# CHAPTER 3

## PROGRAMMING AND BUDGETING

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3.01.00.00 - DEPARTMENTAL DATABASES AND DATA MANAGEMENT SYSTEMS

3.01.01.00 General

The Department uses numerous databases and data management systems, and those used most frequently by R/W Planning and Management (P&M) personnel are discussed in the tables below entitled “R/W Databases and Data Management Systems” and “Department Databases and Data Management Systems.”

3.01.02.00 R/W Data Management Systems

The R/W Data Management Systems are comprised of the R/W Management Information System (ROWMIS), R/W Property Management System (RWPMS), R/W Excess Lands Management System (ELMS), and the R/W Utility Management System (RUMS). ROWMIS is an Oracle-based database, and the remaining systems are mainframe databases written in COBOL language.

R/W data is collected by the Division of Project Management for producing statewide project status reports required by Caltrans management and external agencies. Therefore, it is critical that R/W information is kept up to date.

<table>
<thead>
<tr>
<th>Database/System</th>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>Right of Way Management Information System</td>
<td>ROWMIS</td>
<td>ROWMIS houses data for several functions in R/W, including R/W Engineering,</td>
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<tr>
<td></td>
<td></td>
<td>Estimating, Appraisals, Acquisitions/Condemnation, RAP, and Demolition. ROW</td>
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<tr>
<td></td>
<td></td>
<td>MIS contains data on both a project and parcel level.</td>
</tr>
<tr>
<td>Right of Way Supplement System</td>
<td>ROWSUP</td>
<td>ROWSUP is a supplemental system that contains various reports related to</td>
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<tr>
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<td></td>
<td>project status, milestones, financial management, and other uses for R/W</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Planning and Management/Project Coordination activities.</td>
</tr>
<tr>
<td>Right of Way Property Management System</td>
<td>RWPMS</td>
<td>RWPMS is one of the mainframe databases currently used to maintain Property</td>
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<tr>
<td></td>
<td></td>
<td>Management information. It contains information of parcels acquired for</td>
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<td></td>
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<td>project delivery, which can be rented until needed for the project or</td>
</tr>
<tr>
<td></td>
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<td>becomes excess land inventory to be sold.</td>
</tr>
<tr>
<td>Right of Way Excess Lands Management System</td>
<td>ELMS</td>
<td>ELMS is also a mainframe database being used to track all excess parcels</td>
</tr>
<tr>
<td></td>
<td></td>
<td>that are no longer needed for project delivery.</td>
</tr>
<tr>
<td>Right of Way Utility Management System</td>
<td>RUMS</td>
<td>RUMS is also a mainframe database being used to track utility relocation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>activities for project delivery.</td>
</tr>
<tr>
<td>SCOPE</td>
<td>SCOPE</td>
<td>SCOPE is the mainframe system that houses PMCS, ELMS, RUMS, and RWPMS data systems</td>
</tr>
</tbody>
</table>
ROWMIS is the primary data system used in Right of Way for project delivery tracking and contains data at both the project and parcel levels.

- **Project level data:**
  - Currently, ROWMIS imports project information and milestone dates from both AMS Advantage and Project Resource and Schedule Management (PRSM) systems. There is a lag between these systems that may cause a delay in setting up a project in ROWMIS; in addition, data imported from these other systems is displayed in the color brown.
  - ROWMIS Project page provides essential information pertinent to R/W activities such as Federal participation, Cost Estimating (Datasheets), Project Agreement(s) (i.e. Coop Agreements), R/W Engineer products, and lists of parcels.
  - ROWMIS offers a Comments and Project Docs tab to add comments relevant to the project and saves project-related documents to the server.
  - There is a built-in R/W Parcel Tracking Report available in ROWMIS called the SOP (Status of Project) Report.

- **Parcel level data:**
  - The Parcel page provides information and the overall status of a specific parcel. Activities and deliverables can be tracked under each tab, including:
    - R/W Engineering
    - Appraisals
    - Acquisitions & Condemnation
    - RAP
    - Demolition & Clearance
  - Comments and related documents can be saved to the Parcel folder.
  - Limited parcel data is transferred to RWPMS and ELMS databases.

