resolve any issues, and notify PIRS of resolution.
6. PIRS prepares an amendment to the current LOA reducing the original reimbursable amount. This amendment is then processed as described in the section "Amending the Master PL Agreement &/or LOA". The deprogrammed funds are then available to the Recipient in the next fiscal year and should be included in that year's UPWP and LOA.

If the written request, along with the justification, is not received by March 31<sup>st</sup> and the VDOT Project Manager agrees, then:

1. The request will not be processed until the final invoice for that fiscal year has been paid.
2. As the fiscal year from which the funds are being released will have ended by the time the deprogramming is processed, there is no need to amend the LOA from that year. However, the UPWP and LOA for the year to which the money is being released will have to be amended.
3. Prior to execution, the VDOT Project Manager must submit the agreement amendment to PIRS for review of cost figures.
4. If the VDOT Project Manager does not agree with the deprogramming, then the process does not move forward.

## **F. INDIRECT COST ALLOCATION**

### **Definitions**

Indirect cost - an expense that cannot wholly be charged to one program (for example, if a Recipient has several programs, the electric bill could not be charged to just one of the programs).

Cost Allocation Plan - the methodology by which allowable costs are allocated; used for determining indirect cost rate.

Indirect Cost Allocation Rate - a percentage, determined using the plan, based on prior years expenses, that is applied to direct salaries such that each program proportionately shares the burden of indirect costs.

### **General**

Each Recipient of PL funds that charges indirect costs must have an approved indirect cost allocation plan and rate on record. Any change to the plan and/or a significant change to the rate require VDOT review and approval. In cases where VDOT is not the cognizant agency, the MPO should provide documentation that supports the approved rate from the cognizant agency. Additional information regarding ICAPs and indirect cost rates can be found in [Appendix G-2 CFR 200](#).

The VDOT Project Manager is notified of changes to the plan and/or rate in one of two ways:

- (1) The Recipient indicates a change to the plan and/or rate on the indirect cost certification statement attached to the LOA, which should be executed prior to the beginning of the fiscal year (July 1<sup>st</sup>), or
- (2) The Recipient requests a change to the plan and/or rate during the fiscal year (July 1<sup>st</sup> – June 30<sup>th</sup>).

Note that the Recipient may not use the new plan and/or rate until approval from VDOT is received.

### **Procedure for Processing Changes**

1. The Recipient submits in writing to the VDOT Project Manager the proposed indirect cost allocation plan and/or rate for review and approval. The

Recipient should include a brief explanation of the change(s) and all the necessary documentation.

2. The VDOT Project Manager forwards the Recipient submittal to the VDOT Central Office Assurance and Compliance Office (**ACO**) via their mail box at [aco@vdot.virginia.gov](mailto:aco@vdot.virginia.gov) for review and approval. PIRS is to be copied on the transmittal memorandum to ACO. (**PLEASE NOTE:** ACO has indicated that if the Recipient is requesting only a change in the rate and the rate change is 5% or less, then the VDOT Project Manager can approve that rate without submitting it to ACO for approval. The VDOT Project Manager (a) notifies the Recipient of the rate approval, (b) copies PIRS on the approval letter, and (c) submits a copy of the rate change documentation and approval letter to ACO Director.)
3. ACO responds back to the VDOT Project Manager who provides a copy of the response to PIRS. The next course of action depends on ACO response.
  - If ACO approves the change(s), then the VDOT Project Manager notifies the Recipient in writing that their change has been approved and provides a copy of the memo to PIRS.
  - If ACO requests additional information, then the VDOT Project Manager coordinates obtaining the requested information from the Recipient, forwards the information to ACO, and provides a copy of the memo to PIRS.
  - If ACO denies the change(s), then the VDOT Project Manager notifies the Recipient in writing that their change has been denied and provides a copy of the memo to PIRS.

PIRS needs copies of any memos relating to indirect costs, as they are required to track certain information associated with indirect costs to ensure compliance with federal and state regulations.

## **G. PASS-THROUGH (THIRD PARTY) PL AGREEMENTS**

At times, the Recipient may pass PL funds through to other entities such as local governments, transportation district commissions, consultants, etc. to carry out activities in the UPWP. These pass-through agreements should be developed as soon as possible after execution of the LOA as the Department must approve them prior to the Recipient executing the pass-through agreement.

### **Procedure for Pass-Through PL Agreements**

1. Pass-through agreements must incorporate all provisions of the master PL agreement &/or LOA between the Department and the Recipient for utilization

of PL funds. Tasks requiring pass-through agreements should be identified as such in an approved UPWP.

2. The scopes of services and agreements must be submitted to the VDOT Project Manager for approval prior to execution. There will be no reimbursement for work performed by third parties prior to the execution date of the pass through agreement(s).
3. Attachment A of the master PL agreement details the administrative procedures with which the MPO must comply if a consultant is to be engaged under a pass-through agreement.
4. Attachment B of the master PL agreement details the audit requirements for pass-through recipients. A pre-award audit is required for all consultant contracts. The Department will conduct the audit at the time that the contract is submitted for approval in accordance with Article III of the master PL agreement. (See Attachment D for more information related to pre-award audits.)

## H. INVOICES

Article IV – Basis of Payment, outlined in the master PL agreement, covers information regarding invoices. The Recipients need to submit the invoices in a timely manner. Payments shall be made for billings rendered either monthly or quarterly for actual work completed. According to the master PL agreement, the first three quarter billings are due 30 days after the end of the quarter or monthly. The fourth quarter bill is due 60 days after the end of the fiscal year (or the time period indicated in the master agreement). VDOT Project Managers are responsible for notifying the Recipient if the invoice is not received by the due date.

<u>Quarter</u>	<u>Ending Date</u>	<u>Invoice Due</u>
1 <sup>st</sup>	September 30 <sup>th</sup>	October 30 <sup>th</sup>
2 <sup>nd</sup>	December 31 <sup>st</sup>	January 30 <sup>th</sup>
3 <sup>rd</sup>	March 31 <sup>st</sup>	April 30 <sup>th</sup>
Final	June 30 <sup>th</sup>	August 30 <sup>th</sup>

The VDOT Project Manager is responsible for reviewing the invoice for accuracy, proper documentation, and alignment of expenditures with progress of UPWP activities. All invoices must be processed in accordance with the procedures outlined in [Appendix E](#), Accounting for Payments to PDCs & MPOs/TPOs for SPR and PL Funds Fiscal Division Memorandum Number: FD-2014-01, Dated June 26, 2014 and procedures listed below:

## Procedure for Processing PL Invoices

1. At the beginning of each fiscal year, the PIRS will provide the VDOT Project Manager with the following information for each PDC and MPO/TPO: funding amounts, copy of annual LOAs, project/UPC numbers and tracking templates. The VDOT Project Managers receive the invoices from the PDCs and MPOs/TPOs and review and approve them for payment. Upon receipt of an invoice, the VDOT Project Manager should ensure that it has been date stamped into VDOT. The date of receipt is important as it determines the beginning of the 30-day period in which VDOT must process the invoice for payment in order to be in compliance with the Prompt Payment Act. Also, under 23 USC 104(d)(2)(B) as amended by MAP-21, a state is federally required to process and reimburse an MPO's PL expenditures not later than 15 business days after the date of the receipt of an acceptable invoice. The federal 15 business day requirement is specific and particular to processing and reimbursing MPO metropolitan planning funding (PL).
2. The VDOT Project Manager reviews the invoice for accuracy, proper documentation, and alignment of expenditures with progress of UPWP activities and approves for payment. The VDOT Project Manager reviews the invoices to ensure that the invoices indicate the federal PL Share – 80%, the State Match – 10%, and Local Match – 10%. Additionally, the first quarter invoice must be reviewed to ensure that VDOT does not pay for work performed prior to the execution date of the LOA. At times, problems with the invoice prevent approval by the deadlines. In such an instance, the VDOT Project Manager should include a note as to the delay in approving and include the date of receipt of all required information.
3. The VDOT Project Manager should indicate that they have reviewed the invoice and approved for payment by writing directly on the invoice the following information:

I have reviewed this invoice and approve for payment.

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

If the invoice is a final billing, then the VDOT Project Manager ensures that "Final" is clearly indicated on the invoice.

4. The VDOT Project Manager submits the original invoice, tracking template and one copy with supporting financial documentation to the appropriate district staff for processing.

## **1. Computer Purchases**

Based on Article IV – Basis of Payment of the master PL agreement, PL funds may be used to purchase certain computer hardware and software necessary to carry out UPWP activities. Written approvals are needed as per the master PL agreement.

## **2. Travel**

Based on Article IV – Basis of Payment in the master PL agreement, depending on the dollar amount, travel performed in connection with planning activities must have prior approval by the Department. The request shall include a brief explanation of the purpose for the travel, a cost estimate, and MPO concurrence (may be included as a line item in an approved UPWP).

Before approving travel, the VDOT Project Manager must consider whether the travel is appropriate to be charged wholly to PL funds, or whether other programs that fund the MPO should share the cost of the travel.

Reimbursement of approved travel will comply with [2 CFR 200.474](#)

## **I. CPA AUDIT REPORT**

In accordance with OMB 2 CFR 200 Subpart F, Recipients expending \$750,000 or more in federal funds must submit two copies of their CPA audit report to VDOT. The VDOT Project Manager is responsible for the specified procedures.

### **Procedure**

1. VDOT's policy requires the Recipient to provide two copies of the audit report to the VDOT Project Manager within 60 days of the audit being completed. This requirement is cited in the master PL agreement.
2. If the report is not received within 60 days of the audit being completed, the VDOT Project Manager must contact the Recipient by phone, put a note in the file documenting the date the Recipient was contacted, why the report has not been received, and the anticipated submission date. If it is not received by the anticipated submission date, the VDOT Project Manager should contact the Recipient again and document the file. In all

instances, the VDOT Project Manager must inform PIRS of the date each contact was made.

3. The Recipient should provide the VDOT Project Manager two copies of the report. The VDOT Project Manager should ensure that both reports are date stamped when they are received.
4. As soon as the reports are received, the VDOT Project Manager should send a memo along with a copy of the CPA Audit Report to ACO, via their mail box at [aco@vdot.virginia.gov](mailto:aco@vdot.virginia.gov), copying PIRS, requesting that ACO review the report and determine if the report satisfactorily addresses all compliance issues. All relevant records and financial statements must be readily accessible to ACO to ensure compliance. The VDOT Project Manager should keep one report in the project file.
5. The VDOT Project Manager reviews ACO comments and follows up with the Recipient on any findings cited. The VDOT Project Manager must request certification from the Recipient that appropriate and timely corrective action to the findings has been taken, send ACO a copy of the corrective action by the Recipient, and notify PIRS of the corrective action.
6. The VDOT Project Manager notifies PIRS of any significant audit findings that would necessitate adjustment of VDOT's financial records. PIRS in turn notifies the Fiscal Division Administrator and VDOT TMPD Administrator of these findings and the corrective action taken.

## **J. MONTHLY AND QUARTERLY EXPENDITURE REPORTING**

The VDOT project manager is responsible for ensuring the PL funds passed through to the MPOs stay within budget. Each month, between the 25<sup>th</sup> and 30<sup>th</sup>, the VDOT project manager is responsible for reporting the prior month's expenditures for the MPOs for which they are responsible. It is important to use the correct project code/upc when transitioning between fiscal years. During this time the codes will not be activated until the PM requests PIRS to open in order to process the final invoice for the previous fiscal year. Similarly, the PM will need to request the project code(s) for the new fiscal year to be opened once they receive the first invoice. Additionally, on a quarterly basis, VDOT Project Managers are responsible for certifying expenditures through the Certification Application located on Inside VDOT at the following link: <http://pefcert/>

See Appendices [A](#) & [E](#) for detailed procedures. As some projects may need to remain open past the end of the fiscal year to allow for appropriate charges, the expenditures for a project need to be reviewed and reported for as long as the project is open.

## **K. ANNUAL PERFORMANCE AND FINANCIAL REPORT**

An annual performance and financial report is prepared each year by the VDOT Project Manager for each MPO. This report also includes the SPR funds expended by VDOT to support planning activities of each area. The report must be prepared after receipt of an acceptable final invoice no later than December 1st. This report is separate from the one prepared for PDCs receiving funds under the Rural Transportation Planning Program (RTPP)

### **Procedure for Processing Annual Performance and Financial Report**

1. The VDOT Project Manager prepares an annual performance report that must be completed no later than December 1<sup>st</sup> after approval of the final invoice. The final invoice is due to VDOT 60 days after the end of the fiscal year. The VDOT Project Manager needs to remind the Recipient of this due date if the invoice is not received by the deadline.
2. The report is sent to FHWA copying the MPO chairman and others as appropriate. PIRS must receive a copy of the transmittal letter only, as they are responsible for tracking the status of this requirement.
3. The annual performance report must include: (a) the summary of the allocations to the recipient and their expenditures, (b) a listing of major tasks accomplished, and (c) either a comprehensive year-end progress report or the quarterly progress reports prepared by the Recipient. The report also must include the amount of SPR funds budgeted and expended to support the MPO.

## **Part III**

### **Administration of SPR Funds to Support the Rural Transportation Planning Program (RTPP)**

## **A. INTRODUCTION**

The RTPP is funded with federal SPR funds. The RTPP is comprised of the Rural Transportation Planning (RTP) Assistance program. The RTPP is not a federally mandated program and is carried out at the discretion of TMPD. The master SPR agreement and/or LOA contain directives for participation in the program. The LOA is the funding document by which VDOT provides the eligible PDCs with funding for the program. Use of these funds is identified in each PDC's RTPP Assistance scope of work and may only be used to fund planning activities outside of the metropolitan planning study area boundaries.

VDOT project managers are responsible for ensuring PDC compliance with these funding documents and with federal and state regulations. PIRS serves as a resource to the VDOT project managers by developing standardized documents, instructions, and other assistance as needed.

## **B. RURAL TRANSPORTATION PLANNING (RTP) ASSISTANCE PROGRAM**

### **1. Purpose and Eligibility**

The purpose of the RTP Assistance program is to provide funding to the Recipients to carry out transportation planning activities in rural areas. A PDC is eligible to receive RTP Assistance funds if they have rural areas, defined as area "outside the metropolitan planning study area boundaries approved by the metropolitan planning organizations under Section 134 of Title 23, United States Code." Therefore, some types of transportation planning funds are provided to all areas of the State; either PL in metropolitan planning study areas or SPR in areas outside the metropolitan planning study areas.

### **2. Funding**

The amount of SPR funds available each fiscal year to an eligible PDC under the RTP Assistance program is \$58,000. The PDC provides the required 20% match (\$14,500) to these federal funds, which will result in a grand total of \$72,500 to carry out activities in the approved Scope of Work.

### **3. Assistance Scope of Work**

Each year, the PDC develops an RTP assistance scope of work (or scope of work in this chapter) that details the transportation planning activities to be carried out under the RTP Assistance program. For each task, the scope of work must contain a detailed description that identifies the activities to be conducted; the expected deliverable end products, and the amount budgeted for each task.

VDOT may identify focus areas each year, as deemed appropriate. In a flexible scope of work, tasks may be aggregated into broad headings for listing and funding purposes such as administration and technical assistance. However, each item under these headings must include a detailed description of work activities and deliverable end products.

No more than 20% of the \$72,500 budget should be dedicated to administrative activities such as preparing the scope of work, developing a grant proposal, processing the master SPR agreement &/or LOA and invoices, and preparing and attending RTP advisory committee meetings. Additionally, the cost of the transportation plan element of a local comprehensive plan to be funded through the RTPP is limited to 25% of the total cost of the local comprehensive plan.

#### **4. Procedure for Assistance Scope of Work**

The VDOT project managers are responsible for processing the scope of work using the following procedure:

1. The PDC submits the scope of work along with a PDC resolution approving the scope to the VDOT project manager by March 15<sup>th</sup>. This deadline allows sufficient time for processing. The VDOT project manager notifies the TMPD RTPP Coordinator by e-mail indicating date of receipt. The master SPR agreement &/or LOA will not be executed until all the appropriate approvals have been received.
2. The VDOT project manager reviews and approves the scope of work ensuring that the activities comply with the purpose of the program.
3. The VDOT project manager forwards the scope of work to the TMPD RTPP Coordinator. TMPD RTPP Coordinator submits the scope of work to FHWA indicating VDOT approval and seeking their concurrence. The TMPD RTPP Coordinator copies the VDOT project manager on the transmittal letter sent to FHWA.
4. The VDOT project manager notifies the PDC that VDOT and FHWA have approved the scope of work; this is usually done when the annual LOA is sent out. The VDOT project manager copies the RTPP Coordinator on the transmittal letter to the PDC.

#### **5. Amending the Assistance Scope of Work**

An amendment to the scope of work is required if there is any change in the character or extent of the work or new activities to be performed under the RTP Assistance program. Amending the scope of work requires VDOT project

manager and FHWA approval. The procedure for amending the scope of work follows the procedure for the original scope of work (See section on [Procedure for Assistance Scope of Work.](#))

## **C. MASTER SPR AGREEMENT AND LOA**

The master SPR agreement contains provisions that generally do not change each year. If necessary, PIRS will make revisions. Every five years a new master SPR agreement is executed as a contractual agreement between the agreeing parties. This contractual arrangement is typically between VDOT and the PDC. The LOA is an annual contract between VDOT and the PDC that states the amount that the PDC will be reimbursed by VDOT for activities carried out under their Assistance scope of work. VDOT reimburses at 80% of the total expenditures up to the LOA amount; the required 20% match is provided by local funds from the PDC. The LOA may be amended as needed.

Each year, PIRS and the TMPD RTPP coordinator prepare the standard LOA and transmittal letter. A set of instructions for executing the LOA is provided to the PDCs no later than the end of May.

The LOA specifies the area, the performance period, and the amount of funds available under the RTP Assistance Program. The LOA will not be executed until all appropriate approvals have been received.

