



West Virginia Division of Highways Policy: **Establishing Project End Dates**

Issued by the Commissioner of Highways

Policy No: DOH 2.1

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Page 1 of 6

Introduction

The following procedures will be used to establish a project end date in Federal Highway Administration's (FHWA) Fiscal Management Information System (FMIS). As additional guidance is provided by FHWA, these procedures may be adjusted accordingly.

Requirements of 2 CFR 200

Pursuant to the requirements of 2 CFR 200, beginning on December 26, 2014, all new federal authorizations/agreements not yet approved by FWHA and modifications to existing federal authorization/agreements (including advance construction conversions) that amend the terms and conditions of the federal award must include the following information in addition to other previously required information:

- Indirect cost rate (if applicable);
- Catalog of Federal Domestic Assistance (CFDA) number; and
- Project end date (PED).

The PED requirement reflects a significant change to the federal-aid highway program because it imposes a period during which project costs may be incurred (i.e., a federal agreement now must include both a start date and an end date). Prior to implementation of 2 CFR 200, federal aid regulations stipulated only that reimbursable costs could be incurred after the authorization date of a project unless otherwise authorized under 23 CFR 1.9(b).

Existing Federal awards that do not receive incremental funding with new terms and conditions (i.e., no change in federal funds, scope of work, etc.) will continue to be governed by the terms and conditions of the Federal award in effect prior to December 26, 2014 (i.e., no PED or indirect cost rate information is required to be added).

Project Start and End Date

Pursuant to 2 CFR 200, the period of performance is "the time during which the non-Federal entity may incur new obligations to carry out the work authorized under the Federal award. The Federal awarding agency or pass-through entity must include start and end dates of the period of performance in the Federal award." FHWA guidance provides that the PED reflects the period during which participating expenditures may be incurred and are eligible for reimbursement on a

Policy: Establishing Project End Dates

WEST VIRGINIA DIVISION OF HIGHWAYS

Policy No: DOH 2.1

Issue Date: 03/01/2019

Page 2 of 6

federal project. In practice, the start date of the period of performance is the date of the initial federal authorization approval by FHWA. The end date of the period of performance is the project end date (PED), which is established in the federal agreement based on the project schedule as determined by the West Virginia Division of Highways.

The period of performance is important because any costs incurred before federal authorization or after the PED are NOT eligible for federal reimbursement. However, it is important to note that eligible, participating expenditures incurred during the period of performance (i.e., after authorization and before the PED expiration) may be billed (either through modification/supplemental addition of funds or advance construction conversion) to FHWA after the PED.

The PED may be changed with appropriate justification and documentation through an approved modification to the federal agreement. An appropriate justification to extend the PED is one that is beyond the control of the recipient/subrecipient (e.g., project delay due to unforeseen circumstances such as weather or environmental concerns) or that is based on changes to the project agreement that would have an impact on the PED (e.g., an approved change in project scope). Examples of reasons or circumstances that might justify an extension of the PED include the following:

- Project delays
- Litigation
- Major changes in design
- Labor strikes
- Material shortages
- Construction claims
- Severe weather
- Additional work
- Site conditions

Federal regulations also require that a completed, fully converted federal project be federal final vouchered within 90 days of the PED. This requirement does not apply to completed projects with an expired PED that have AC amounts remaining on the project (e.g., maintenance and operations program projects); however, it is unallowable to leave token amounts of AC on a project to circumvent the 90-day closeout requirement.

Establishment of Project End Date

The PED on federal projects is based on the project (phase) delivery schedule in conjunction with

Policy: Establishing Project End Dates

WEST VIRGINIA DIVISION OF HIGHWAYS

Policy No: DOH 2.1

Issue Date: 03/01/2019

Page 3 of 6

the time needed to complete all required processes to ensure federal and state requirements have been met (i.e., final invoices received and paid, final phase expenditure reviews completed, and project close out reviews and journal entries required for final voucher are completed). Based on this approach, most projects (phases) should be federal final vouchered before the established PED.

As with most every aspect of project support functions, the PED approach is dependent upon accurate and updated project schedule/task data being maintained by project managers.

General Guidance

The West Virginia Department of Transportation Division of Highways Programming Division will be responsible for establishing the project end date in accordance with the following activities:

Preliminary Engineering Phase (PE) and Right-of-Way Phase (ROW)

The estimated contract completion date + 3 years. The date will be set to the last day of the month.

Construction Phase (CE)

The date is considered substantially complete* + 3 years. The date will be set to the last day of the month.