All R/W functions are responsible for maintaining their own sections of ROWMIS and/or other R/W systems and for providing P&M with data for input to other Department databases and systems. These systems depend on accurate and timely input by district R/W personnel.
## DEPARTMENT DATABASES DATA MANAGEMENT AND SYSTEMS

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<thead>
<tr>
<th>Database/System</th>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Resource and Schedule Management</td>
<td>PRSM</td>
<td>PRSM is the Department’s project management tool to assist in project resource and schedule development, project management, and tracking the status of projects.</td>
</tr>
<tr>
<td>Project Management Control System</td>
<td>PMCS</td>
<td>PMCS is a mainframe computerized system for managing and controlling highway projects of all sizes from the earliest planning phase to contract completion, then back into the inventory phase. All project data can be viewed on-line. PMCS became fully operational on April 1, 1976; however, the project management component was replaced by PRSM in 2015, but R/W still maintains the R/W Cost Screens for its annual lump sum allocation development process. Refer to the PMCS User Manual issued by the State and Local Project Development Program for details on how to use the system and the purpose of the screens.</td>
</tr>
<tr>
<td>AMS Advantage</td>
<td>AMS</td>
<td>AMS is the Department’s accounting, procurement, and budget database, implemented in July 2010, which houses data for all financial transactions (accounts receivable and payable), support and capital expenditures, procurement transactions, and budgets. The Division of Accounting is responsible for maintenance and support of this statewide system. AMS is accessible to all staff for view only, or for data input by appropriate approved staff, through CT Pass.</td>
</tr>
<tr>
<td>Enterprise Datalink</td>
<td>Datalink</td>
<td>Datalink contains information from AMS and was developed as a method to obtain data in a timely manner for inquiry and reporting purposes. Information is updated nightly and contains historical financial data from the former financial system called TRAMS. Datalink is accessible to all staff through CT Pass.</td>
</tr>
<tr>
<td>Federal Aid Data System</td>
<td>FADS</td>
<td>FADS was created to replace manual processing of Federal Aid Funding Requests, formerly known as FNM-76 or E-76 (Request for Approval To Proceed) with an electronic transfer data system. This system allows the Department to enter project information directly and to transmit the data electronically to FHWA’s Fiscal Management Unit in Sacramento. FHWA is able to review and approve project data expeditiously and to process the data into FHWA’s Federal Management Information System (FMIS) in Washington, D.C.</td>
</tr>
<tr>
<td>California Transportation Improvement Program System</td>
<td>CTIPS</td>
<td>CTIPS is an Oracle database used internally and externally to manage the programming and allocation of funds for STIP/TCRP/BOND, SHOPP and local projects.</td>
</tr>
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3.01 - 3 (REV 1/2019)
3.01.02.02 R/W Data System Users

To access R/W Data Systems, users must have appropriate user rights. An agent has full access to the specific database in the functional unit he/she is currently assigned and may have read-only access to other databases.

An agent can request access to ROWMIS and SCOPE accounts through his/her immediate supervisor as follows:

1. **ROWMIS Account** – Each district has a designated ROWMIS Administrator who can assign a user account, or a request can be sent to the ROWMIS Administrator from: https://row.onramp.dot.ca.gov/right-way-management-information-system-rowmis.

2. **SCOPE Account** – R/W Agents who work in Planning & Management, RW Property Management, RW Excess Lands, or RW Utilities functional units would require a SCOPE Account to access PMCS, RWPMMS, ELMS, or RUMS. Each district has a designated RACF Coordinator listed on the Project Delivery intranet (http://pd.dot.ca.gov/row/racf/) who can assign a SCOPE account. Additional software installation may be required.

3.01.02.03 R/W Reporting Tools

In addition to R/W databases, there are reporting tools available. These tools provide access to datasets in R/W databases as well as other Department databases. Statewide R/W users have access to Discoverer and ROWSUP, and Quality Management Reporting System (QMRS) reporting tools. Districts may have other reporting tools, not mentioned here, serving their own needs.