### **1. Articles and Attachments**

The following is a listing and brief discussion of the articles and attachments of the master SPR agreement &/or LOA:

Article I – Purpose of Funds: funds are to be used for transportation planning assistance to the local jurisdictions within the planning district.

Article II – Source of Funds: a portion of the SPR funds apportioned to the State is used.

Article III – Scope of Work: SPR funded activities are identified in the scope of work. This article also covers the process for changes to the scope of work, pass through agreements, and acquisition of equipment.

Article IV – Basis of Payment: covers cost overruns of tasks, invoices, audits, costs, and travel.

Article V – Progress Schedules and Reports: covers the requirement for quarterly progress reports and schedules.

Article VI – Performance Period: the master SPR agreement will identify the performance period, which is a fiscal year that begins on July 1<sup>st</sup>. The annual LOA will specify the dates for that fiscal year.

Article VII – Termination of Agreement: details provisions for terminating the agreement.

Article VIII – Retention of Cost Records: identifies the requirements for retention of cost records.

Article IX – Publication Provisions: details the provisions for publications and contains the required disclaimer and acknowledgement.

Article X – Settlement of Disputes: details the process for settlement of disputes between the contracting entities.

Article XI – Compliance with Title VI of Civil Rights Act: identifies the requirements to comply with the provisions of Title VI of the Civil Rights Act of 1964.

Article XII – Virginia Fair Employment Contracting Act: identifies the requirements to comply with the provisions of the Virginia Fair Employment Contracting Act (Sections 2.2-4200 through 2.2-4201 of the Code of Virginia (1950), as amended).

Article XIII – Disadvantaged and Women-Owned Business Enterprises: identifies the requirements with regard to the utilization of Disadvantaged Business Enterprises (DBEs-inclusive of women).

Article XIV – Amendments: specifies procedures for amending the master SPR agreement.

Article XV – Certifications: identifies the requirements with regard to the signing of specified certification statement.

Attachment A: Scope of Work

Attachment B: Planning District Commission Resolution

Attachment C: Administrative Procedures for SPR Funded Consultant Contracts

Attachment D: Federal Audit Requirements for Sub-recipients

Attachment E: Federal VDOT Audit Guidelines In Accordance with OMB Circular 2 CFR 200 Subpart F

Attachment F: Notice to Contractors; Compliance with Title VI of the Civil Rights Act of 1964 for Federal-Aid Contracts

Attachment G: Virginia Fair Employment Contracting Act

Attachment H: Participation by Disadvantaged Business Enterprises in Department of Transportation Programs

Attachment I: Annual Performance Review of the Rural Scope of Work

Attachment J: Certification of the Planning District Commission; Certification of State Highway Agency

## **Procedure for Executing the Master SPR Agreement and LOA**

The following is a general overview:

1. After VDOT and FHWA review and approval of the assistance scope of work, PIRS and the RTPP coordinator send a transmittal package containing two originals of the master SPR agreement (every 5 years) and LOA (annually), which includes the SPR funding allocations, to the PDC by cover letter with instructions for execution. The master SPR agreement &/or LOA will not be executed until all appropriate approvals have been obtained.
2. The PDC provides the information for Attachment 1 (Certification of PDC), Attachment 2 (Personnel and Salaries), completes Attachment 3 (Indirect Cost Certification Statement), signs the LOA, and returns the completed LOA to the PIRS for execution.
3. PIRS ensures all information is completed by the PDC.
4. PIRS sends the master SPR agreement &/or LOA to the VDOT TMPD Administrator for execution. It is important to have the agreement executed prior to July 1<sup>st</sup>, otherwise, the PDC will not be reimbursed for any expenditures incurred prior to execution.
5. PIRS retains one original, scans copies of letter and master SPR agreement &/or LOA and files on TMPD's Public Outbox Folder. PIRS distributes the agreement as follows:
  - Recipient – letter transmitting an original agreement
  - FHWA – copy of letter with copy of agreement

## **2. Amending the Master SPR Agreement and LOA**

There may be instances when the master SPR agreement &/or LOA will need to be amended. This will typically involve a change to the terms of the master SPR agreement &/or LOA. If the change affects all PDCs, then PIRS will develop a standard amendment and provide specific instructions for execution of the master SPR agreement & LOA amendment to each VDOT project manager. If the amendment is just for a particular PDC, then the following procedure shall be used.

### **Procedure**

1. The VDOT Project Manager receives the amendment request from the Recipient. VDOT Project Manager reviews request and coordinates review of cost figures for accuracy with PIRS. PIRS assists the VDOT Project Manager in completing the amendment documentation. The VDOT Project Manager sends two originals of the master PL agreement &/or LOA amendment to the Recipient.
2. The Recipient signs the amendments and returns them to the VDOT Project Manager for execution.
3. The VDOT Project Manager ensures that the Recipient completes all information and then sends the amendments to PIRS.
4. PIRS sends the amendments to the VDOT TMPD Administrator for execution.
5. PIRS retains one original, scans copies of letter and master SPR agreement &/or LOA and files on TMPD's Public Outbox Folder. PIRS sends one executed amendment and two copies to the VDOT Project Manager who distributes the amendments as follows:
  - Recipient – letter transmitting an original executed amendment
  - FHWA – copy of letter with copy of executed amendment

## **D. CARRYOVER OF SPR FUNDS**

Requests to carryover funds by PDC shall be considered on a case-by-case basis and only allowed under exceptional circumstances. Normally, any such inactive/unused funding is reallocated for use in other immediate planning application(s), to ensure timely use of the federal planning funds.

## Procedure

1. The PDC submits to their VDOT project manager the request for carryover including amount of carryover, detailed description of task(s) to be undertaken with carryover funds, and a justification of circumstances that prompted the carryover request.
2. The VDOT project manager makes their recommendation and forwards it to the RTP Coordinator for review.
3. The RTP Coordinator provides a recommendation to the TMPD Administrator who has final authority.
4. The VDOT project manager then notifies the PDC of the decision.
5. If the carryover is approved, the VDOT project manager coordinates amending the scope(s) of work and LOA following the proper procedures.

## E. INDIRECT COST ALLOCATION

### Definitions

Indirect cost - an expense that cannot wholly be charged to one program (for example, if a PDC has several programs, the electric bill could not be charged to just one of the programs).

Cost Allocation Plan - the methodology by which allowable costs are allocated; used for determining indirect cost rate.

Indirect Cost Allocation Rate - a percentage, determined using the plan, based on prior years expenses, that is applied to direct salaries such that each program proportionately shares the burden of indirect costs.

### General

Each PDC receiving SPR funds that charge indirect costs must first have an approved indirect cost allocation plan (ICAP) and rate on record. Any change to the plan and/or a significant change to the rate require VDOT review and approval. In cases where VDOT is not the cognizant agency, the PDC should provide documentation that supports the approved rate from the cognizant agency. Additional information regarding ICAPs and indirect cost rates can be found in [Appendix G-2 CFR 200](#).

The VDOT project manager is notified of changes to the plan and/or rate in one of two ways:

- (1) The PDC indicates a change to the plan and/or rate on the indirect cost certification statement attached to the LOA, which should be executed prior to the beginning of the fiscal year (July 1<sup>st</sup>), or
- (2) The PDC requests a change to the plan and/or rate during the fiscal year (July 1<sup>st</sup> – June 30<sup>th</sup>).

Note that the new plan and/or rate may not be used until approval from VDOT is received.

### **Procedure for Processing Changes**

1. The PDC submits in writing to the VDOT project manager the proposed indirect cost allocation plan and/or rate for review and approval. The PDC includes a brief explanation of the change(s) and all the necessary documentation.
2. The VDOT project manager forwards the PDC submittal to the ACO via their mail box at [aco@vdot.virginia.gov](mailto:aco@vdot.virginia.gov) for review and approval. PIRS is to be copied on the transmittal memorandum to ACO. **(PLEASE NOTE:** ACO has indicated that if the PDC is requesting only a change in the rate and the rate change is 5% or less, then the VDOT project manager can approve that rate without submitting to ACO for approval. The VDOT project manager (a) notifies the PDC of the rate approval, (b) copies PIRS on the approval letter, and (c) submits a copy of the rate change documentation and approval letter to ACO Audit Director for information purposes.)
3. ACO responds back to the VDOT project manager who provides a copy of the response to PIRS. The next course of action depends on ACO response.
  - If ACO approves the change(s), then the VDOT project manager notifies the PDC in writing that their change has been approved and provides a copy of this memo to PIRS.
  - If ACO requests additional information, then the VDOT project manager coordinates obtaining the requested information from the PDC, forwards the information to ACO, and provides a copy of the memos to PIRS.
  - If ACO denies the change(s), then the VDOT project manager notifies the PDC in writing that their change has been denied and provides a copy of the memos to PIRS.

PIRS maintains a spreadsheet to track certain information associated with indirect costs to ensure compliance with federal and state regulations.

## **F. PASS-THROUGH (THIRD PARTY) AGREEMENTS**

At times, the PDC may pass SPR funds through to other entities such as local governments, transportation district commissions, consultants, etc. to carry out activities in the Scope of Work. These pass-through agreements should be developed as soon as possible after execution of the LOA as the Department must approve them prior to the PDC executing the pass-through agreement.

### **Procedure**

1. Pass-through agreements must incorporate all provisions of the master SPR agreement and LOA between the Department and the PDC for utilization of SPR funds.
2. The scopes of services-activity is to be an itemized part of a VDOT and FHWA approved assistance scope of work and an associated fully approved LOA identifying and describing the pass-through agreement. The pass-through agreement itself needs to be fully approved by the PDC, VDOT and the FHWA prior to execution. There will be no reimbursement for work performed by third parties prior to the execution date of the pass-through agreement(s).
3. Attachment C of the master SPR agreement details the administrative procedures with which the PDC must comply if a consultant is to be engaged under a pass-through agreement. PDCs must also comply with the Virginia Public Procurement Act.
4. Attachment D of the master SPR agreement details the audit requirements for pass-through recipients. A pre-award audit is required for all consultant contracts. The Department will conduct the audit at the time that the contract is submitted for approval in accordance with Article III of the agreement. (See [Appendix D](#) for more information related to pre-award audits.)

## **G. INVOICES**

Article IV – Basis of Payment covers information regarding invoices. The Recipients need to submit the invoices in a timely manner. Payments shall be made for billings rendered either monthly or quarterly for actual work completed. According to the master SPR agreement, the first three quarters billings are due 30 days after the end of the quarter or monthly. The fourth quarter bill is due 60

days after the end of the program year. VDOT project managers are responsible for notifying the PDC if the invoice is not received by the due date.

<u>Quarter</u>	<u>Ending Date</u>	<u>Invoice Due (approximately)</u>
1 <sup>st</sup>	September 30 <sup>th</sup>	October 30 <sup>th</sup>
2 <sup>nd</sup>	December 31 <sup>st</sup>	January 30 <sup>th</sup>
3 <sup>rd</sup>	March 31 <sup>st</sup>	April 30 <sup>th</sup>
Final	June 30 <sup>th</sup>	August 30 <sup>th</sup>

The VDOT project manager is responsible for reviewing the invoice for accuracy, proper documentation, and alignment of reimbursement with progress of RTPP activities. All invoices must be processed in accordance with the procedures outlined in [Appendix E](#), Accounting for Payments to PDCs & MPOs/TPOs for SPR and PL Funds Fiscal Division Memorandum Number: FD-2014-01, Dated June 26, 2014 and procedures listed below:

## Procedure

1. At the beginning of each fiscal year, the PIRS will provide the VDOT Project Manager with the following information for each PDC and MPO/TPO: funding amounts, copy of annual LOAs, project/UPC numbers and tracking templates. The VDOT Project Managers receive the invoices from the PDCs and MPOs/TPOs and review and approve them for payment. Upon receipt of the invoice, the VDOT project manager ensures that it has been date stamped into VDOT. The date of receipt is important as it determines the beginning of the 30-day period in which VDOT must process the invoice for payment in order to be in compliance with the Prompt Payment Act.
2. The VDOT project manager reviews the invoice for accuracy, proper documentation, and alignment of expenditures with progress of scope of work activities and approves for payment within 10 calendar days of receipt of an acceptable invoice. At times, problems with the invoice prevent approval by the deadlines. In such an instance, the VDOT project manager includes a note as to the delay in approval and the date of receipt of all required information.
3. The VDOT project manager indicates that they have reviewed the invoice and approved for payment by writing directly on the invoice the following information:

I have reviewed this invoice and approve for payment.

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

If the invoice is a final billing, then the VDOT project manager ensures that “Final” is clearly indicated on the invoice.

4. The VDOT Project Manager submits the original invoice, tracking template and one copy with supporting financial documentation to the appropriate district staff for processing.

## **1. Computer Purchases**

Based on Article IV – Basis of Payment of the master SPR agreement, SPR funds may be used to purchase certain computer hardware and software necessary to carry out Assistance scope of work activities. The required written approvals are needed as per the master SPR agreement

## **2. Travel**

Based on Article IV – Basis of Payment in the master SPR agreement, depending on the dollar amount, travel performed in connection with planning activities must have prior approval by the Department. The request shall include a brief explanation of the purpose for the travel, a cost estimate, and PDC concurrence (may be included as a line item in an approved scope of work).

Before approving travel, the VDOT Project Manager must consider whether the travel is appropriate to be charged wholly to SPR funds, or whether other programs that fund the PDC should share the cost of the travel.

Reimbursement of approved travel will comply with [2 CFR 200.474](#)

## **H. CPA AUDIT REPORT**

In accordance with OMB 2 CFR 200 Subpart F, Recipients expending \$750,000 or more in federal funds must submit two copies of their CPA audit report to VDOT. The VDOT Project Manager is responsible for the specified procedures.

### **Procedure**

1. VDOT’s policy requires the Recipient to provide two copies of the audit report to the VDOT Project Manager within 60 days of the audit being completed. This requirement is cited in the master SPR agreement.

2. If the report is not received within 60 days of the audit being completed, the VDOT Project Manager must contact the Recipient by phone, put a note in the file documenting the date the Recipient was contacted, why the report has not been received, and the anticipated submission date. If it is not received by the anticipated submission date, the VDOT Project Manager should contact the Recipient again and document the file. In all instances, the VDOT Project Manager must inform PIRS of the date each contact was made.
3. The Recipient should provide the VDOT Project Manager two copies of the report. The VDOT Project Manager should ensure that both reports are date stamped when they are received.
4. As soon as the reports are received, the VDOT Project Manager should send a memo along with a copy of the CPA Audit Report to ACO, via their mail box at [aco@vdot.virginia.gov](mailto:aco@vdot.virginia.gov), copying PIRS, requesting that ACO review the report and determine if the report satisfactorily addresses all compliance issues. All relevant records and financial statements must be readily accessible to ACO to ensure compliance. The VDOT Project Manager should keep one report in the project file.
5. The VDOT Project Manager reviews ACO comments and follows up with the Recipient on any findings cited. The VDOT Project Manager must request certification from the Recipient that appropriate and timely corrective action to the findings has been taken, send ACO a copy of the corrective action by the Recipient, and notify PIRS of the corrective action.
6. The VDOT Project Manager notifies PIRS of any significant audit findings that would necessitate adjustment of VDOT's financial records. PIRS in turn notifies the Fiscal Division Administrator and VDOT TMPD Administrator of these findings and the corrective action taken.

## **I. MONTHLY AND QUARTERLY EXPENDITURE REPORTING**

The VDOT project manager is responsible for ensuring the SPR funds passed through to the PDCs stay within budget. Each month, between the 25<sup>th</sup> and 30<sup>th</sup>, the VDOT project manager is responsible for reporting the prior month's expenditures for the PDCs for which they are responsible. It is important to use the correct project code/upc when transitioning between fiscal years. During this time the codes will not be activated until the PM requests PIRS to open in order to process the final invoice for the previous fiscal year. Similarly, the PM will need to request the project code(s) for the new fiscal year to be opened once they receive the first invoice. Additionally, on a quarterly basis, VDOT Project Managers are responsible for certifying expenditures through the Certification Application located on Inside VDOT at the following link: <http://pefcert/>

See Appendices [A](#) & [E](#) for detailed procedures. As some projects may need to remain open past the end of the fiscal year to allow for appropriate charges, the expenditures for a project need to be reviewed and reported for as long as the project is open.

## **J. ANNUAL PERFORMANCE AND FINANCIAL REPORT**

An annual performance and financial report is prepared each year by the VDOT project manager for each PDC that receives SPR funds. The report must be prepared after receipt of an acceptable final invoice no later than December 1st. This report is separate from the one prepared for MPOs.

### **Procedure**

1. The VDOT project manager prepares an annual performance report that must be completed within three weeks of approval of the final invoice, which is due to VDOT 60 days after the end of the fiscal year. The VDOT project manager needs to remind the PDC of this due date if the invoice is not received by the deadline.
2. The VDOT project manager sends the report to FHWA copying the PDC chairman. The VDOT project manager must provide PIRS with a copy of the transmittal letter only as they track the status of this requirement.
3. The annual performance report must include (a) the summary of their allocations and expenditure reports, (b) a listing of major tasks accomplished, and (c) either a comprehensive year-end progress report or the quarterly progress reports prepared by the PDC as required by the master SPR agreement and/or LOA.

## **Part IV**

### **Administration of SPR Funds for Special Studies**

## **A. INTRODUCTION**

Each year, after the funding of continuing activities, the TMPD identifies projects/studies for the SPR work program that support planning efforts across the state using the special studies portion of SPR funds (See Part I – SPR Funding for Continuing Activities). PIRS will notify recipients of projects/studies that are approved for SPR funding.

The VDOT project managers for these projects/studies are responsible for ensuring the work complies with the federally approved scope of the project/study, that the activity progresses according to study-scope milestones and stays within budget. Any requests for changes to the scope of the project/study must be coordinated in advance through PIRS. Additionally, the VDOT project manager is responsible for meeting the administrative requirements for expenditure reporting, quarterly progress reports, and annual progress reports. Failure to comply with these administrative requirements will jeopardize the project manager's district/division from receiving any future SPR funding.

