



Federal Aid Technical Bulletin

Bulletin No. 10-01

Date: November 5, 2009

Subject: Managing ARRA funds

As we proceed with the implementation of ARRA funded projects there are some key dates and other guidance you should be aware of which are summarized in this Bulletin for your convenience.

Obligation Deadlines

By close of business on Monday, March 1, 2010, 100% of all ARRA highway funds must be obligated. Any portion of the apportioned funds that is not obligated will be withdrawn and redistributed to other States that have obligated their funds in a timely manner.

On Tuesday, March 2, 2010, FHWA will check their FMIS system to determine which states met this goal and which ones did not. No ARRA deobligations will be processed on Tuesday or Wednesday, March 2nd and 3rd in order to allow time for FHWA Headquarters to make this determination. On Thursday, March 4th we will resume processing ARRA obligations and deobligations.

ARRA highway funds may be deobligated and reobligated on new projects until the end of the FFY2010. **The cut-off date for all FFY2010 authorization activity will be close of business on Friday, September 24, 2010.**

After September 30, 2010, ARRA highway funds are not available for obligation on new projects. However, any unobligated ARRA funds as of September 30, 2010, or deobligated after that date will continue to be available to support project overruns for projects that had ARRA funds already obligated under a project agreement on or prior to September 30, 2010.

Expenditure Deadlines

Although priority should be given to projects which can be completed within three years of the enactment of ARRA (February 17, 2012), **obligated balances are available for expenses incurred until September 30, 2015**, at which point any remaining balance will be canceled.

Issued by Federal Aid Management Office

Modifying the Federal Authorization after Contract Award

23CFR §630.106(a)(4) generally requires adjustments to project authorizations within 90 days of when bids are approved and contracts are awarded.

This means that for ARRA funded projects with contract awards (or LAP Agreement execution dates) occurring in December 2009, January 2010 or February 2010, we have no federal requirement to de-obligate ARRA funds for low bids on these projects until after March 1, 2010 or later.

Therefore, beginning December 1, 2009, ARRA de-obligations for contract awards on the projects noted in the above paragraph will not be transmitted to FHWA for approval unless a Federal Authorization Request has also been submitted to the Federal Aid Management Office to immediately (or within a few days of the deobligation approval) reobligate the ARRA funds on another project.

This rule will also apply to any other type of ARRA deobligation requested after December 1, 2009. District Federal Aid Coordinators must place a comment in FAMS Notes for every ARRA deobligation request after December 1st indicating which Federal Aid Project will receive the deobligated ARRA funds and when the reobligation will be requested.

Our goal is to have 100% of ARRA funds obligated as early in February 2010 as possible. When we reach that goal in February we will stop processing ARRA deobligations, with exceptions considered on an individual basis up to March 1st.

FDOT Policy on use of ARRA Funds for Supplemental Agreements and Cost Overruns

The general rule is **ARRA funds are not to be used for financing supplemental agreements, fuel/bit adjustments and other types of cost overruns.**

For ARRA State Flexible (FSS1) and Enhancement (FSSE) funds the Districts are to program other state or federal funds to cover these types of costs.

For ARRA funds locally allocated to population areas under 200,000 (FSSL) and under 5,000 (FSSN) local funds are to be used to cover these types of costs. Districts may also elect to use district allocated state or federal funds if the project is on the state highway system.

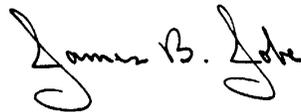
For ARRA funds locally allocated to urban population areas over 200,000 (FSSU), local governments are strongly encouraged to use their own local funds to cover these types of costs, which will allow these urban ARRA funds to be spread over more projects to

maximize job creation. However, it is understood that responsibility for project selection for this type of ARRA fund resides with the MPOs and not FDOT and, therefore, the decision of whether or not to use FSSU or regular SU funds for supplemental agreements and other cost overruns will be made at the local level.

Exceptions to this FDOT policy may be requested through the Office of Work Program and will be presented to Senior Management for consideration on a case-by-case basis.

Please note that this policy will be modified after September 30, 2010. As noted earlier in this Bulletin, any ARRA funds deobligated after that date can only be used to cover supplemental agreements and cost overruns on projects that had ARRA funds already obligated under a project agreement on or prior to September 30, 2010.

If you have any questions regarding these guidelines, please do not hesitate to contact us.



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