1. **Discoverer Account** – This is an Oracle tool allowing an agent to download data from a variety of R/W databases for analysis and reporting purposes. Discoverer can be accessed by all staff from: http://discoverer1.dot.ca.gov/discoverer/plus?database=rowprod. The Discoverer User Guide, which includes instructions for logging into the system and creating reports, can be accessed from: https://row.onramp.dot.ca.gov/downloads/row/files/oracle_discoverer_training.pdf. A Discoverer account is required. User can request an account under the same process as requesting ROWMIS account.

2. **ROWSUP Account** – ROWSUP is a reporting tool created and maintained by North Region R/W. It provides many useful datasets and queries from both R/W and Department databases. User accounts may be requested by any staff via email request to the ROWSUP Administrator link shown on the ROWSUP page, which can be accessed from: http://10.24.2.57/rowsup/root/index.

3. **QMRS** – QMRS is a database reporting system for Project Delivery. It is used to aggregate and display data captured in the Project Delivery Workload Development Migration warehouse. Data is refreshed daily. QMRS reports can be accessed at https://qmrs.dot.ca.gov/qmrs/?p=2999:HOME:14988286542677 using any web browser. No user account is needed.
3.02.00.00 - EXPENDITURE AUTHORIZATION (EA)/PROJECT IDENTIFIER (PROJECT ID)

3.02.01.00 General

An EA is a six-digit numeric code assigned to a direct project, or a non-project activity, such as overhead. EAs were recorded and stored in the previous financial system, TRAMS. However, with the implementation of AMS Advantage (Advantage), EAs were replaced with a 10-digit code called a Project Identifier (Project ID) as the primary means of classifying expenditures for a related activity. It is used to track costs for proper management of project-related expenses and for budgeting of future resources based on historical data. The EA numbering system is still in use since some of the Department’s legacy systems continue to use EAs. EAs are assigned in the districts by District Project Control, and when a Project ID is being created in Advantage, the EA number is also entered in the project setup. Once tabled in Advantage, the Project ID and EA numbers are populated into the Project ID Crosswalk.

3.02.02.00 Multiphase Project IDs

Multiphase EAs (0X01XX to 4X99X9) are for projects with more than one phase (category) of work that requires separate EA accounting for each phase. A multiphase EA is structured as follows:

<table>
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<th>XXXX</th>
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<th>X</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Four Characters</td>
<td>Fifth</td>
<td>Sixth</td>
</tr>
<tr>
<td>Basic Serial Number (First character is in range 0-4)</td>
<td>Segment Code</td>
<td>Phase Code (Phases specific to R/W activities are 2 and 9)</td>
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</table>

The first four digits of the EA comprise the Basic Serial Number of a project. The district assigns this number before work is started on the Project Study Report, and the number is retained for the entire life of the project, including all phases of work.

The fifth digit of the multiphase EA identifies the project segment, if the project is segmented.

The last or sixth digit represents the phase of the project. The functional phase codes are as follows:

<table>
<thead>
<tr>
<th>Phase</th>
<th>Description</th>
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<tbody>
<tr>
<td>K</td>
<td>Project Study Report</td>
</tr>
<tr>
<td>0</td>
<td>Project Report/Project Approval &amp; Environmental Document (PA&amp;ED)</td>
</tr>
<tr>
<td>1</td>
<td>Plans, Specification, and Estimate/Design</td>
</tr>
<tr>
<td>2</td>
<td>R/W Operations (Support)</td>
</tr>
<tr>
<td>3</td>
<td>Construction Engineering (Support)</td>
</tr>
<tr>
<td>4</td>
<td>Construction (Major, Minor A, Maintenance Contracts)</td>
</tr>
<tr>
<td>9</td>
<td>R/W Capital</td>
</tr>
</tbody>
</table>