## **B. REVIEWING CONSULTANT INVOICES**

At times, consultant services are used for transportation planning related projects/studies funded with SPR funds. [Appendix B](#) provides information on reviewing consultant invoices. The project manager is responsible for closely reviewing consultant invoices/vouchers to ensure that these are based on progressive work and expense(s) that have been incurred/accomplished, and are consistent with the study-scope.

## **C. MONTHLY AND QUARTERLY EXPENDITURE REPORTING**

The VDOT project manager is responsible for ensuring the SPR funds stay within budget. Each month, between the 25<sup>th</sup> and 30<sup>th</sup>, the VDOT project manager is responsible for reporting the prior month's expenditures for projects for which they are responsible. Additionally, on a quarterly basis, VDOT Project Managers are responsible for certifying expenditures through the Certification Application located on Inside VDOT at the following link: <http://pefcert/>

See Appendices [A](#) & [E](#) for detailed procedures. As some projects may need to remain open past the end of the fiscal year to allow for appropriate charges, the expenditures for a project need to be reviewed and reported for as long as the project is open.

## **D. QUARTERLY PROGRESS REPORTS**

The VDOT project manager receiving Special Studies SPR funds must submit quarterly progress reports to PIRS detailing the activities underway and accomplishments for each project/study for that quarter. These reports are due on the following dates:

- 1<sup>st</sup> Quarter – October 15th
- 2<sup>nd</sup> Quarter – January 15th
- 3<sup>rd</sup> Quarter – April 15th
- 4<sup>th</sup> Quarter – Include in Annual Report due August 1<sup>st</sup>

## **E. ANNUAL PROGRESS REPORT**

All VDOT project managers that have received funding for activities in the current year SPR Work Program are required to submit an annual progress report by August 1<sup>st</sup> to PIRS. This report must summarize the activities undertaken along with the budget and expenditure for the fiscal year.

# APPENDIX A

## Monthly Expenditure Reporting

## **MONTHLY EXPENDITURE REPORTING**

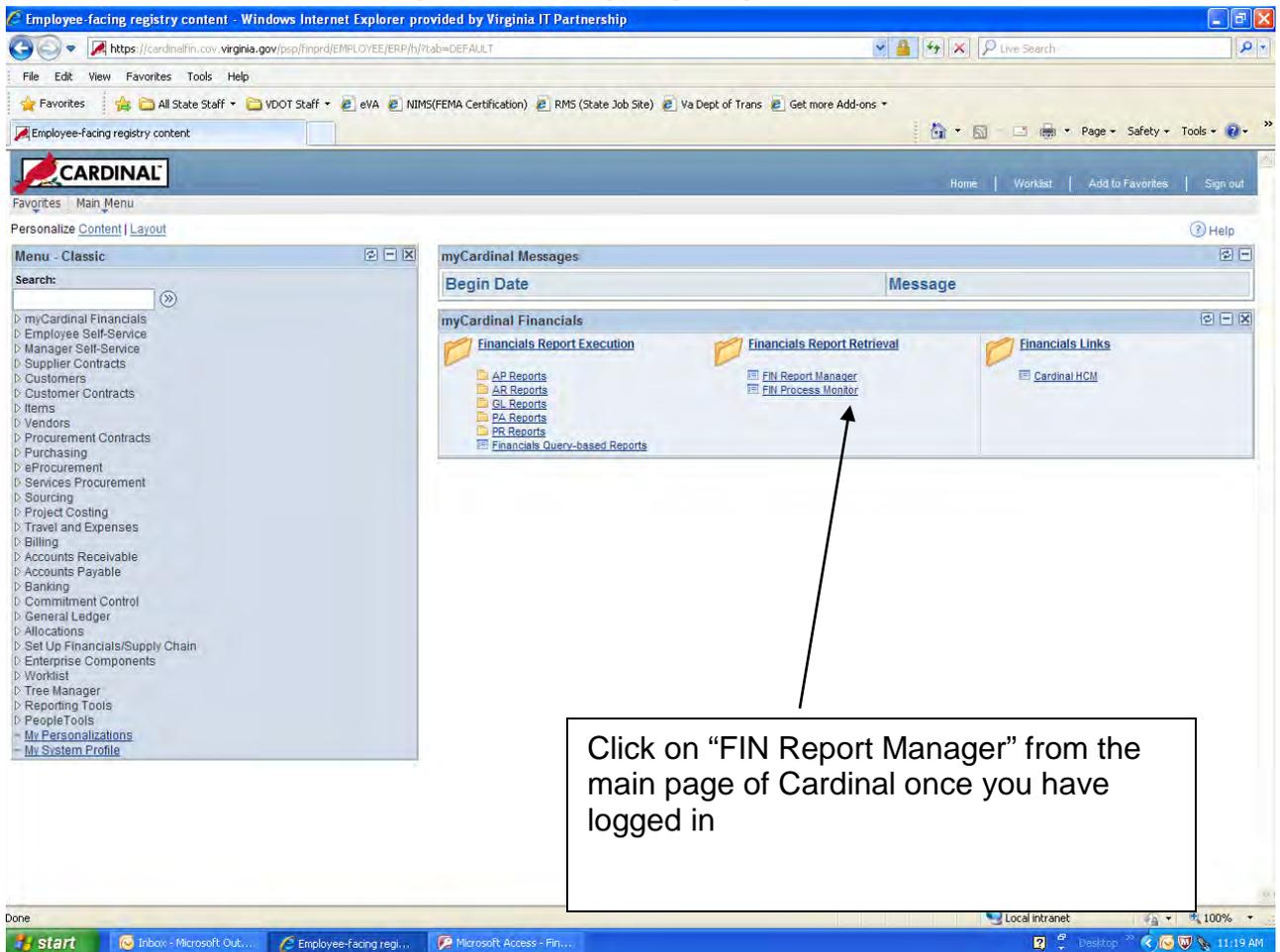
Between the 25<sup>th</sup> and 30<sup>th</sup> of each month, the VDOT project manager is responsible for reviewing all project expenditures in Cardinal by utilizing the Reports and Drilldowns. This should not be done prior to this specified timeframe so that all charges have sufficient time to post to the project in Cardinal.

### **Procedure**

- 1) Each month between the 25<sup>th</sup> and the 30<sup>th</sup>, the VDOT project manager reviews the expenditure report in Cardinal for the previous month. For example, on August 25<sup>th</sup>, the expenditures for July are reviewed. (Note: The months in Cardinal are numbered according to FY months, not calendar months. July 2012 is labeled 2012-1; August 2012 is 2012-2; January 2012 is 2012-7; June 2012 is 2012-12, etc.).
- 2) In reviewing these expenditures, the VDOT project manager will verify that all charges posted are authorized for the particular, Project, Activity, Account, etc. The VDOT project manager must also ascertain that the Cardinal records agree with what his/her records show to have been processed for the month. (For example, if invoices were processed in April, the VDOT project manager must ensure that Cardinal totals for April are the same as his/ her records. However, if an invoice was processed, travel turned in, or times entered at the end of the month, it most likely will not post until the following month. Due to this timing issue in Cardinal postings, the bottom line of each month in Cardinal must be used for the expenditure reporting and reconciliation of manual records accordingly).
- 3) Once the correct month has been located in the report, drilldown on the line items for details. If expenditures are showing up for Salaries and Fringes, do Drilldown by Employee to verify that the employees who charged time to this project are authorized to do so. Likewise, if there are charges for travel, architectural services, etc, do Drilldown by either Journal or Voucher to verify the charges.

- 4) Once the validity of the charges has been established, the VDOT project manager must enter the total monthly amount from the Cardinal report into TMPD's Expenditure Database. The link for the Database is [\\0501coitd1\tmpd\\_public\Databases\Financial Expenditure Review.mde](\\0501coitd1\tmpd_public\Databases\Financial Expenditure Review.mde) This process must be done no later than the 30<sup>th</sup> of each month or the business date closest to the 30<sup>th</sup>.
  - a) Using the drop down bar, the VDOT project manager enters his/ her name, the project number, the month, Calendar Year (not the Fiscal Year), the total expenditures for the month (the bottom line from Cardinal), and whether the total amount is correct.
  - b) If the total amount in Cardinal is not correct, a form will appear for the VDOT project manager to enter the corrections that need to be made. PIRS will then make journal entries for CO VDOT project managers to correct the error, and these adjustments will appear in the following month's Report to be verified. The District project managers coordinate with the district accounting staff to process the journal entries in the districts.
- 5) After the VDOT project manager has entered Cardinal expenditure amounts for the month into the TMPD's database, the VDOT project manager cannot make changes. If any incorrect information has been entered into the database, the VDOT project manager must send TMPD's PIRS Accountant, via email, the correct information, including amounts and codes. PIRS will make the correction in the database.
- 6) In summary, it is the VDOT project manager's responsibility to validate and report all charges made to the projects in the designated timeframe. After review, if the budget for the project is not sufficient for the remainder of the year, the VDOT project manager must address this issue ASAP by bringing it to the attention of PIRS Manager.
- 7) Non-compliance with these procedures will affect future awards for project requests.

# REVIEWING EXPENDITURES IN CARDINAL



Employee-facing registry content - Windows Internet Explorer, provided by Virginia IT Partnership

https://cardinalfin.virginia.gov/psp/finprd/EMPLOYEE/ERP/h/?tab=DEFAULT

File Edit View Favorites Tools Help

Employee-facing registry content

**CARDINAL** Home | Worklist | Add to Favorites | Sign out

Personalize Content | Layout Help

Menu - Classic

Search:

- myCardinal Financials
- Employee Self-Service
- Manager Self-Service
- Supplier Contracts
- Customers
- Customer Contracts
- Items
- Vendors
- Procurement Contracts
- Purchasing
- eProcurement
- Services Procurement
- Sourcing
- Project Costing
- Travel and Expenses
- Billing
- Accounts Receivable
- Accounts Payable
- Banking
- Commitment Control
- General Ledger
- Allocations
- Set Up Financials/Supply Chain
- Enterprise Components
- Worklist
- Tree Manager
- Reporting Tools
- People Tools
- My Personalizations
- My System Profile

myCardinal Messages

Begin Date	Message
------------	---------

myCardinal Financials

- Financials Report Execution
  - AP Reports
  - AR Reports
  - GL Reports
  - PA Reports
  - PR Reports
  - Financials Query-based Reports
- Financials Report Retrieval
  - FIN Report Manager
  - FIN Process Monitor
- Financials Links
  - Cardinal HCM

Click on "FIN Report Manager" from the main page of Cardinal once you have logged in

Done Local Intranet 100%

start | Inbox - Microsoft Out... | Employee-Facing regi... | Microsoft Access - Fin... | Desktop | 11:19 AM

FIN Report Manager - Windows Internet Explorer provided by Virginia IT Partnership

https://cardinalfin.gov.virginia.gov/psp/fmrpd/EMPLOYEE/ERP/c/REPORT\_MANAGER.CONTENT\_LIST.GBL?pkid=V\_REPORT\_MANAGER&PORTALPARAM\_PTC

File Edit View Favorites Tools Help

FIN Report Manager

**CARDINAL**

Home | Worklist | Add to Favorites | Sign out

View Reports For

Folder: Instance: to: Refresh

Name: 0000103400 Created On: by Last 360 Days

Report	Report Description	Folder Name	Completion Date/Time	Report ID	Process Instance
1 Report					

Be sure you are in the List tab

Under View Reports For:  
by Name: type in your project code

Save

List | Explorer | Administration | Archives

Local intranet 100%

start Inbox - Microsoft Out... FIN Report Manager ... Microsoft Access - Fin... Document1 - Microsof... Desktop 11:26 AM

tab past Created On: to next field and choose from a Date Range or Last

tab to next field and enter info

tab to next field and choose from drop down list, All, Days, Hours, Minutes or Years

Report	Report Description	Folder Name	Completion Date/Time	Report ID	Process Instance
1 Report					

FIN Report Manager - Windows Internet Explorer provided by Virginia IT Partnership

https://cardinalfin.virginia.gov/pspp/finprd/EMPLOYEE/ERP/cj/REPORT\_MANAGER.CONTENT\_LIST.GBL?pslnkId=Y\_REPORT\_MANAGER&PORTALPARAM\_PTC

File Edit View Favorites Tools Help

FIN Report Manager

**CARDINAL**

Home | Worklist | Add to Favorites | Sign out

myCardinal Financials > Financials Report Retrieval > FIN Report Manager

List | Explorer | Administration | Archives

View Reports For

Folder:  Instance:  to:  Refresh

Name: 0000103400 Created On:  Last 360 Days

Report	Report Description	Folder Name	Completion Date/Time	Report ID	Process Instance
1 0000103400 Activity	0000103400 ACTIVITY	PROJ EXP ACTIVITY	02/16/13 12:54AM	3874445	1079378
2 0000103400 Account	0000103400 ACCOUNT	PROJ EXP ACCOUNT	02/16/13 12:44AM	3872507	1079386
3 0000103400 Activity	0000103400 ACTIVITY	PROJ EXP ACTIVITY	07/28/12 2:00AM	1742797	654915
4 0000103400 Account	0000103400 ACCOUNT	PROJ EXP ACCOUNT	07/28/12 1:04AM	1706162	654936

Save

List | Explorer | Administration | Archives

Local Intranet 100%

start | Inbox - Microsoft Out... | FIN Report Manager ... | Microsoft Access - Fin... | Document1 - Microsof... | Desktop | 11:28 AM

Click Refresh  
It should bring up a list of folders containing the expenditures reports based off the criteria entered in the fields. If no information is returned, then either you have keyed something incorrectly or there are no charges on the project for the time frame you have chosen.  
You can view reports by:  
activity code  
or  
account code

FIN Report Manager - Windows Internet Explorer provided by Virginia IT Partnership

https://cardinalfin.cov.virginia.gov/pspp/finprd/EMPLOYEE/ERP/cj/REPORT\_MANAGER.CONTENT\_LIST.GBL?pslnkId=V\_REPORT\_MANAGER&PORTALPARAM\_PTC

File Edit View Favorites Tools Help

FIN Report Manager

**CARDINAL**

Home | Worklist | Add to Favorites | Sign out

Report

Report ID: 3872507 Process Instance: 1079386 [Message Log](#)

Name: RPTBOOK Process Type: nVision-ReportBook

Run Status: Success

0000103400 Account

Distribution Details

Distribution Node: finprd Expiration Date: 07/04/2040

File List

Name	File Size (bytes)	Datetime Created
<a href="#">PA1068BYA.xls</a>	17,340	02/16/2013 12:44:00.493478AM EST

Distribute To

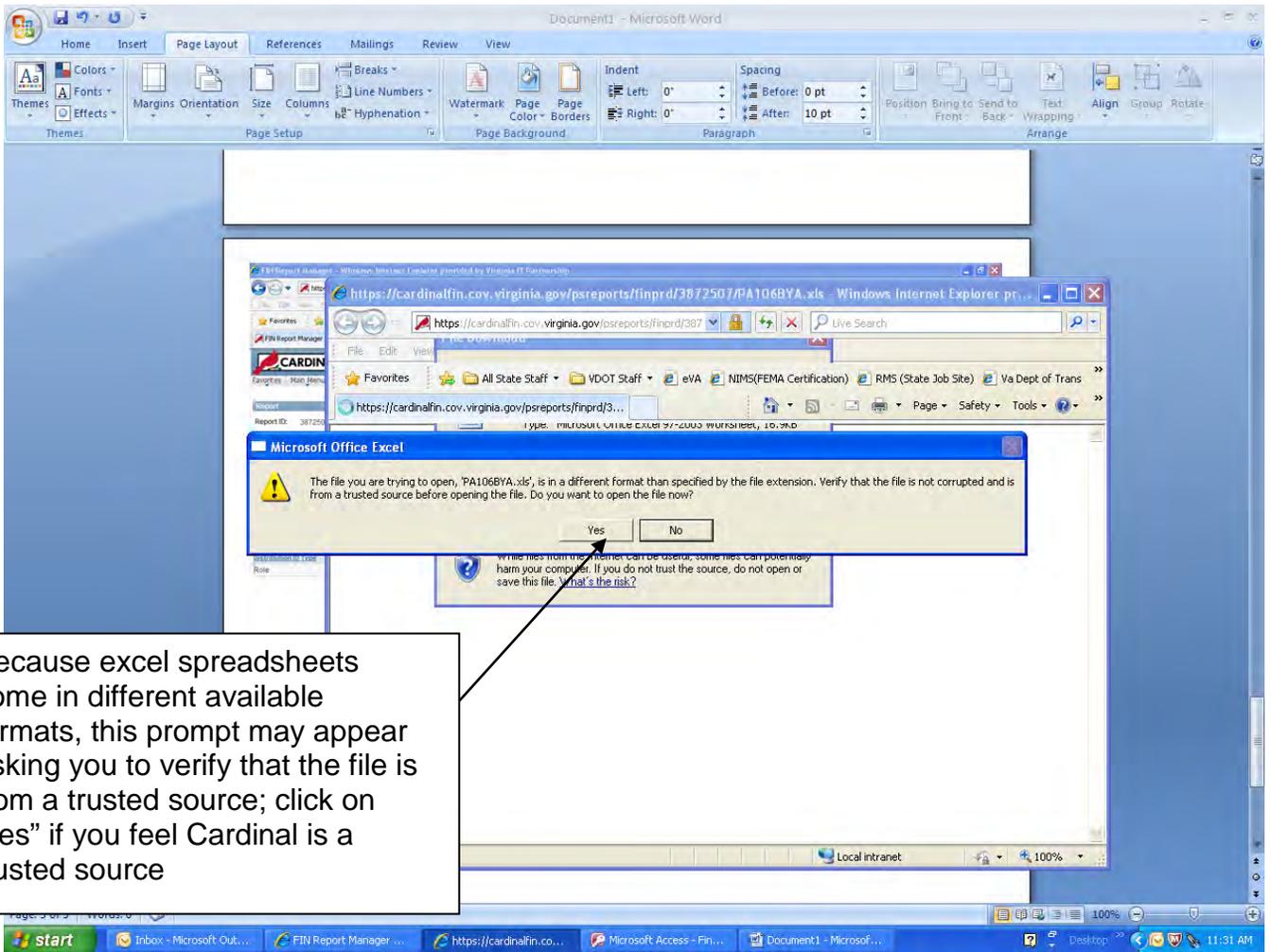
Distribution ID Type	*Distribution ID
Role	V_CARDINAL_REPORTER

-This screen will appear showing you details of the report you just pulled

-To view your report, click the link below the File List "NAME" column pictured to the left; it will prompt you to open an excel spreadsheet

Done Local Intranet 100% 11:30 AM

The screenshot shows a Windows Internet Explorer browser window displaying the 'FIN Report Manager' interface. The browser's address bar shows the URL: <https://cardinalfin.cov.virginia.gov/psreports/finprd/3872507/PA106BYA.xls>. The page content includes report details such as 'Report ID: 3872507', 'Name: RPTBOOK', and 'Run Status: Success'. A 'File List' table is visible, listing the file 'PA106BYA.xls' with a size of 17,340 bytes. A 'File Download' dialog box is open in the foreground, asking 'Do you want to open or save this file?'. The dialog provides the following information: Name: PA106BYA.xls, Type: Microsoft Office Excel 97-2003 Worksheet, 16.9KB, and From: cardinalfin.cov.virginia.gov. It features 'Open', 'Save', and 'Cancel' buttons. A checkbox labeled 'Always ask before opening this type of file' is checked. A callout box with a black border and white background points to the 'Open' button, containing the text: 'This prompt will appear asking if you want to open or save the report; I would recommend opening first to make sure you are viewing the UPC/Project report you were looking for'. The Windows taskbar at the bottom shows the Start button, several open applications including 'Inbox - Microsoft Out...', 'FIN Report Manager', and 'Microsoft Access - Fin...', and the system clock showing 11:31 AM on 11/30/2007.



