



**Division of Budgets  
Office of Federal Resources Directive**

<b>Subject: Agreement End Date Implementation Guidance for Federal Aid Construction Contracts</b>	<b>Number: OFR 15-01</b>
<b>Reference: FHWA Memorandum dated 12/4/2014</b>	<b>Effective Date: 01/15/2016</b>

**Distribution:** Chief, Division of Project Management; Chief, Division of Engineering Services; Chief, Division of Construction; Chief, Division of Design; Chief, Division of Accounting; Chief, Division of Local Assistance; Chief, Division of Maintenance; Chief, Division of Traffic Operations; Chief, Division of Environmental Analysis; Chief, Division of Right-of-Way & Land Surveys

**I. POLICY**

According to Federal Highway Administration (FHWA) memo (2 CFR 200) dated December 4, 2014, Caltrans is required to provide a project Agreement End Date (AED) for all federally funded projects when federal authorization (E-76) is processed by Office of Federal Resources (OFR).

**II. BACKGROUND**

This is a new policy mandated by FHWA issued memo 2 CFR 200. This policy is implemented in partnership with FHWA to improve the project closeout timeline for all capital projects.

**III. IMPACTS**

This is a significant change to the federal-aid highway program as any costs incurred after the project AED will not be eligible for federal reimbursement.

**IV. DEFINITIONS**

E-76 is the State-Federal Agreement that provides federal funding approval or FHWA authorization to proceed with the project.

Construction Contract Acceptance (CCA) also known as Milestone 600 (M600) is the date when district accepts completed construction project.

End Project (EP) also known as Milestone 800 (M800) is the date when all project work is finished from all functional units including Construction, Design, Division of Engineering Services, Environmental, Right of Way, Surveys and Project Management. After EP, no timesheets or other costs are charged to the project.

Agreement End Date (AED) is the day that the project is final vouchered by HQ Accounting and closed in the Fiscal Management Information System (FMIS).

CGI Advantage Project Group Code provides the project status. Project Group Codes 7A through 9B are for the final voucher and closeout process.

Final Voucher Request Form (FA-2658) is submitted by District Project Manager to HQ Accounting certifying that all district expenditures are done and the project is ready for final voucher and project closeout when the project reaches M800.

**V. PROCEDURES**

The Project Manager provides the project AED in the Federal Funds Authorization Request (FFAR) Memo when requesting federal funds from OFR.

To estimate the project AED, it is recommended by the statewide Project Closeout Team that 26 months be added to M600 (CCA) to determine the M800 (EP). An additional 21 months should be added to the timeline from the date that the FA-2658 is submitted to HQ Accounting (M800) to initiate the financial closeout of the project in FMIS. Estimating the project AED by adding 47 months (26 plus 21) to M600 (CCA) date is an advisory recommendation and the Project



## Division of Budgets Office of Federal Resources Directive

Development Team should determine the project specific timeline based on the complexity of the project.

To prevent any loss of federal funds, it is critical that the Project Manager continues to monitor the project schedule during project construction and after CCA. The Project Manager should determine at M600 if the project AED needs to be adjusted. An extension may be allowed to the project AED if a modification to the E-76 is needed and/or if the AED is effected by a project change outside of Caltrans' control. A written justification signed by the Project Manager must be submitted to the OFR a minimum of 2 months prior to the project AED expiring. Contact OFR for further guidance regarding acceptable reasons for delaying the project AED.

### VI. ROLES AND RESPONSIBILITIES

#### Project Managers

- Provide the estimated project AED to the District Office Engineer (DOE) at Milestone 377 (PS&E to DOE)
- Revise the project AED and notify OFR if project is delayed prior to Milestone 500 (Approve Contract)
- Monitor the project work-plan to ensure that Milestone 600 (CCA) and Milestone 800 (EP) are going to be achieved as scheduled
- Submit timely written requests to update the project AED if needed
- Conduct financial review of the project to ensure that all federal expenditures are posted to the correct funding lines in CGI Advantage prior to FA-2658 submission to HQ Accounting to begin the Final Voucher (FV) process
- Submit the FA-2658 form to HQ Accounting at Milestone 800 with project AED.
- Ensure that project is in CGI Advantage project group code 7A after submittal to HQ Accounting
- Coordinate with HQ Accounting to closeout the project in FMIS within 21 months as mutually agreed
- Monitor the FV progress periodically

#### District Office Engineers

- Provide the project AED to OFR with the FFAR Memo

#### Office of Federal Resources

- Enter the project AED into FMIS
- Assist the District Project Manager and staff to process the time extensions to modify the project AED prior to final voucher
- Submit E-76 modifications to FHWA for the project AED time extensions
- Assist District staff and HQ Accounting by providing Federal obligation information for projects from FMIS to reconcile federal cost over-runs prior to FV closeout

#### HQ Accounting

- Enter the CGI Advantage project group code 7A after the receipt of FA-2658
- Provide timely communication to the Project Manager for any additional documentation needed for FV process
- Monitor the FV process and notify the OFR and Project Manager if FV process and/or project closure in FMIS will be longer than 21 months.
- During final vouchering process, submit E-76 modifications to FHWA for the project AED time extensions if delay is caused by the final voucher process
- Notify the OFR and Project Manager when project is closed out in FMIS



**Division of Budgets  
Office of Federal Resources Directive**

**VII. APPLICABILITY**

All employees who work on state transportation projects funded with federal-aid highway funds.

Approved: Steven D Keck January 13, 2016  
STEVEN KECK, Chief - DIVISION OF BUDGETS Date

Approved: James Davis 1/14/16  
JAMES DAVIS, Chief - DIVISION OF PROJECT MANAGEMENT Date

Approved: Clark Paulsen 1/14/16  
CLARK PAULSEN, Chief - DIVISION OF ACCOUNTING Date