3.02.02.01 Phase 2 – Support

A multiphase project EA ending with 2 accounts for R/W support expenditures. The Phase 2 EA covers labor charges and all operating and equipment expenses chargeable to a project.
3.02.02  Phase 9 – Capital

A multiphase project EA ending with 9 accounts for R/W capital outlay expenditures. The Phase 9 EA usually covers costs of:

- R/W acquisition
- Excess land
- Inverse condemnation
- Gains and losses from sales of excess land
- Title and escrow fees
- Condemnation expert witnesses
- Condemnation legal expenses
- Condemnation deposits
- Project development permits
- RAP
- Demolition
- Clearance
- Utility relocation

3.02.03.00  Single Phase EA

The types of Single Phase EAs (9XXXXX) are:

- **Overhead** - to record costs incurred by each function/organization in managing, supervising, and supporting the work and personnel of their areas of responsibility.
- **Owner-Operator** - to record costs considered necessary to ensure the integrity of the Highway System, but which do not directly relate to delivery of a project. (Effective July 1, 1999, it is no longer a valid EA category.)
- **Programmatic** - to record costs associated with achieving the goals of the Department’s noncapital outlay programs (e.g., Airspace, Outdoor Advertising).
- **Single Task** - for projects with only one phase (function of work).
- **Service Center** - to record time spent by Caltrans employees for technical services for the department’s functional units (e.g., Information Services, Equipment, and Legal).
- **Reimbursed Work for Others** - to record costs of performing work requested by and for the benefit of an entity external to Caltrans.

3.02.04.00  Establishing EA/Project ID

The District Project Control Officer assigns EA numbers sequentially, and establishes its Project ID in Advantage with the EA number referenced in the project setup. District P&M Project Control is responsible for creating R/W Phases for established Project IDs in Advantage. Normally, R/W Phases are created by a Cost Accounting Modification (CAM) document in Advantage. This enables the Department to maintain standard identification of projects for proper tracking and management of project costs.

District P&M must ensure that Project IDs for federal-aid projects are tabled in Advantage before commencing R/W work. Also, if Project IDs were previously established as State only funded, and federal participation is now secured on the project, then District P&M must adjust the Project ID funding source effective with the approval of the E-76.
Accounting occasionally establishes non-project related EAs for special purposes; for example, EA 0R0005 for recording work activities related to excess lands inventory, or 0R006 for recording work activities related to property management of state-owned parcels.

Headquarters Project Control Branch provides “clearinghouse” controls on Project IDs input into the Advantage system for consistency with legal, financial, and administrative authorities or policies on work and maintains the integrity of the overall system and process.

R/W must conform to the standard identification system to avoid discrepancies between identification of the same project in Advantage (formerly TRAMS) and PMCS. (See Project Management Directive Number PMD 99-02 on Project Identification.)

The table below entitled “EA/Project ID Process” provides an overview of the process for establishing or supplementing R/W Project IDs.

### 3.02.05.00 Project ID Adjustments for Combined and Split Projects

Upon notification from Project Development to combine or split projects, R/W must adjust Project IDs according to instructions in Exhibit 3-EX-1.

The correct use of the EA under specific conditions is as follows:

- **Split Projects** - When a project is split into two or more smaller projects, each resulting project shall be treated as a segment of the original project. The reason for not keeping the original EA and Project ID is to separate costs incurred before and after the split.

- **Combined Projects** - When two or more projects are combined, the EA of the largest project shall have a “U” substituted for the fifth character as the new EA, which is used in both Advantage, PRSM and PMCS. Subsequent combinations should use V, W, X, and Y in the fifth character of the EA.

**NOTE:** Largest project means the project with the highest estimated cost. This means Minor B projects are combined into Minor A projects; Minor A projects are combined into Major projects and NOT the other way around.

<table>
<thead>
<tr>
<th>EA/PROJECT ID PROCESS</th>
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<td><strong>Step</strong></td>
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<td>5</td>
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3.02.06.00  Suspending R/W Phase 2/9

The R/W Phases of an EA/Project ID are suspended when District R/W determines that all R/W work is complete and expenditures are fully recorded. District P&M initiates this action by deactivating the R/W Phases in Advantage via the CAM process.