This is the expenditure report:

**Commonwealth of Virginia**  
**Financial Summary - Project Expenditure by Account**

Report ID: PA106BYA  
 Layout ID: VPAR106B  
 Scope: PA106BYRA  
 Period Ending: June 30, 2013

Business Unit: 50100 VA Dept of Transportation  
 Project: 0000103400 FY13SPRRTPPCentralShenandoah

Account	Description	Project Budget	2013-3	2013-5	2013-6	2013-8
5014410	Payments To Substate Entities	0.00	16,793.18	17,887.84	(16,793.18)	7,516.50
5099001	Budget Roll up Account	58,000.00	0.00	0.00	0.00	0.00
	<b>Total</b>	<b>\$58,000.00</b>	<b>\$16,793.18</b>	<b>\$17,887.84</b>	<b>(\$16,793.18)</b>	<b>\$7,516.50</b>

The next section will show how to do a “drilldown” in Cardinal

**Commonwealth of Virginia**  
**Financial Summary - Project Expenditure by Account**

Report ID: PA106BYA  
Layout ID: VPAR106B  
Scope: PA106BYRA  
Period Ending: June 30, 2013  
Business Unit: 50100 VA Dept of Transportation  
Project: 0000103400 FY13SPRRTP-CentralShenandoah

Account	Description	Project Budget	2013-3	2013-5	2013-6	2013-8
5014410	Payments To Substate Entities	0.00	16,793.18	17,887.84	(16,793.18)	7,516.50
5099001	Budget Roll up Account	58,000.00	0.00	0.00	0.00	0.00
	Total	\$58,000.00	\$16,793.18			

Place your cursor in the cell of the expenditure to research.  
Click on the “Add-Ins” tab on the Excel menu bar.  
Click on “nVisionDrill” and then “Drill.”

In this example, we want to see what the \$16,793.18 charge was for

Drilldown - Windows Internet Explorer provided by Virginia IT Partnership

File Edit View Favorites Tools Help

Report Instance: 1079386\_3872507  
 Row: 13 Column: 5  
 \*Type: Web

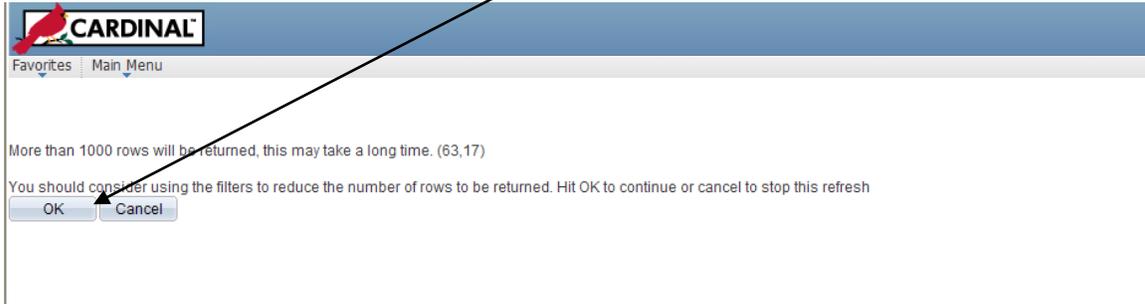
Description	Server Name	Run Drilldown
Account by Business Unit	PSNT1	Run Drilldown
Account by Period	PSNT1	Run Drilldown
Account by Product	PSNT1	Run Drilldown
Business Unit by Period	PSNT1	Run Drilldown
Business Unit by Account	PSNT1	Run Drilldown
Business Unit by Product	PSNT1	Run Drilldown
Product by Account	PSNT1	Run Drilldown
Product by Business Unit	PSNT1	Run Drilldown
Product by Period	PSNT1	Run Drilldown
Drilldown by Agency Use 1	PSNT1	Run Drilldown
Drilldown by Task	PSNT1	Run Drilldown
Drilldown by FIPS	PSNT1	Run Drilldown
Drilldown by Asset	PSNT1	Run Drilldown
Drilldown by Cost Center	PSNT1	Run Drilldown
Drilldown by Department	PSNT1	Run Drilldown
Drilldown by Agency Use 2	PSNT1	Run Drilldown
Drilldown by Journal	PSNT1	Run Drilldown
Drilldown by Voucher	PSNT1	Run Drilldown
Drilldown by Employee	PSNT1	Run Drilldown

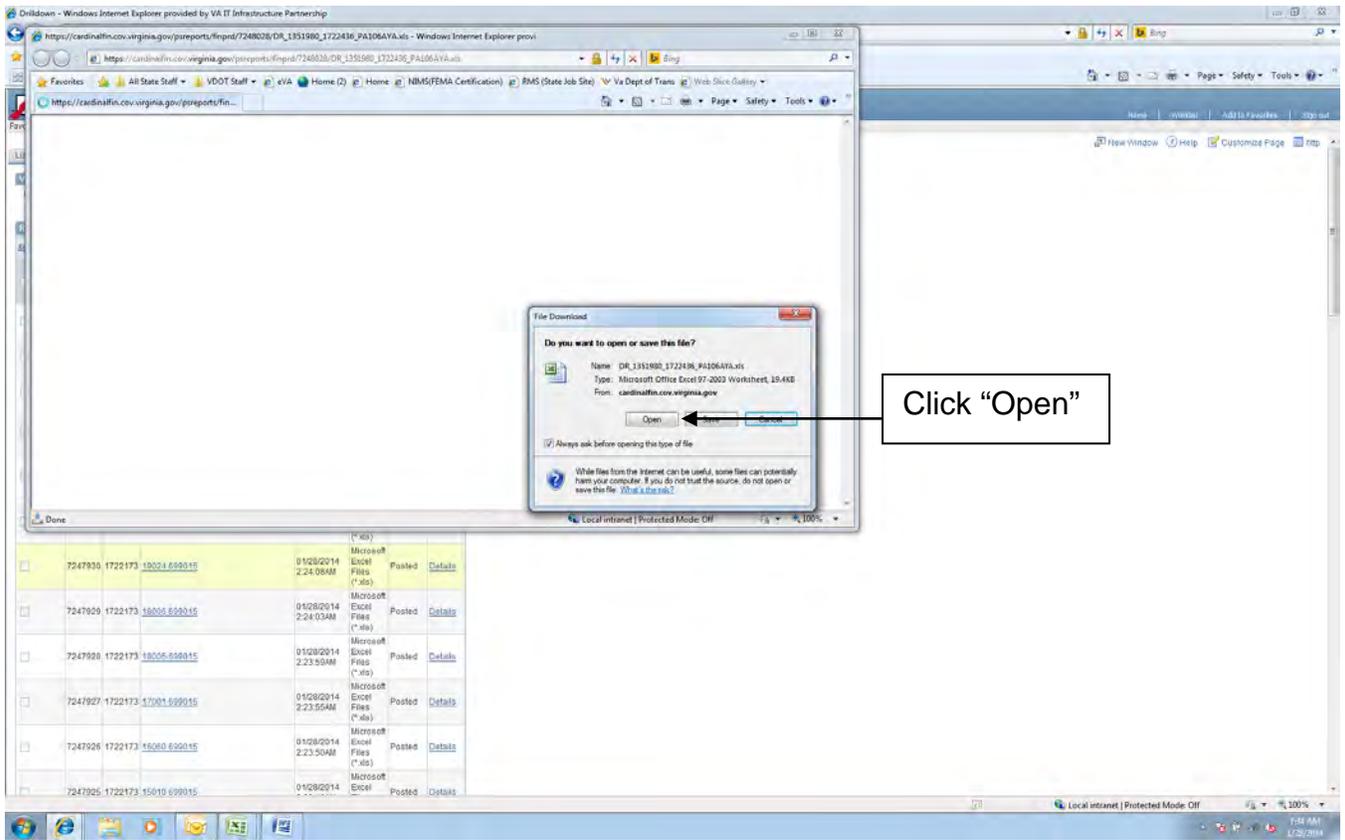
Available Drilldown Layouts

Based on the type of charge "Payments to Substate Entities" it would indicate that this is a charge resulting from a payment voucher. You would choose the Drilldown by Voucher Under Available Drilldown Layouts by clicking Run Drilldown.

start | Inboxes - Microsoft Out... | Drilldown - Windows I... | Microsoft Access - Fin... | Document1 - Microsof... | Microsoft Excel | Local intranet | 100% | Desktop | 11:35 AM

When you see this screen, click "Ok."





Drilldown - Windows Internet Explorer provided by Virginia IT Partnership

https://cardinal.in.gov/isp/finprd\_1/EMPLOYEE/ERP/c/REPORT\_BOOKS\_IC\_RUN\_DRILLDOWN.GBL?Action=A8NV5\_INSTANCE=558853\_12423058

File Edit View Favorites Tools Help

Home Worklist Add to Favorites Sign out

View Reports For

User ID: PATRICE JACK Type: Last 1 Days Refresh

Status: Folder: Instance: to:

Select	Report ID	Prcs Instance	Description	Request Date/Time	Format	Status	Details
<input type="checkbox"/>	1246990	561347	<a href="#">DR_558853_561347_PA106BDD.xls</a>	06/13/2012 10:56:21 AM	Microsoft Excel Files (*.xls)	Posted	<a href="#">Details</a>
<input type="checkbox"/>	1246932	561276	<a href="#">PR650 - P-Card data extract</a>	06/13/2012 3:00:01PM	Text Files (*.txt)	Posted	<a href="#">Details</a>
<input type="checkbox"/>	1246550	560892	<a href="#">PO/CO Extract - eVA</a>	06/13/2012 2:00:01PM	Acrobat (*.pdf)	Posted	<a href="#">Details</a>
<input type="checkbox"/>	1245986	560244	<a href="#">PO/CO Extract - eVA</a>	06/13/2012 11:30:00AM	Acrobat (*.pdf)	Posted	<a href="#">Details</a>
<input type="checkbox"/>	1245354	559786	<a href="#">Create Federal Highway File</a>	06/13/2012 10:00:45AM	Text Files (*.txt)	Posted	<a href="#">Details</a>
<input type="checkbox"/>	1245061	559501	<a href="#">PO/CO Extract - eVA</a>	06/13/2012 9:00:02AM	Acrobat (*.pdf)	Posted	<a href="#">Details</a>
<input type="checkbox"/>	1244987	559431	<a href="#">DR_558851_559431_PA106BDE.xls</a>	06/13/2012 8:45:51AM	Microsoft Excel Files (*.xls)	Posted	<a href="#">Details</a>
<input type="checkbox"/>	1244932	559380	<a href="#">DR_558851_559380_PA106BDE.xls</a>	06/13/2012 8:34:50AM	Microsoft Excel Files (*.xls)	Posted	<a href="#">Details</a>
<input type="checkbox"/>	1244919	559369	<a href="#">DR_558851_559369_PA106BDE.xls</a>	06/13/2012 8:30:33AM	Microsoft Excel Files (*.xls)	Posted	<a href="#">Details</a>
<input type="checkbox"/>	1244894	559349	<a href="#">DR_558850_559349_PA106BDF.xls</a>	06/13/2012 8:23:31AM	Microsoft Excel Files	Posted	<a href="#">Details</a>

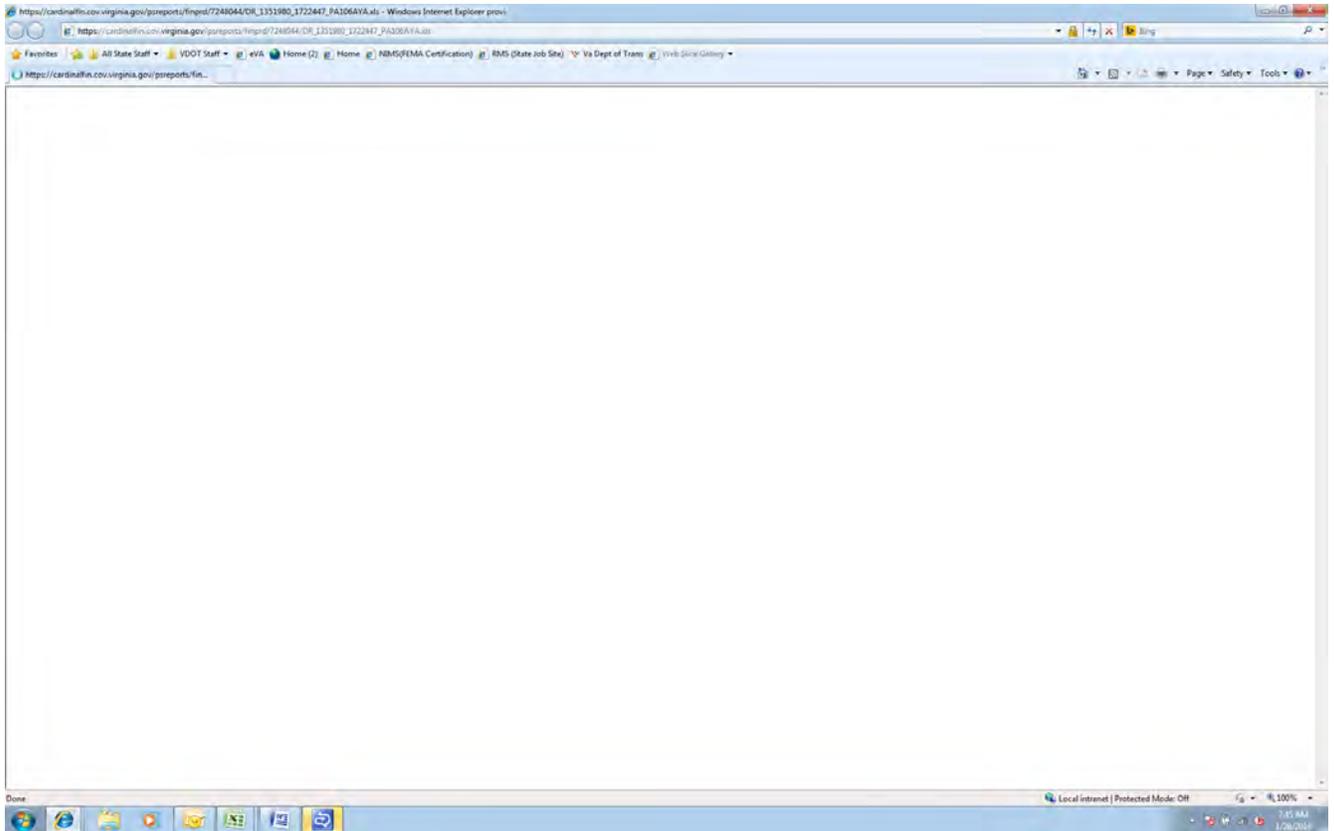
Done Local intranet 100% 3:17 PM

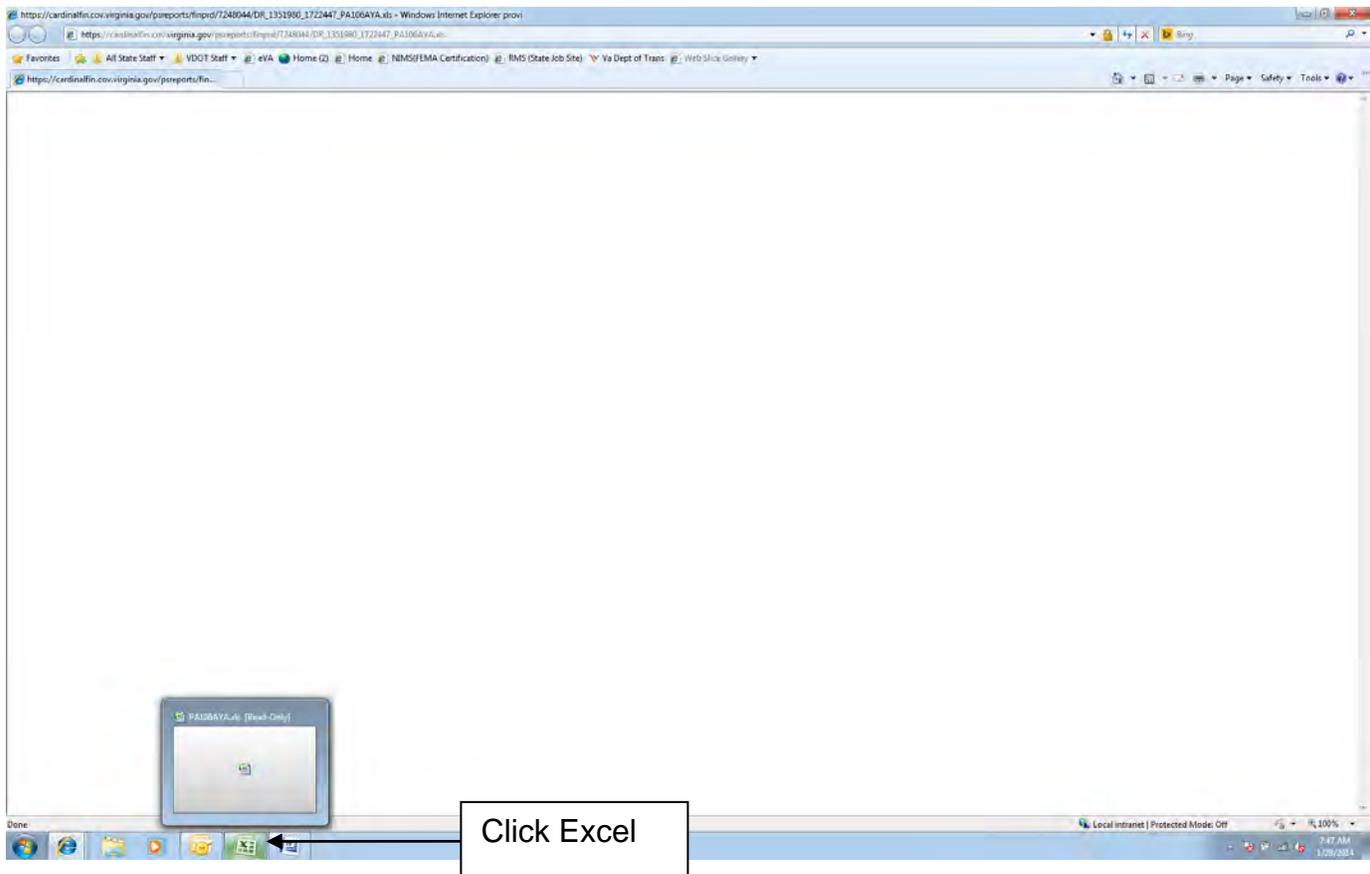
start Admin\VDOT'sFedPlan... Drilldown - Windows I... Microsoft Excel - PA1...