*Substantially Complete is when the road is open to traffic.

DOT Sponsored Construction Authorized Completely as Advance Construct (AC)

Same as Construction Phase above, except that when the project is converted, the date will be extended by three years from the date of conversion**.

**Depending on funding availability. The end date may be extended more than a year if adequate funds are not available to convert.

Railroad and Utility Work

Project End Date = The date when work is authorized + 45 months. The date will be set to the last day of the month.

The project end date is estimated using the following typical timeframes:

Policy: Establishing Project End Dates

WEST VIRGINIA DIVISION OF HIGHWAYS

Policy No: DOH 2.1

Issue Date: 03/01/2019

Page 4 of 6

- 18 months construction
- 12 months for railroad or utility to submit final bill
- 12 months for external audit
- 3 months for railroad or utility rebuttal

Total = 45 months

It's important to note one reason external audits of railroad and utility agreements take longer is because the Federal regulations allow utilities (23 CFR 645.117(i)(2)) and railroads (23 CFR 140.922(b)) up to one year to submit a final billing after their work is complete. Also, agreements with railroads typically allow a 90-day rebuttal period after the final external audit is complete for the railroad to provide additional information.

Emergency Relief Program (ER)

Same as Construction Phase above.

Other Types of Non-Construction Work

The date when work is estimated to be complete + 3 years. The date will be set to the last day of the month.

GARVEE Debt Service

The project end date for debt service projects is the debt service final maturity date.

Research and Other Situations and Projects

Projects or situations not covered above will be handled on a case by case basis, generally following a scheduled end date and adding 3 years.

Financial End Date in REMIS and wvOASIS

The Financial End Date in REMIS will be 90 days prior to the PED in FMIS to allow for Finance Division, Federal Aid section, to process the final invoice and to prepare the final voucher and close the project in both FMIS and REMIS. Federal regulations require that completed federal projects be federal final vouchered within 90 days of the PED. The Effective To Date in wvOASIS will be set to 90 days prior to the PED in FMIS.

Policy: **Establishing Project End Dates**

WEST VIRGINIA DIVISION OF HIGHWAYS

Policy No: DOH 2.1

Issue Date: 03/01/2019

Page 5 of 6

BF-98, CAS and CAM Financial End Date

The original project BF-98 submitted to Budget Division by Programming Division will include the estimated end date of the project. Programming Division will add 3 years to the estimated completion date when entering the PED into FMIS.

Projects submitted for modification using the BF-98 should have the PED reviewed and revised in accordance with the modification requested.

Monitoring and Controls

Programming and Finance Division have the primary responsibility for reviewing and monitoring project end dates on federal project agreements, as well as for communicating with appropriate District or Division staff on any actions necessary to modify project end dates and/or any actions needed to resolve any issues should a PED expire.

The PED may be changed with appropriate justification and documentation through an approved modification to the federal agreement. The PED should be modified prior to expiration to ensure maximized reimbursement of eligible participating costs. However, if the PED expires on an ongoing project, any costs incurred from the time the PED expired until a modified PED is approved are ineligible for federal reimbursement and must be coded or recoded to non-participating activities. Any expenditures incurred after the modified PED is approved by FHWA are eligible for federal reimbursement and may be coded to participating activities.

To facilitate monitoring of project end dates and any needed project agreement modifications, and to ensure that no expenditures are billed to FHWA after the PED, the following monitoring process has been implemented.

- Finance Division will generate reports from FMIS and Business Objects each month to identify projects within three months of the current PED in the federal agreement. The PED Report queries information in the state remarks field in FMIS and the project end date field to identify PEDs and associated federal agreements (federal project numbers).
- Programming Division and Finance Division will jointly review the PED query/reports to identify projects that require action.
- Programming Division will maintain a spreadsheet identifying projects that have an expiring PED. This spreadsheet will document the process of requesting an extension for the PED and the outcome of that process.

Policy: Establishing Project End Dates

WEST VIRGINIA DIVISION OF HIGHWAYS

Policy No: DOH 2.1

Issue Date: 03/01/2019

Page 6 of 6

Upon FHWA approval, the modification is submitted to Finance Division staff for processing in FMIS. If no additional expenditures are anticipated, the project should be processed for close out pursuant to existing project closeout guidance and no action is taken regarding the PED.

If any project is identified as having an expired PED, only charges incurred after the expiration associated with the federal project shall be processed as non-participating until the PED issue is resolved by Programming and Finance Division and/or the federal agreement is modified.