Hit "Refresh" until you see your report populate to the list.

Click on your report and it will open in Excel 2007

Once you click “Open” a blank screen will appear and you will need to open Excel





**Commonwealth of Virginia**  
**Financial Summary - Project Expenditure by Activity**

Report ID: PA106AYA  
 Layout ID: VPAR106A  
 Scope : PA106AYRA  
 Period Ending: June 30, 2013  
 Business Unit: 50100  
 Project: 0000103400  
 VA Dept of Transportation  
 FY13SPRTPPCentralShenandoah

Run Date: June 27, 2013  
 Run Time: 12:43:31 AM

Activity	Description	Expenditures					Project To Date		Project Budget Remaining		
		2013.1	2013.2	2013.3	2013.4	2013.1-4	Project Budget	(Over) Under % of Project Budget			
9101	Preliminary Engineering Phase										
9102	Right of Way Phase										
9103	Inc. Construction Phase										
9104	Construction Phase						\$0.00	0.00%			
9105	Maintenance Phase						\$0.00	0.00%			
9106	Capital Outlay Phase						\$0.00	0.00%			
9107	Planning Phase	\$0.00	\$16,793.18	\$17,887.84	(\$16,793.18)	\$7,516.50	\$9,870.89	\$35,275.23	(\$35,275.23)	0.00%	
9108	Research Phase						\$0.00	0.00%			
9109	Administrative Phase						\$0.00	0.00%			
	Project Budget	\$58,000.00						\$58,000.00		100.00%	
	<b>Total</b>	<b>\$58,000.00</b>	<b>\$16,793.18</b>	<b>\$17,887.84</b>	<b>(\$16,793.18)</b>	<b>\$7,516.50</b>	<b>\$9,870.89</b>	<b>\$35,275.23</b>	<b>\$35,275.23</b>	<b>\$22,724.77</b>	<b>39.18%</b>

Warning: The file you are trying to open, 'DR\_1351980\_1721395\_PA106AYA.xls', is in a different format than specified by the file extension. Verify that the file is not corrupted and is from a trusted source before opening the file. Do you want to open the file now?

Buttons: Yes, No

Callout: Click "Yes"

The details of the drilldown will open

**Commonwealth of Virginia**  
**Voucher Drilldown by Journal Line**

Report ID: RGL039  
 Layout ID: VGLR0033  
 Period Ending: June 30, 2013  
 Business Unit: 50100 VA Dept of Transportation

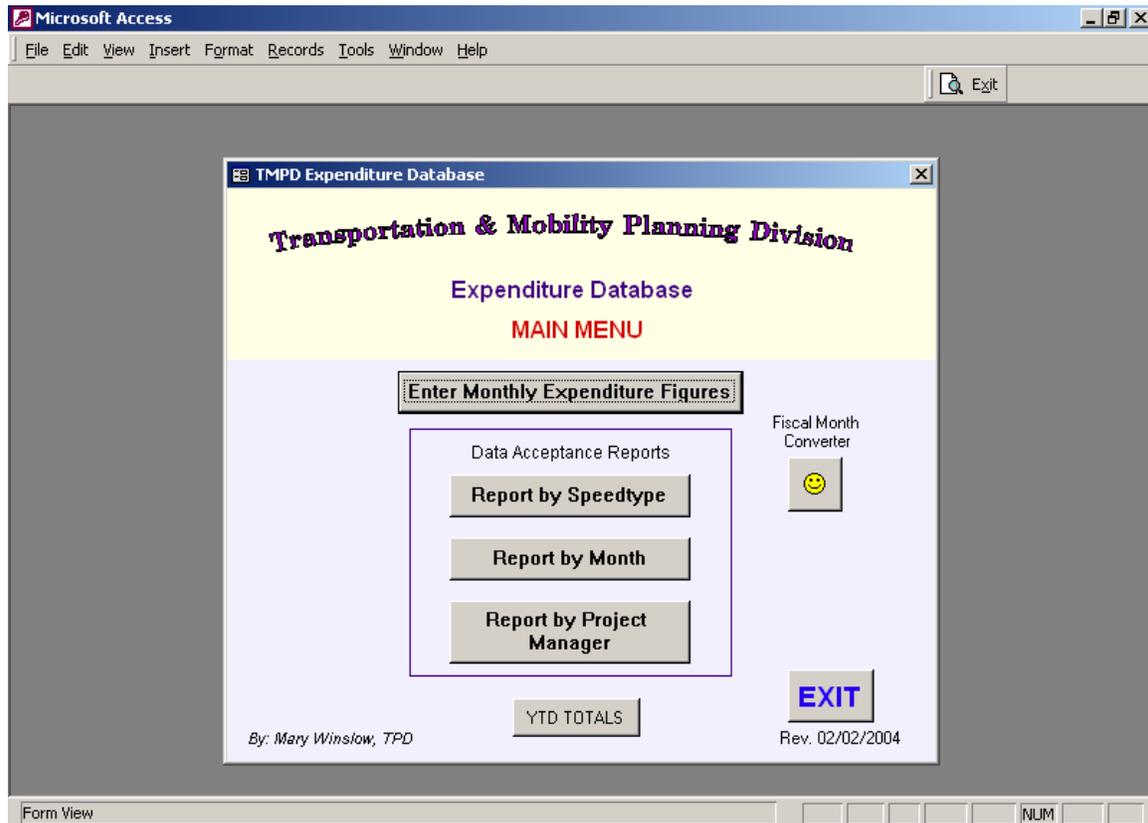
Journal ID	Journal Date	Journal Line	Line Description	Vendor ID	Name	APBU	Voucher	Invoice Number	Line Number	Doc ID	Document Type	Account	Fund	Program	Department	Cost Center	Task	FIPS	Asset	Agency Use 1	Agency Use 2	PCBU	Project	Act	
AP00009620	2012-09-04	4692 4	QTR 10340 FINAL	0000052249	ROANOKE-002	50100	00099405	QTR 4 10340	FINAL	1		5014410	04720	602001	10038								50100	0000103400	802
Total																									

Scroll to see the other details on the line

Run Date: January 27, 2014  
Run Time: 2:48:59 PM

12	Name	APBU Voucher	Invoice Number	Line Number	Doc ID	Document Type	Account	Fund	Program	Department	Cost Center	Task	FIPS	Asset	Agency Use 1	Agency Use 2	PCBU	Project	Activity	Monetary Amount	
13	ROANOKE-002	50100	00099405	QTR 4	10340	FINAL	1	5014410	54720	662001	10038						50100	6000103400	802	16,793.18	
14																					
15																					516,793.18

## Entering expenditures into TMPD Expenditure Database



- Click on “Enter Monthly Expenditure Figures”.

**MONTHLY UPC EXPENDITURE REPORT**

MaryLou.Brown

Project Manager:  Today's Date: 8/27/2004

I have reviewed the expenditures for UPC#   
 for the month of  in the calendar year of

The total UPC expenditure for the month is:

Are charges correct  
 Yes  No

**Next Entry**  
**Return to Main Menu**

**Please fill out below if corrections are needed (NO must be selected).**

From:	UPC #	Account	Activity	Amount
	<input type="text" value="00072942"/>	<input type="text" value="1441"/>	<input type="text" value="802"/>	<input type="text" value="\$2,500.00"/>
	Description		ORG Code	
	<input type="text" value="Incorrect UPC for Special Coun"/>		<input type="text" value="10038"/>	

To:	UPC #	Account	Activity	Amount
	<input type="text" value="00072924"/>	<input type="text" value="1441"/>	<input type="text" value="802"/>	<input type="text" value="\$2,500.00"/>
	Description		ORG Code	
	<input type="text" value="To correct UPC for Spec Counts"/>		<input type="text" value="0038"/>	

- Using the drop-down arrow, click on the project manager's name. (If you type in your name instead of using the drop-down arrow, you must type it *exactly* as it appears in the list or the database will not accept it.)
- Using the drop-down arrow, click on the UPC/Project number you are reporting, the month, and the *calendar year*. Note: The Cardinal columns show the months according to *fiscal year, not calendar year*, so it will be necessary for you to convert the fiscal to calendar year. There is a converter on the Main Menu to help you with this.
- Type in the exact amount of the month's *bottom line* amount for the UPC/Project Expenditure Amount, whether the charges incurred were correct or not. If they were not correct, check "no". You will then have the opportunity to show the correct UPC/Project, activity, etc. which should have been charged. Once you have entered the information and exited the screen, you will not be able to modify your entries. In order to make a change/correction, you must send an email to PIRS Accountant and indicate what changes must be made.

- If you have more than one UPC/Project to report, you will click on “next entry” and proceed with your other UPC/Project. Once you have completed all your entries, you will return to the main menu, and then exit. Remember, your entries are automatically saved once you exit the entry screen.

# APPENDIX B

## Reviewing Invoices

## **REVIEWING CONSULTANT INVOICES**

The VDOT project manager is responsible for reviewing consultant invoices for accuracy, proper documentation, and alignment of reimbursement with progress work. Invoices should not be submitted for an amount less than \$500.

### **Procedure**

- 1) Upon receipt of the invoice, the VDOT project manager should ensure that it has been date stamped into VDOT. The date of receipt is important as it determines the beginning of the 30 day period in which VDOT must process the invoice for payment in order to be in compliance with the Prompt Payment Act.
- 2) Invoices are to be reviewed by the VDOT project manager for accuracy, proper documentation, and alignment of expenditures with progress of activities and approved for payment within 10 calendar days of receipt of an acceptable invoice. At times, problems with the invoice may prevent approval by the deadlines. In such an instance, the VDOT project manager should include a note as to the delay in approving. Include the date that the consultant submitted all the required information for the invoice. In July 2013, VDOT switched to a risk based review process that is supported by reliance on advance approvals, contract requirements, and periodic reviews of supporting documentation (see July 24, 2013 Memorandum Exhibit B-I). All invoices should include the Consultant's Letterhead (Exhibit B-II) and Consultant Manhour and Expense Report (Exhibit B-III), the consultant should also submit the Cardinal Current Estimate Form (Exhibit B-IV) as part of their progress report with the invoice, however the progress report is kept by the VDOT project manager and not submitted to the accounting department with the invoice documentation. These sheets contain the information necessary to verify that the billing information is correct.
- 3) The VDOT project manager must indicate that he/ she has reviewed the invoice and approved for payment by writing directly on the invoice the following information:

4)

I have reviewed this invoice and approve for payment.

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

- 5) The VDOT project manager submits the original invoice and one copy with the required documentation to PIRS for TMPD managed consultant contracts or the appropriate District Financial Representative for district managed consultant contracts. Do not include the progress reports with the invoice; the VDOT project manager should keep them in his/ her file. Fiscal does not need the progress reports.
- 6) If the required information is not provided, the invoice will be returned to the VDOT project manager. VDOT will not process the invoice until the proper information is provided.

EXHIBIT B-1



COMMONWEALTH of VIRGINIA

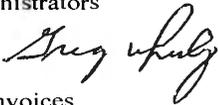
DEPARTMENT OF TRANSPORTATION  
1401 EAST BROAD STREET  
RICHMOND, VIRGINIA 23219 2000

Gregory A. Whirley  
Commissioner

July 24, 2013

**MEMORANDUM**

To: Chiefs, Division and District Administrators

From: Gregory Whirley, Commissioner 

Subject: Professional Services Consultant Invoices

As part of VDOT's business process improvements initiative, the professional services consultant invoice process was reviewed by a team of subject matter experts, including managers from Alternate Project Delivery, Administrative Services, Construction, Environmental, Fiscal, Location and Design, and Audit. The focus of the review was to reduce the administrative burden associated with invoice preparation and approval, thus providing a time saving for consultants and VDOT staff.

The team reviewed the current invoice template and the required supporting documentation that is submitted with each invoice and determined that the invoice process could be changed from the current documentation based invoice process to a risk based review process that is supported by reliance on advance approvals, contract requirements, and periodic reviews of supporting documentation. It was determined that VDOT's contract requirements related to records and audit provide VDOT with sufficient access to consultant documentation at any time during the contract period and for three years after the payment of final voucher.

Based upon these findings, VDOT will no longer require supporting documentation to be included with professional services consultant invoices. However, consultants and sub-consultants will be required to maintain supporting documentation/evidence for each invoice including, but not limited to, timesheets, lodging, and travel expense authorization, receipts and other costs consistent with contract terms and conditions. VDOT project managers will periodically request supporting documentation from consultants for invoices for review and verification. Consultants will be required to submit requested information to the VDOT project manager within two business days (48 hours) of such a request. The VDOT project manager will not process the invoice payment until the required information has been submitted and found to be accurate and complete.

An updated professional services invoice template and instructions have been developed and are attached to this memorandum for use on all professional services contracts. My expectation is that the revised template and the associated invoice process will be implemented consistently across the entire agency.

The respective Central Office Lead Divisions responsible for professional services procurements will be working with District staff and VDOT's consultants to provide further details and answer any questions in order to ensure a smooth transition to this directive.

Attachments: Invoice Template and Instructions

VirginiaDOT.org  
WE KEEP VIRGINIA MOVING

EXHIBIT B-II

CONSULTANT LETTERHEAD

To VDOT Addressee

VDOT Contract Administrator  
Contracting Division  
Business Address

Invoice Date: \_\_\_\_\_  
 Invoice Number: \_\_\_\_\_  
 Billing Period: \_\_\_\_\_  
 Contract Number: \_\_\_\_\_  
 P.O. Number: \_\_\_\_\_  
 Notice to Proceed: \_\_\_\_\_

Consultant F.I.N. \_\_\_\_\_  
 Consultant's Name & Address for Payment Remittance

Project Numbers	
State	Federal

Maximum Payable Amount: \_\_\_\_\_  
 Net Fee: \_\_\_\_\_  
 Contingency: \_\_\_\_\_

Total Billed to Date: \_\_\_\_\_  
 Total Previously Billed: \_\_\_\_\_  
**TOTAL THIS INVOICE** \_\_\_\_\_

Invoice Summary by Task Order/LOA

Task #	UPC	Hours			Amounts					
		Previously Billed	Total This Invoice	Billed to Date	Authorized	% Complete	Previously Billed	Total This Invoice	Billed to Date	Remaining Balance
1										
2										
3										
4										
<b>Total</b>										

**CERTIFICATE OF CONSULTANT**

The undersigned requests payment of that portion of the contract amount invoiced above and warrants to VDOT that ( 1) the data shown in this voucher is accurate and correct; (2) the work covered by this invoice has been completed in conformance with the contract requirements; and (3) all previous payments received from VDOT on account of work done under this contract have been applied to discharge in full all obligation of the prime to its consultants, sub-consultants, and suppliers incurred in connection with work covered by prior invoices.

CONSULTANT NAME (print): \_\_\_\_\_

CONSULTANT SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

EXHIBIT B-III

CONSULTANT MANHOURL AND EXPENSE REPORT															INVOICE NO. _____	PAGE _____ OF _____
CONSULTANT FIRM NAME		PROJECT NAME		CONTRACT ID		P.O. NUMBER		PROJECT UPC		DIVISION		PROJECT IDENTIFIER			F	
PRIME <input type="checkbox"/> SUB <input type="checkbox"/>		INVOICE PERIOD BEGINNING		INVOICE PERIOD ENDING		TASK ORDER NUMBER		TASK ORDER NAME		CO. ROUTE		CITY/CO. COUNTY		SECTION NO.		F
VENDOR TAX ID		CLASSIFICATION POSITION		DIRECT SALARY COST (DSC)		NON-SALARY COST (NSC)		LEASE VEHICLE		MILEAGE @		TOTAL		TOTAL		TOTAL
				BUDGET		RATE		MILEAGE @		MILEAGE @		TOTAL		TOTAL		AMOUNTS
				ACTUAL												
				OT												
				DSC												
				RFG												
				OT												
				DSC												
				RFG												
				OT												
				DSC												
				RFG												
				OT												
				DSC												
				RFG												
				OT												
				DSC												
				RFG												
				OT												
				DSC												
				RFG												
				OT												
				DSC												
				RFG												
				OT												
				DSC												
				RFG												
				OT												
				DSC												
				RFG												
				OT												
				DSC												
				RFG												
				OT												
				DSC												
				RFG												
				OT												
				DSC												
				RFG												
				OT												
				DSC												
				RFG												
				OT												
				DSC												
				RFG												
				OT												
				DSC												
				RFG												
				OT												
				DSC												
				RFG												
				OT												
				DSC												
				RFG												
				OT												
				DSC												
				RFG												
				OT												
				DSC												
				RFG												
				OT												
				DSC												
				RFG												
				OT												
				DSC												
				RFG												
				OT												
				DSC												
				RFG												
				OT												
				DSC												
				RFG												
				OT												
				DSC												
				RFG												
				OT												
				DSC												
				RFG												
				OT												
				DSC												
				RFG												
				OT												
				DSC												
				RFG												
				OT												
				DSC												
				RFG												
				OT												
				DSC												
				RFG												
				OT												
				DSC												
				RFG												
				OT												
				DSC												
				RFG												
				OT												
				DSC												
				RFG												
				OT												
				DSC												
				RFG												
				OT												
				DSC												
				RFG												
				OT												
				DSC												
				RFG												
				OT												
				DSC												
				RFG												
				OT												
				DSC												
				RFG												
				OT												
				DSC												
				RFG												
				OT												
				DSC												
				RFG												
				OT												
				DSC												
				RFG												
				OT												
				DSC												
				RFG												
				OT												
				DSC												
				RFG												
				OT												
				DSC												
				RFG												
				OT												
				DSC												
				RFG												
				OT												
				DSC												
				RFG												
				OT												
				DSC												
				RFG												
				OT												
				DSC												
				RFG												
				OT												
				DSC												
				RFG												
				OT												
				DSC												
				RFG												
				OT												
				DSC												
</																



## REVIEWING INVOICES FROM PDCS, MPOS/TPOS FOR SPR AND PL FUNDS

The VDOT project manager is responsible for reviewing invoices for accuracy, proper documentation, and alignment of reimbursement with progress work.

### Procedure

- 1) Upon receipt of the invoice, the VDOT project manager should ensure that it has been date stamped into VDOT. The date of receipt is important as it determines the beginning of the 30 day period in which VDOT must process the invoice for payment in order to be in compliance with the Prompt Payment Act.
- 2) Invoices are to be reviewed by the VDOT project manager for accuracy, proper documentation, and alignment of expenditures with progress of activities and approved for payment within 10 calendar days of receipt of an acceptable invoice. At times, problems with the invoice may prevent approval by the deadlines. In such an instance, the VDOT project manager should include a note as to the delay in approving. Include the date that the PDC, MPO/TPO submitted all the required information for the invoice. In July 2014, VDOT developed tracking templates for each PDC, MPO/TPO that must be used when completing invoice documentation to be submitted with AP-01 voucher package. Instructions outlined in the Fiscal Division Memorandum Number FD-2014-01, dated June 26, 2014, Accounting for Payments to PDCs & MPOs/TPOs for SPR and PL Funds must be followed when processing the invoice payments to ensure proper federal billing. These procedures are located in [Appendix E](#) and on Inside VDOT at the following link:

[Accounting for Payments to PDCs and MPOs for SPR and PL Funds](#)

- 3) The VDOT project manager must indicate that he/ she has reviewed the invoice and approved for payment by writing directly on the invoice the following information:

I have reviewed this invoice and approve for payment.

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

- 4) The VDOT project manager submits the original invoice and one copy with the required documentation to the appropriate District financial representative.
- 5) If the required information is not provided, the invoice will be returned to the VDOT project manager. VDOT will not process the invoice until the proper information is provided.

# APPENDIX C

## Timelines for Administrative Activities

## EXHIBIT C-1

### Part I - Timeline for Administration of VDOT's SPR Work Program

#### October

- After the 1st, FHWA notifies the states of their apportionment of SPR and PL for that federal fiscal year.
- PL funds are allocated to the MPOs as soon as possible after notification. Have project managers verbally notify MPOs of new PL funds and verify carryover amounts.
- Process federal project modifications to obligate new SPR funds.

#### November

- Quarterly invoices for SPR and PL funds are due to VDOT on the 15<sup>th</sup>.

#### December

- Request estimated SPR and PL funds for the upcoming fiscal year from Financial Planning Division.
- Annual performance reports are due to FHWA by the 31<sup>st</sup>.

#### January

- Identify projects for SPR funds from other Divisions/Districts.
- Solicit input into the work program from TMPD section heads.

## **February**

- Requests for SPR funding due from both section heads and other District/Divisions.
- Quarterly invoices for SPR and PL funds are due to VDOT on the 15<sup>th</sup>.
- Begin developing the amount of SPR funds available for the upcoming fiscal year.

## **March**

- Requests for deprogramming PL funds must be received by 31<sup>st</sup>; otherwise they must wait until final invoice has been processed.
- Draft SPR Work Program is prepared for submittal to FHWA by May 1<sup>st</sup>.
- Scopes of work for Rural Transportation Planning Program are due.

## **April**

- Begin reviewing the instructions, standard LOA, and standard transmittal letter for both PL and SPR funds.

## **May**

- Incorporate comments from FHWA or intergovernmental review into final SPR Work Program.
- Quarterly invoices for SPR and PL funds are due to VDOT on the 15<sup>th</sup>.

- Standard LOA and instructions are provided to PDCs & MPOs for both SPR and PL funds.

### **June**

- Projects are set up for inclusion in final SPR Work Program.
- Notify Financial Planning Division of the amount to allocate for each project.
- Final SPR Work Program is submitted to FHWA.
- Appropriate federal project agreements are processed in FMIS.
- Create status report spreadsheet for new fiscal year.

### **July**

- LOAs must be executed prior to the 1<sup>st</sup>.
- Remind project managers of annual report due by August 1<sup>st</sup>.
- Remind project managers of CPA Audit requirements.
- Set up summary expenditure report for the work program.
- Create PL and SPR spreadsheets for new fiscal year.

### **September**

- Final invoices for SPR and PL funds are due to VDOT on the 1<sup>st</sup>.
- Annual Progress Report is due to FHWA for SPR Work Program.

## EXHIBIT C-II

### Part II – Timeline/Checklist for Metropolitan Planning Project Managers

(Please note that the deadlines or timeframes for certain items vary by year, and specific instructions and deadlines will be provided in these instances.)

#### OCTOBER

- Between October 25<sup>th</sup> – 30<sup>th</sup>, reviewed September's expenditures in Cardinal for both the current and previous fiscal years and reported them in the database. (Part II, page [14](#))
- Received first quarter invoice from Recipient by October 30th. Contacted Recipient if not received by this date and documented the file. (Part II, page [11](#))
- Approved and submitted for payment the first quarter invoice within 10 days of receipt of an acceptable invoice. (Part II, page [11](#))
- Reviewed & certified expenditures through Certification Application

#### NOVEMBER

- Between November 25<sup>th</sup> – 30<sup>th</sup>, reviewed October's expenditures in Cardinal for both the current and previous fiscal years and reported them in the database. (Part II, page [14](#))

#### DECEMBER

- Submitted annual performance and financial report to FHWA. Annual report is due three weeks after receipt of an acceptable final invoice and no later than December 1st (Part II, page [15](#))
- Verbally notified MPOs of new PL funds and verified carryover amounts with them. (Part II, page 1)
- Received ACO comments on the CPA Audit report, followed up on any findings, and notified the appropriate people. (Part II, page [13](#))

- Between December 25<sup>th</sup> – 30<sup>th</sup>, reviewed November's expenditures in Cardinal for both the current and previous fiscal years and reported them in the database. (Part II, page [14](#))

## **JANUARY**

- Between January 25<sup>th</sup> – 30<sup>th</sup>, reviewed December's expenditures in Cardinal and reported them in the database. (Part II, page [14](#))
- Received second quarter invoice from Recipient by January 30<sup>th</sup>. Contacted Recipient if not received by this date and documented the file. (Part II, page [11](#))
- Approved and submitted for payment the second quarter invoice within 10 days of receipt of an acceptable invoice. (Part II, page [11](#))
- Reviewed & certified expenditures through Certification Application

## **FEBRUARY**

- Submitted request for SPR funding of support of MPO process and any special studies (actual due date will be specified each year.)
- Reminded MPO of the March 31<sup>st</sup> deadline for requests for deprogramming. (Part II, page [7](#))
- Between February 25<sup>th</sup> – 30<sup>th</sup>, reviewed January's expenditures in Cardinal and reported them in the database. (Part II, page [14](#))
- Coordinate with Civil Rights Manager on appropriate Title VI and other Civil Rights inputs that should go into the MPO UPWP activities for the fiscal year. These should regard the VDOT District review of the MPO Title VI program(s) and, as appropriate, inputs on activities to implement, develop or update the MPO public participation plan(s), the MPO Constrained Long Range Plan(s) and/or Transportation Improvement Program(s).

## **MARCH**

- Processed requests for deprogramming PL funds received from Recipient by March 31<sup>st</sup>; requests made after March 31<sup>st</sup> are not processed until final invoice has been paid. (Part II, page [7](#))
- Between March 25<sup>th</sup> – 30<sup>th</sup>, reviewed February's expenditures in Cardinal and reported them in the database. (Part II, page [14](#))
- Provided MPO with VDOT's input to the UPWP, including input on Title VI and Civil Rights activities and copying the District Civil Rights Manager.

## **APRIL**

- Between April 25<sup>th</sup> – 30<sup>th</sup>, reviewed March's expenditures in Cardinal and reported them in the database. (Part II, page [14](#))
- Received third quarter invoice from Recipient by April 30<sup>th</sup>. Contacted Recipient if not received by this date and documented file. (Part II, page [12](#))
- Approved and submitted for payment the third quarter invoice within 10 days of receipt of an acceptable invoice. (Part II, page [12](#))
- Submitted UPWP to FHWA for approval (Part II, page [3](#))
- Reviewed & certified expenditures through Certification Application (Part II, page [15](#))

## **MAY**

- Between May 25<sup>th</sup> – 30<sup>th</sup>, reviewed April's expenditures in Cardinal and reported them in the database. (Part II, page [14](#))
- Received FHWA's approval of the UPWP and notified MPO of approval. (Part II, page [2](#))

## **JUNE**

- Between June 25<sup>th</sup> – 30<sup>th</sup>, reviewed May's expenditures in Cardinal and reported them in the database. (Part II, page [14](#))
- Began using projects for the new fiscal year for timesheets as instructed by TMPD's PIRS.

## **JULY**

- Checked Indirect Certification Statement in master PL agreement &/or LOA for any changes, which need follow-up. (Part II, page [9](#))
- Checked with Recipient to see if they are passing funds through to anyone else. If so, remind them of the administrative and audit requirements for pass-through situations. (Part II, page [11](#))
- Between July 25<sup>th</sup> – 30<sup>th</sup>, reviewed June's expenditures in Cardinal and reported them in the database. (Part II, page [14](#))

## **AUGUST**

- Between August 25<sup>th</sup> – 30<sup>th</sup>, reviewed July's expenditures in Cardinal for both the current and previous fiscal years and reported them in the database. (Part II, page [14](#))
- Received final invoice for previous fiscal year from Recipient by August 30<sup>th</sup>. Contacted Recipient if not received by this date and documented the file. (Part II, page [15](#))

## **SEPTEMBER**

- Approved and submitted for payment the final invoice within 10 days of receipt of an acceptable invoice. (Part II, page [13](#))
- Between September 25<sup>th</sup> – 30<sup>th</sup>, reviewed August's expenditures in Cardinal for both the current and previous fiscal years and reported them in the database. (Part II, page [14](#))
- Reviewed & certified expenditures through Certification Application

## EXHIBIT C-III

### Part III – Timeline/Checklist for RTPP Project Managers

(Please note that the deadlines or timeframes for certain items vary by year, and specific instructions and deadlines will be provided in these instances.)

#### OCTOBER

- Between October 25<sup>th</sup> – 30<sup>th</sup>, reviewed September's expenditures for both the current and previous fiscal years in Cardinal and reported them in the database. (Part III, page [12](#))
- Received first quarter invoice from PDC by October 30<sup>th</sup>. Contacted PDC if not received by this date and documented the file. (Part III, page [9](#))
- Approved and submitted for payment the first quarter invoice within 10 days of receipt of an acceptable invoice. (Part III, page [10](#))
- Reviewed & certified expenditures through Certification Application

#### NOVEMBER

- Between November 25<sup>th</sup> – 30<sup>th</sup>, reviewed October's expenditures for both the current and previous fiscal years in Cardinal and reported them in the database. (Part III, page [12](#))

#### DECEMBER

- Received ACO comments on the CPA Audit report, followed up on any findings, and notified the appropriate people. (Part III, page [14](#))
- Between December 25<sup>th</sup> – 30<sup>th</sup>, reviewed November's expenditures for both the current and previous fiscal years in Cardinal and reported them in the database. (Part III, page [12](#))
- Submitted annual performance and financial report to FHWA. Annual report is due three weeks after receipt of an acceptable final invoice and no later than December 1<sup>st</sup>. (Part III, page [13](#))

## **JANUARY**

- Between January 25<sup>th</sup> – 30<sup>th</sup>, reviewed December's expenditures in Cardinal and reported them in the database. (Part III, page [12](#))
- Received second quarter invoice from PDC by January 30<sup>th</sup>. Contacted PDC if not received by this date and documented the file. (Part III, page [9](#))
- Approved and submitted for payment the second quarter invoice within 10 days of receipt of an acceptable invoice. (Part III, page [10](#))
- Reviewed & certified expenditures through Certification Application

## **FEBRUARY**

- Between February 25<sup>th</sup> – 30<sup>th</sup>, reviewed January's expenditures in Cardinal and reported them in the database. (Part III, page [12](#))

## **MARCH**

- Received Assistance Scope of Work by March 15<sup>th</sup>. (Part III, page [1](#))
- The VDOT Project Manager reviews and approves the scope of work ensuring that the activities comply with the purpose of the program. VDOT Project Manager forwards scope of work to TMPD RTPP Coordinator. TMPD RTPP Coordinator submits the scope of work to FHWA for FHWA approval (Part III, page [2](#))
- Between March 25<sup>th</sup> – 30<sup>th</sup>, reviewed February's expenditures in Cardinal and reported them in the database. (Part III, page [12](#))

## **APRIL**

- Between April 25<sup>th</sup> – 30<sup>th</sup>, reviewed March's expenditures in Cardinal and reported them in the database. (Part III, page [12](#))
- Received third quarter invoice from PDC by April 30<sup>th</sup>. Contacted PDC if not received by this date and documented file. (Part III, page [9](#))

- Reviewed & certified expenditures through Certification Application
- Approved and submitted for payment the third quarter invoice within 10 days of receipt of an acceptable invoice. (Part III, page [10](#))

## **MAY**

- Between May 25<sup>th</sup> – 30<sup>th</sup>, reviewed April's expenditures in Cardinal and reported them in the database. (Part III, page [12](#))
- Submitted Assistance Scopes of Work to FHWA for Approval. (Part III, page [2](#))

## **JUNE**

- Received FHWA's approval of the Assistance, Scope of Work. (Part III, page [1](#))
- Between June 25<sup>th</sup> – 30<sup>th</sup>, reviewed May's expenditures in Cardinal and reported them in the database. (Part III, page [12](#))

## **JULY**

- Checked Indirect Certification Statement in Agreement &/or LOA for any changes, which need follow-up. (Part III, page [8](#))
- Checked with PDC to see if they are passing funds through to anyone else. If so, remind them of the administrative and audit requirements for pass-through situations. (Part III, page [9](#))
- Between July 25<sup>th</sup> – 30<sup>th</sup>, reviewed June's expenditures in Cardinal and reported them in the database. (Part III, page [12](#))

## **AUGUST**

- Between August 25<sup>th</sup> – 30<sup>th</sup>, reviewed July's expenditures for both the current and previous fiscal years in Cardinal and reported them in the database. (Part III, page [12](#))
- Received final invoice for previous fiscal year from PDC by August 30<sup>th</sup>. Contacted PDC if not received by this date and documented the file. (Part III, page [9](#))

- Approved and submitted for payment the final invoice within 10 days of receipt of an acceptable invoice. (Part III, page [10](#))

## **SEPTEMBER**

- Between September 25<sup>th</sup> – 30<sup>th</sup>, reviewed August's expenditures for both the current and previous fiscal years in Cardinal and reported them in the database. (Part III, page [12](#))
- Reviewed & certified expenditures through Certification Application

## EXHIBIT C-IV

### Part IV – Timeline/Checklist for Special Studies SPR Fund Project Managers

#### JULY

- Received project code(s) from TMPD's PIRS.
- Between July 25<sup>th</sup> – 30<sup>th</sup>, reviewed June's expenditures for projects that had funding in the previous fiscal year in Cardinal and reported them in the database. (Part IV, page 1)

#### AUGUST

- Sent annual progress report for previous fiscal year to TMPD's PIRS by August 1<sup>st</sup>. (Part IV, page 2)
- Between August 25<sup>th</sup> – 30<sup>th</sup>, reviewed July's expenditures, including previous fiscal year's projects as appropriate, in Cardinal and reported them in the database. (Part IV, page 1)

#### SEPTEMBER

- Between September 25<sup>th</sup> – 30<sup>th</sup>, reviewed August's expenditures, including previous fiscal year's projects as appropriate, in Cardinal and reported them in the database. (Part IV, page 1)

#### OCTOBER

- Sent quarterly progress report to TMPD's PIR Section by October 15<sup>th</sup>. (Part IV, page 2)
- Between October 25<sup>th</sup> – 30<sup>th</sup>, reviewed September's expenditures, including previous fiscal year's projects as appropriate, in Cardinal and reported them in the database. (Part IV, page 1)
- Reviewed & certified expenditures through Certification Application

#### NOVEMBER

- Between November 25<sup>th</sup> – 30<sup>th</sup>, reviewed October's expenditures, including previous fiscal year's projects as appropriate, in Cardinal and reported them in the database. (Part IV, page 1)

## **DECEMBER**

- Between December 25<sup>th</sup> – 30<sup>th</sup>, reviewed November's expenditures in Cardinal and reported them in the database. (Part IV, page 1)

## **JANUARY**

- Sent quarterly progress report to TMPD's PIRS by January 15<sup>th</sup>. (Part IV, page 2)
- Between January 25<sup>th</sup> – 30<sup>th</sup>, reviewed December's expenditures in Cardinal and reported them in the database. (Part IV, page 1)
- Reviewed & certified expenditures through Certification Application

## **FEBRUARY**

- Between February 25<sup>th</sup> – 30<sup>th</sup>, reviewed January's expenditures in Cardinal and reported them in the database. (Part IV, page 1)

## **MARCH**

- Between March 25<sup>th</sup> – 30<sup>th</sup>, reviewed February's expenditures in Cardinal and reported them in the database. (Part IV, page 1)

## **APRIL**

- Sent quarterly progress report to TMPD's PIRS by April 15<sup>th</sup>. (Part IV, page 2)
- Between April 25<sup>th</sup> – 30<sup>th</sup>, reviewed March's expenditures in Cardinal and reported them in the database. (Part IV, page 1)
- Reviewed & certified expenditures through Certification Application

## **MAY**

- Between May 25<sup>th</sup> – 30<sup>th</sup>, reviewed April's expenditures in Cardinal and reported them in the database. (Part IV, page 1)

## **JUNE**

- Between June 25<sup>th</sup> – 30<sup>th</sup>, reviewed May's expenditures in Cardinal and reported them in the database. (Part IV, page [1](#))

# APPENDIX D

## Pre-award Audit Information

## PRE-AWARD AUDIT INFORMATION

The Recipient is to provide the consultant's cost proposal to the VDOT project manager. The consultant's cost proposal must include a breakdown of costs by category for the prime and all sub-consultants (e.g. direct labor, escalation, overheads, net fee, other direct costs, and contingency) as follows:

- **Direct labor costs** – hourly rates supported by current payroll registers
- **Labor escalation costs** – .5 percent in the first year and 1 percent for all subsequent years
- **Overhead costs** – indirect cost rates audited by an independent CPA (Certified Public Accountant) firm in accordance with the Federal Acquisition Regulations (FAR) and reviewed by VDOT's ACO.
- **Net fee (Profit)** – negotiated and within the Department's guidelines of 6 to 10 percent
- **Other direct costs** – purchase and rental of all materials, supplies, and equipment all at the invoiced cost plus communications, reproductions, travel and per diem expenses as per VDOT's current policy as posted on Inside VDOT, Policies, Travel located at:  
<http://insidevdot/C11/Policies/default.aspx>
- Computer and/or Computer Aided Drafting Design (CADD) cost are limited to a maximum of \$6 per hour when rates are audited. Additionally, if a consultant purchases equipment to complete the contracted work at the expense of the contract, the equipment becomes the property of the Recipient at the completion of the contract
- **Contingency** – up to 10 percent of actual costs (excluding net fee and sub-consultant costs)

The VDOT project manager will send the consultant's cost proposal accompanied by a transmittal letter requesting a pre-award to ACO.

# APPENDIX E

## **Accounting for Payments to PDCs and MPOs/TPOs for SPR and PL Funds**



## Fiscal Division Memorandum

Number: FD-2014-01

Date: June 26, 2014

**Subject: Accounting for Payments to Planning District Commissions (PDCs) & Metropolitan Planning Organizations (MPOs) /Transportation Planning Organizations (TPOs) for State Planning Research (SPR) and Metropolitan Planning (PL) Funds**

**Directed to: Fiscal Division, District Planners and District Accounting Staff**

Each year VDOT receives an apportionment of SPR and PL funds from the federal government which are managed by the Transportation & Mobility Planning Division (TMPD) through the annual SPR Work Program. VDOT enters into agreements with the PDCs and MPOs/TPOs in which the PDC or MPO/TPO will administer a planning project. The PDC or MPO/TPO will incur the expenses and VDOT will provide oversight and support. VDOT District Planners (DPs) serve as point of contacts/liaisons and are responsible for ensuring PDC and MPO/TPO compliance with the funding agreements and federal and state regulations. SPR and PL funding is distributed to the PDCs and MPOs/TPOs to carryout transportation planning activities through a five year master agreement and annual Letters of Authorization (LOAs). **Under no circumstances is the PDC or MPO/TPO to be reimbursed more than the amount authorized in their annual LOA.** VDOT will provide funding for part of the project through state and/or federal funding. The PDC or MPO/TPO will participate in the funding of the project as well. For SPR and PL funds the match ratio is 80/20 (i.e. 80% of the total cost is federal SPR or PL funds with a required match of 20% of the total cost). The PDCs provide the required 20% match for their SPR funds. The MPOs/TPOs provide half of the required 20% match for their PL funds and VDOT provides the remaining 10% match with state funds. Under these types of agreements the following occurs:

- A project number/UPC is set up for the project.
- The PDC or MPO/TPO will submit invoices to VDOT to reimburse them for the work as it occurs. These payments are charged to the project number.

At the beginning of each fiscal year, the TMPD will provide the DPs with the following information for each PDC and MPO/TPO: funding amounts, copy of annual LOAs, project/UPC numbers and tracking templates. The DPs receive the invoices from the PDCs and MPOs/TPOs and review and approve them for payment. The district accounting staff processes the payments. When paying the invoices from the PDC or MPO/TPO, the preparer of the AP Voucher

Transmittal form must be aware of: (1) project/UPC number, (2) total amount of funding that is available, and (3) the amount of work that has been charged to date. The funding can be determined from the agreement with the PDC or MPO/TPO, documented in the annual LOA. The LOA shows the total amount of funding available to the PDC or MPO/TPO for the fiscal year. The tracking template can be used to determine the amount of work invoiced and paid to date.

- **Since federal funding is involved**, the PDC or MPO/TPO participation amount for their direct charges must be accounted for as an in-kind contribution (Cardinal account 50232302). The amount to be reimbursed should be coded to **5014410** (*unless the recipient is a locality; reimbursements to localities should be coded to 5014310*) the PDCs or MPO/TPOs participation amount should go to account 50232302 to ensure correct federal billing.

The following is an example:

This section shows the breakdown of the PDC payments:

Project UPCXYZ PDC  
 80% federal funding  
 20% PDC match

Example showing the breakdown of figures on an invoice from PDC:

1. Total Quarterly Expenses \$1,000
  2. SPR Funds (80% of Total) \$800
  3. PDC Share (20% of Total) \$200
- Reimbursement requested from VDOT (Line 2) \$800**

Amount due to PDC:

\$1000  
 - 200 PDC 20% contribution for project work  
 \$800 due to PDC

**Coding**

The AP Transmittal form should be completed as follows:

Account	Project	Activity	Amount
5014410	XXXXXXXXXX	802	\$800
50232302 (in-kind contribution)	XXXXXXXXXX	802	\$200
50232302 (in-kind contribution)	XXXXXXXXXX	7899	(\$200)

This coding generates a payment of \$800 to the PDC.

The next section shows an example of the breakdown for the MPO/TPO:

Project UPCXYZ MPO/TPO  
 80% federal funding  
 10% State match  
 10% MPO/TPO match

Example showing the breakdown of figures on an invoice from MPO/TPO:

1. Total Quarterly Expenses \$1,000
  2. PL Funds (80% of Total) \$800
  3. State Share (10% of Total) \$100
  4. MPO/TPO Share (10% of Total) \$100
- Reimbursement requested from VDOT (Lines 2 &3) \$900**

Amount due to MPO/TPO:

\$1000  
 - 100 MPO/TPO 10% contribution for project work  
 \$900 due to MPO/TPO

**Coding**

The AP Transmittal form should be completed as follows:

Account	Project	Activity	Amount
5014410	XXXXXXXXXX	802	\$900
50232302 (in-kind contribution)	XXXXXXXXXX	802	\$100
50232302 (in-kind contribution)	XXXXXXXXXX	7899	(\$100)

This coding generates a payment of \$900 to the MPO/TPO

Persons responsible for monitoring the project funding should keep a spreadsheet to track funding for each payment and remaining funding balances. A sample spreadsheet is included in the examples below.

**Examples**

Attached are tracking templates that can be used to track payments by type of funding. The tracking template automatically computes the amount of in-kind contribution (PDC's or MPO/TPOs share of its direct costs, as applicable) and the net cash payment to the PDC or MPO/TPO. Examples of spreadsheets used to track the payments, invoices from the PDC and MPO/TPO and AP Voucher

template are included below for demonstration. There are 4 invoices which have been entered into the tracking sheets under tabs/sheets 1, 2, 3 & 4 as an example. Each tab/sheet will represent an invoice and payment to the PDC or MPO/TPO. In the tracking templates the preparer will need to enter the information in the fields that are highlighted in yellow.

Example 1 – Rural Transportation Planning Project (RTPP) project in which 80% of funding is federal and 20% of funding is from the PDC.



Example 2 - Metropolitan Planning Project (PL) in which 80% of funding is federal and 10% of funding is state and 10% of funding is from the MPO/TPO.



### **Pay Voucher Documentation**

For each payment to the PDC or MPO/TPO, submit to the Business Support Office (Fiscal Accounting)

- Completed AP Voucher Transmittal form with authorizing signatures
- Original invoice from PDC or MPO/TPO
- Copy of the tracking spreadsheet relating to the current payment (for projects with PDC or MPO/TPO share)

### **Review by District Accounting Office/Central Office Accounts Payable**

As part of the review process for final approval of payments to PDCs or MPOs/TPOs, the District Accounting Office or Central Office Accounts Payable section as applicable shall review the completed voucher package, including the tracking spreadsheet for projects with PDC or MPO/TPO share, for proper coding in accordance on the AP Voucher Transmittal form.

# APPENDIX F

## **Quarterly Certification of Project Expenditures**

## Introduction to Tableau Reader: The Project Expenditure Workbook

### Document Quick Links

<a href="#">Overview</a>	<a href="#">Labor Expenditures Dashboard</a>
<a href="#">Project Expenditure Workbook</a>	<a href="#">Federal Project Dashboard</a>
<a href="#">Filters</a>	<a href="#">All Expenditure Data Dashboard</a>
<a href="#">Edits</a>	<a href="#">Bank of America with SPCC detail</a>
<a href="#">General Pointers</a>	<a href="#">Employee Expenses</a>
<a href="#">Project Expenditures Workbook Details</a>	<a href="#">Federal Authorization Dates</a>
<a href="#">Vendor Payments Dashboard</a>	<a href="#">Projects with Expenditures</a>

### Overview

The Tableau products help users quickly analyze, visualize, and share information. Tableau Reader will allow Project Managers and Project Coordinators (PM/PC) to view, filter, and organize project expenditure data for all their projects at one time using a packaged workbook published by the Fiscal Division containing Cardinal expenditure data.

The Tableau Reader window contains menus, a toolbar, and one or more sheets. A sheet can be a worksheet, which contains a single view, or a dashboard, which combines several views into a single analysis. At the bottom of the window are tabs that let you browse through the dashboards and sheets contained in the workbook. The toolbar and menus at the top of the window provide other controls that you can use to work with Tableau workbooks.

### Project Expenditure Workbook

Each quarter beginning in January 2014, Fiscal Division will produce a Tableau Project Expenditure workbook. This workbook will assist the PM/PC reviewing expenditures to validate that project charges are reasonable and expected. The Expenditure Review Workbook uses the Tableau Reader to present the data.

The Expenditure Review Workbook includes Dashboards or Summary Worksheets as separate tabs. The tabs are Vendor Payments, Labor Expenditures, Federal Project Dashboard, View all Expenditure Data, Bank of America Payments with SPCC details, Employee Expenses, Federal Authorization Dates, and Projects with Expenditures. The tabs color-coded in blue are key elements for PM/PC review in Tableau. These key dashboards are Vendor Payments, Labor Expenditures, and Federally Eligible Projects. Each Dashboard may contain separate sets of information. Much like a MS Excel workbook, there are tabs for different dashboards or worksheets. As in MS Excel, just click on the next tab you want to view.



Now notice that on the Vendor Payments Dashboard there are two sets of data with titles, circled in the graphic below. This allows the user to see related information with different views, or level of detail.

Pictured above is the Vendor Payments Dashboard from the in the Expenditure Review Workbook.

[Return to top](#)

## Filters

Tableau uses filters to help present the data; you can see these across the top, numbered 1 - 4. These “quick filters” allow the user to determine specific information to include or exclude in the data. There are quick filters available for most Dashboards and Worksheets in the Expenditure Review Workbooks. For example, the District, the Project Manager (as assigned in the Project Pool), Project ID, and Phase are available to filter the Vendor Payments Dashboard. You can filter by one, two, or all four of these elements together. If you print or export the information, these filters will be printed or exported with the data. The available values for each drop down will change depending on other filters selected. For example, if you select the Project Manager’s name, you will only be able to select from Project IDs associated with that Project Manager. For most project managers, it is recommended that you filter by your name and then by

## Introduction to Tableau Reader: The Project Expenditure Workbook

individual projects as needed.

PROJECTMGR	PROJECT.	VENDOR_NAME	PHASE	ACCOUNTING_PERIOD	11 - May	12 - June
Aaron Collins	0000051353	ATCS PLC	9101 - Preliminar...			\$533.00
		Bank of America	9101 - Preliminar...			
		DEPARTMENT OF GENERAL SERVICES	9101 - Preliminar...			\$82.22
	0000072385	Halifax Gazette Publishing Co L	9102 - Right of W.			\$318.98
		Media General Inc	9101 - Preliminar...			
Abdelwahab Al-hammadi	0000081498	Woolpert Inc	9104 - Constructi.		\$7,762.03	
Abdoul Koura-bodji	0000102706	A Morton Thomas & Associate.	9104 - Constructi.		\$524.74	\$5,604.18
		M D Miller Co Inc	9104 - Constructi.		\$39,644.60	\$232,448.16
		Woolpert Inc	9104 - Constructi.		\$5,621.35	

1. To use a filter, simply select the drop down arrow (see arrow) to drop down a list of all project managers whose project(s) have expenditures in the quarter. Select the project manager name. Notice in the bottom of the screen, data changes as the filters are changed. Selecting the project manager narrows the focus of the data available in the dashboard.

PROJECTMGR.	PROJECT.	VENDOR_NAME	PHASE	ACCOUNTING_PERIOD	11 - April	12 - June
David Smith	0000015984	A Morton Thomas & Associate.	9104 - Constructi.		\$496.09	
		GENERAL EXCAVATION INC	9104 - Constructi.		\$20,000.00	
		Starley Contracting Co LLC	9104 - Constructi.			\$349,530.02
		TOMS LLC	9104 - Constructi.		\$4,319.50	
		Woolpert Inc	9104 - Constructi.			\$28,419.12
	0000058108	CILPEPER CO CLK CIR CT	9101 - Preliminar...		\$3.00	
	0000058123	BUMGARDNER BROWN & C.	9102 - Right of W.		\$3,189.24	
	0000088906	A Morton Thomas & Associate.	9104 - Constructi.		\$1,224.58	\$2,238.78
		Alpha Construction & Engineeri.	9104 - Constructi.		\$4,264.95	\$6,397.74
		ATCS PLC	9104 - Constructi.		\$2,224.50	\$2,673.03
		Bank of America	9104 - Constructi.		\$187.29	\$321.99

2. All the projects with expenditures are available relative to other filters. For example, if a project manager name is selected, only the project IDs assigned to that project manager appear for filtering. The check boxes allow the project manager to look at data from one, many, or all project IDs at once.

[Return to top](#)

### Edits

Data can be presented to draw attention to certain conditions. For example, if you look at the Labor Expenditures Dashboard, some data elements are color-coded and have text next to the values indicating why the value is flagged.

**Labor Dashboard**

DISTRICT: (All) PROJECTMGR: (All) Prj ID: (All) Phase: (All) Edits: (All)

Labor Summary - All

PROJECT_ID	NAME	DEPTID	TRC	Phase	ACTVL	Month of ACCOUNTING_DT					
						April		May		June	
						AMOUNT	HOURS	AMOUNT	HOURS	AMOUNT	HOURS
000000054		10030	RGS	9102 - Right of Way	685	\$20.98	4.98	\$148.00	8.50	\$80.34	2.95
		10156	RGS	9102 - Right of Way	652			\$215.94	4.90		
000000293		10021	RGS	9101 - Preliminary Engineering	613	\$30.34	1.00				
		11031	RGS	9101 - Preliminary Engineering	609			\$200.50	8.50	\$235.45	7.00
		10001	RGS	9101 - Preliminary Engineering	612					\$15.58	1.00
		10114	RGS	9101 - Preliminary Engineering	606	\$154.07	5.00				

Notice that you can also filter on the edited information. This allows the user to narrow the focus to possibly problematic information quickly. Note, even if a value is flagged, it should not be automatically corrected. Project Managers should use knowledge of the project to make these determinations.

On any dashboard on which you want more detail for the edit, place your cursor over the value and a "tooltip" box will appear. In that box, you will receive an explanation as well as details on the value.

**Labor Dashboard**

DISTRICT: (All) PROJECTMGR: (All) Prj ID: (All) Phase: (All) Edits: (All)

Labor Summary - All

PROJECT_ID	NAME	DEPTID	TRC	Phase	ACTVL	April					
						AMOUNT	HOURS	AMOUNT	HOURS	AMOUNT	HOURS
000000293		10114	RGS	9102 - Right of Way	678	RoW					
		11031	RGS	9101 - Preliminary Engineering	687	\$1,418.42	27				
		10114	RGS	9102 - Right of Way	652	\$522.86	RoW				
		11042	RGS	9101 - Preliminary Engineering	616	\$202.73					
		10114	RGS	9102 - Right of Way	678	\$3,423.13	156.50	\$1,139.16	35.00	\$916.70	40.00

Measure Names:  
 HOURS  
 Month of ACCOUNTING\_DT: April  
 ACTIVITY\_TYPE: 9102 - Right of Way  
 Calc\_DeptID: RoW  
 DEPTID: 10114  
 NAME: [Redacted]  
 TIME\_RPTG\_CD: RGS  
 Review - Charges where the project district does not match the employee's district  
 RoW - Charges by Right of Way employees  
 RoW - Charges by employees of Central Office Divisions  
 Certification Application  
 Keep Only  Exclude

For detail explanations for each workbook and the edits, see the Project Expenditure Workbook Details later in this document.

[Return to top](#)

## General Pointers

A few notes for using Tableau in this workbook and in others: If you need to get description information on numeric values like Account Codes, Department IDs, Activity

**Federally Eligible Projects**

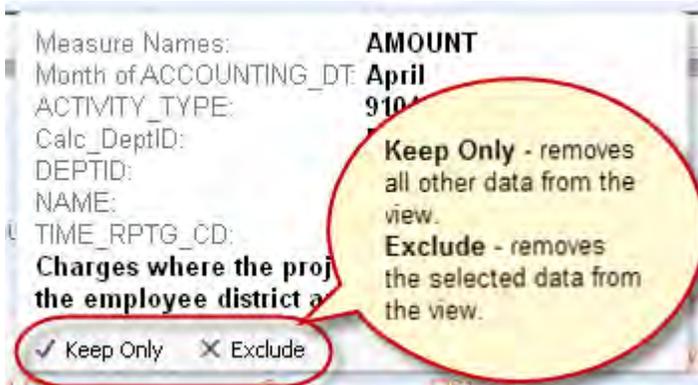
PROJECT_ID	JRNL_SOURCE	PHASE	ACCOUNT	ACTIVITY_ID	10 - April
0000011210	NVS-Spreadsheet Journal	9102 - Right of Way	5011110	678	Review 2 (\$4.19)
				778	\$6.88
				653	\$41.26
				678	Review 2 (\$6.88)
				753	Review 2 (\$41.26)
				778	\$0.26
				653	\$1.52
				678	Review 2 (\$0.26)
				753	Review 2 (\$1.52)
				778	\$15.43
				653	

Anytime you find a "+" above a column of data, you can expand the column for more information. In this case, if you expand the activity code, you will be shown the description of the activity code. If you expand the description, you will find if the activity is Participating or Non Participating.

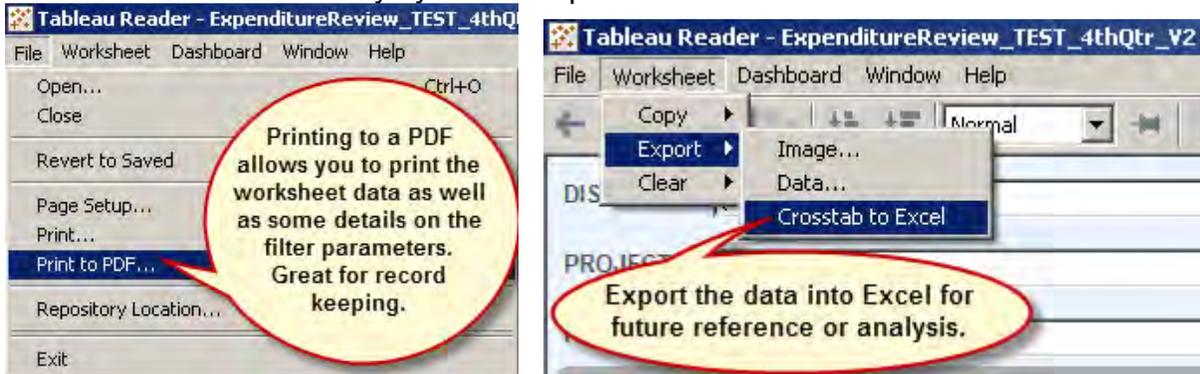
IDs, etc, notice:

1. When you look at the "tooltip" box for details on a value, you will notice options to "Keep Only" and "Exclude". This can be useful if you are trying to build a PDF or Excel export of very specific information for your records, correction, or research.

2.



3. There are a few ways you can export the data available.



[Return to top](#)

### **Project Expenditure Workbook Details**

The quarterly expenditure review workbook contains the following Dashboards:

- [Vendor Payments Dashboard](#)
- [Labor Expenditures Dashboard](#)
- [Federal Projects Dashboard](#)
- [View all Expenditure Data](#)
- [Bank of America Dashboard w/ SPCC Detail Dashboard](#)
- [Employee Expenses](#)
- [Federal Authorization Dates](#)
- [Projects with Expenditures](#)

### **Vendor Payments Dashboard**

The Vendor Payments dashboard uses Cardinal Accounts Payable (AP) detailed expenditure data to allow Project Managers to view Vendor Payments charged to each project. Project Managers should review to ensure that all payments are reasonable, and expected. Specifically, review expenditures for anything unusual (unidentified AP voucher, incorrect accounting codes for example); follow up and investigate as necessary.

The Vendor Payments Dashboard combines the AP Summary and AP Detail on one view and filters are applied simultaneously. The AP Summary displays Accounts Payable transaction per project manager, project ID, Vendor, phase and expenditure month. The AP Detail shows each transaction's coding information. If you click on a

project or Project Manager in the AP Summary, the details will appear in the AP Details sheet below.

Filters are available based on District, Project Manager, Project ID, and Phase. All filters are relative, meaning that setting a value in one filter, will change the available values in the other filters. Filters set on this page will carry over to Federal Projects, All Expenditure, Bank of America/SPCC and Employee Expense dashboards.

[Return to top](#)

### **Labor Expenditures Dashboard**

The Labor dashboard uses Cardinal Time and Attendance (TE) detailed expenditures – or employee transactions coded to a project – to summarize all labor project expenditures. Check charges by employees to ensure that they are correct as well as reasonable and appropriate based on your knowledge of the project. Specifically, review employee charges to the project to determine that only persons authorized to charge to the project have incurred charges and those charges are reasonable. Review names of persons charging to project; follow up on anything unusual, especially persons who do not work in the area or persons from another district or Central Office. Review that the employee charges are appropriate based on the project and the phase. See the job aid [Central Office Division Charges to Projects](#) on the [Financial Management of Projects and Programs](#) InsideVDOT team site which lists common Central Office department ID's by phase that may be an acceptable department ID to charge to the project. This will be helpful with the analysis of labor charges.

Filters are available based on District, Project Manager, Project ID, Phase, and the data edits. All filters are relative, meaning that setting a value in one filter, will change the available values in the other filters.

The labor expenditures where the project district does not match the employee district are flagged for review. Edits compare the project's district to the employee's district and flags differences in three ways.

- If the employee department ID district does not match the project district and the employee is not from Central Office or Right of Way, the flag indicates "Review" in blue,
- If the employee department ID belongs to Right of Way, the flag indicates "RoW" in green,
- And if the employee has a central office department ID, the flag indicates "CO" and is in orange.

[Return to top](#)

## **Federal Projects Dashboard**

This dashboard reports Federal Authorized Projects. Projects are selected for this dashboard if the Cardinal Project ID (sometimes called the UPC) is listed in FMIS with a phase authorization date.

This dashboard allows the project manager to conduct a primary review of federal projects for correct coding. The edits allow Project Managers to view combinations of Allowable Accounts coded to Non-Participating as well as Unallowable accounts and participating activities. Correct only as necessary. Project managers and/or analysts should flag projects based on this Dashboard and run the Allowable/Unallowable Query in Cardinal for any needed journal entries. The federal authorization date is KEY in determining how charges should be coded. The dashboard allows you to enter information for any project to filter charges incurred after the authorization date. Corrections should be made only after running the allowable/unallowable Query in Cardinal using the Federal Authorization date. Expenditures made before the federal authorization date ***must not be reclassified to participating***, as this will affect FHWA billing in the current period.

The Federal Projects Dashboard contains the following data edits:

- The “Review 1” indicator flags in orange unallowable account codes used in combination with participating activities.
- The “Review 2” indicator flags in blue allowable account codes used in combination with non participating activities,

Available filters are based on District, Project Manager, Project ID, Phase, and the data edits. The ability to enter the Federal Authorization Date for a particular project is also available. All filters are relative, meaning that setting a value in one filter, will change the available values in the other filters.

### **Special Expenditure Review Notes:**

- The activity codes 632/732 are marked with an “\*” to indicate that review might be necessary; Construction Vouchers where these are flagged should be reviewed on a case-by-case basis. This usually indicates a work order has been established and if coded with a 732 it should not be changed unless you verify with Contractor or ACE to see if it was incorrectly coded.
- For federal eligible projects, review the activity charges to training (609, 709, 629, 729, 649 and 749 activities). Unless specified in the agreement with FHWA and documented by the phase PM/PC, training charges should be coded to non-participating activities.
- Equipment Allocations are posted on a monthly basis to account code 5013550 and this account code is marked in the Tableau Workbooks with a “\*\*\*”.

- Currently, 5013550 is being used for both allocations and repair and maintenance of equipment. Should you see this account code with a journal type of anything other than ALC or ONL, it should be coded to a non-participating activity (in most cases) for federal eligible projects.

[Return to top](#)

### **All Expenditure Data**

All General Ledger (GL) expenditure transactions for the quarter are reported here. This is the complete set of data on which all other dashboards are founded. Allocations, journal entries, and other types of expenditures transactions can be reviewed as necessary on this dashboard. Review of journal type “NVS – Spreadsheet Journal”, “PNL – Panel Entry Page”, and “SCP – Copy Journal” will be especially helpful to determine if corrections from previous quarters are appropriately posted. Note that the JRNL\_SOURCE column can be expanded to show journal source, journal ID, Journal Date, Journal Line, and Journal Line Reference

### **Bank of America Dashboard w/ SPCC Detail Dashboard**

Payments made by the Small Purchase Charge Card (SPCC) are reported as “Bank of America” on the Vendor Payments Dashboard. To view details of the payment, Project managers can use the Bank of America with SPCC Detail Dashboard. This allows Project Managers to see the details of purchases made with the SPCC and charged to their project. The dashboard gives details that include the account code, and activity for the purchase, the merchant, item description if available, the cardholder name, and their Department ID. Note that due to the timing of SPCC billing, purchases actually occurring in some quarters may show up in the next quarter. The top worksheet in the dashboard, “Payments to Bank of America for SPCC Charges to Projects indicates the projects and accounting information. The lower worksheet, “Charge Details” will provide details on any project or voucher selected in the upper worksheet. Available filters are based on Project Manager, Project ID, Phase, and the voucher ID of the Bank of America payment.

[Return to top](#)

### **Employee Expenses**

The Employee Expense dashboard pulls out employee expenditures; all expenditures on this workbook have a journal source of “EX” or Expense, meaning they are directly from the Cardinal Expense module. The Employee Expense dashboard allows the project manager to view details of employee expenses charge to projects. Most employee expenses charged to a project are unallowable for federal reimbursement; therefore, non-participating activities are typically used for these expenses. Available filters are based on District, Project Manager, Project ID, and Phase. All filters are relative, meaning that setting a value in one filter, will change the available values in the other filters.

[Return to top](#)

## **Federal Authorization Dates**

The Fed Authorization Dates dashboard displays Federal Financial Management System (FMIS) data as it relates to VDOT Project Managers and Project IDs. Data from FMIS is related to VDOT Project ID and Project manager using the data that is entered into FMIS. If the Project ID is not present in FMIS, the project will not be related to VDOT data on this tab. However, if the data relationship is found, the Project Manager can easily look up the Federal Authorization date per phase on projects with Federal Agreements in place. This information is critical when reviewing expenditures for Federally Authorized projects.

The data is edited to draw attention to those authorization dates which occurred in the middle of the quarter of data shown. Participating charges should occur after the authorization date on allowable account codes in order for billing to occur correctly. The federal authorization date is KEY in determining how charges should be coded. Project Managers must review expenditure coding for Federally Authorized projects based on the authorization date for each phase to ensure the FHWA is not incorrectly billed. Expenditures made before the federal authorization date ***must not be reclassified to participating***, as this will cause those charges to bill the FHWA in the current period for charges which occurred prior to authorization.

[Return to top](#)

## **Projects with Expenditures**

The Projects with Expenditures dashboard summaries for the district PMAs the quarterly task for reviewing projects in their districts. A count of the number of projects for the district is given. A listing of projects and total dollars is also listed by Project Manager. A dollar summary by district, project manager, project ID, and phase is also shown. Some projects may show 0.00 expenditures as well as negative summary amounts. Generally these totals represent projects where correcting journals have been done to fix coding errors. The [View All Expenditure Data](#) Dashboard is especially helpful in reviewing projects with negative or zero expenditure summary data.

[Return to top](#)

# **APPENDIX G**

## **2 CFR 200 (aka “Supercircular”) Uniform Guidance Implementation**

### **Indirect Cost Allocation Plans, Indirect Cost Rates and Audits**

## **When did the 2 CFR 200 Uniform Guidance become effective?**

Any federal awards beginning on or after December 26, 2014 fall under the [2 CFR 200](#) guidance.

In December 2015, FHWA hosted training for VDOT and the entities that receive pass-through funds.

The information reviewed during training can be found here:

<https://insidevdot.cov.virginia.gov/div/FIS/FS/Training%20Materials/Forms/AllItems.aspx?RootFolder=%2Fdiv%2FFIS%2FFS%2FTraining%20Materials%2FICAPTraining&FolderCTID=0x0120003EDCCBF8239F3A478FFAE991DD08E3E0&View={153BCDAF-AA1B-4628-A436-39DDB8F72B34}>

The Office of Management and Budget (OMB) has published 2 CFR Part 200 (referred to as the "Supercircular") to streamline the Government-wide guidance on Administrative Requirements, Cost Principles, and Audit Requirements for Federal awards.

## **Indirect Costs**

2 CFR 200 also expands the use of indirect cost rates to all grants.

If applicable, pass-through entities must include (at the time of a subaward) an approved, federally recognized indirect cost rate negotiated between the subrecipient and its cognizant agency if one exists. Subrecipients who plan to claim indirect costs should develop an Indirect Cost Allocation Plan (ICAP) and negotiate an indirect cost rate.

So what does this mean?

VDOT is a pass-through entity. When VDOT awards funds to a subrecipient it is considered a subaward, and if the subrecipient plans to claim reimbursement of indirect costs, the subrecipient must provide VDOT supporting documentation of their approved federally recognized indirect cost rate.

Other subrecipients who intend to claim reimbursement of indirect cost must develop an indirect cost proposal in accordance with the requirements of 2 CFR 200 and maintain the proposal and related supporting documentation for audit. They should provide VDOT with the appropriate documentation that supports the methodology used to determine the indirect cost rate they wish to claim.

Who is the/What is a cognizant agency for my MPO/PDC?

The agency the non-federal entity receives the most direct federal funds from will be the cognizant agency. If a non-federal entity receives **direct** and **pass-through** federal funds, the cognizant agency is based on the agency that provides the greatest **direct** federal funding even if federal pass-through funds are greater than the direct funding. Typically, this can be determined by reviewing the financial statements of the non-federal entity. The Schedule of Expenditures of Federal Awards (SEFA) will detail the information.

So what does this mean?

For example, if an MPO or PDC receives **direct** federal funding from US Department of Health and Human Services (HHS), and they also receive pass-through federal funds from VDOT, HHS is their cognizant agency, because they receive **direct** funds from HHS.

Per 2 CFR 200.19, “the cognizant agency for indirect costs is the Federal agency responsible for reviewing, negotiating, and approving cost allocation plans and indirect cost proposals. The cognizant agency is determined by the agency that provides the most grant funds to the entity, which can change from year to year.”

Where a non-Federal entity only receives funds as a subrecipient, the State DOT will be responsible for negotiating and/or monitoring the subrecipient's indirect costs.

If an MPO or PDC only receives pass-through funding, then the pass-through entity (VDOT) would be responsible for approving the ICAP and formalizing the agreement.

FHWA is VDOT's cognizant agency and has delegated the responsibility of ICAP reviews to VDOT.

MPOs and PDCs are subrecipients and are considered non-Federal entities.

**Indirect Costs for MPOS that are part of a COG/County-** The MPO (subrecipient) may claim an indirect cost rate using the following procedures (200.331(a)(4)):

- (1) The de minimis indirect cost rate of 10%,
- (2) Develop their own ICAP, and negotiate their own rate with the State (pass-through entity), or
- (3) Use the indirect cost rate of cooperative agency or fiscal agent, if there's a negotiated rate with the State (pass-through entity).

## **Audit requirements**

Increased threshold for single audits - A new threshold (increased from \$500,000 to \$750,000) will relieve some non-Federal organizations from the audit requirement.

So what does this mean?

If an MPO or PDC expends \$750,000 or more in federal funds from all sources combined (not just funds they receive from VDOT), it must have an audit performed. Previously the threshold amount was \$500,000.

**For MPOS that are part of a COG/County-**All MPOs that expend \$750,000 or more in a fiscal year must have a single or program-specific audit (200.331(a)(5) and 200.501(f)). The MPO may have its own single audit performed; or, depending on the terms of the Cooperative/Administrative Agreement, the MPOs may be part of their cooperative agency's or their fiscal agent's single audit.