Occasionally, Headquarters Federal Program Accounting requests a change in the activity status for R/W Phases (from inactive to active) related to a federal-aid project after the federal-aid project is in the final vouchering stage.
3.03.00.00 - RESOURCE MANAGEMENT - SUPPORT

3.03.01.00 General

Capital Outlay funds construction contracts, right of way capital and utility relocations for State Highway improvements. Capital Support is work required to produce Capital Outlay. Support personnel provide staff assistance for support matters concerning the Project Management Control System (PMCS), eXpert Project Management (XPM), PYPSCAN (Person Year and Project Scheduling and Cost Analysis) and Capital Outlay Support budgets. This includes performance of studies and recommendations for improvement of right of way capital outlay support in XPM, PYPSCAN, Work Estimating Norms and Work Breakdown Structure (WBS) in P&M, as well as related workload statusing. Also included is identifying, monitoring, and evaluating workload for R/W minor program projects, projects under construction, Hardship and Protection projects, R/W clean-up projects and preparing budget calculations used to determine capital resource needs (PYs) for current and future years.

3.03.01.01 PYs - Capital Outlay Support

XPM calculates capital outlay support PY allocations for R/W from Project Workplans. PMCS’s PYPSCAN is used as a check and starting place for the development of these workplans. Detailed information on PMCS and how to access and input data into the system is contained in the PMCS User’s Manual. Workplan guidelines and details on the use of XPM in the calculation of PY allocations can be found on the Project Management Intranet site.

3.03.01.02 XPM Calculations

The XPM scheduling tool uses Project Workplan information to determine the required hours by WBS code to complete a particular project. Project workplans are developed by the Regions/Districts based on the number of hours they feel it will take to complete a project. To assist the Regions/Districts in determining the hours required to produce a project, Work Estimating Norms (WEN) have been developed. Refer to the R/W Intranet site for an example of a WEN tool.

Once the Project Workplan is developed, it is submitted along with the R/W Datasheet to the Project Manager and he/she approves or rejects the plan. Negotiations with the Project Manager may occur as the parties work out an agreement of the plan and the number of hours required to complete the necessary work. Once the plan is approved, it is input into XPM through various front-end computer programs (e.g., FileMaker Pro). These front-end computer programs vary between regions/districts. PYs are then generated based on project workplan data. For a region/district to receive support resources for a given project, there must be an approved project workplan in XPM and the project must have up-to-date information in PMCS.

3.03.01.03 PMCS Calculations

PMCS is Caltrans' Project Database. PYPSCAN, which is part of the PMCS database, is used as a check of resources that are generated by XPM. It is also used as a starting place for the development of the project workplans. PYPSCAN uses project types and costs to determine the number of people (PY resources) required to complete a particular project. In PYPSCAN, PYs for R/W activities are calculated based on direct R/W workload; R/W capital dollars do not affect the calculations. Activities that are considered part of direct R/W workload are:

- Number and type of parcels
- RAP displacements
- Improvement clearances
- Condemnations
- Number and type of railroad and utility involvements
The system multiplies these quantities by built-in factors to determine the number of PYs needed for each project. The PYs are spread among R/W functions over the life of the project based on built-in lead time requirements. (See Phase II Right of Way Involvement in Project Delivery, Exhibit 3-EX-3.)

Each PMCS project file consists of several individual screens, which are divided into families as follows:

<table>
<thead>
<tr>
<th>Screen Family</th>
<th>Subscreens</th>
</tr>
</thead>
<tbody>
<tr>
<td>CALC</td>
<td>CA, DI, SI</td>
</tr>
<tr>
<td>COST</td>
<td>EST, FND, CAP-X, -I, -D or O, RW1-5</td>
</tr>
<tr>
<td>EVNT</td>
<td>ADV, RPT, DTE, RW, RW2, LND, CLR, ACT</td>
</tr>
<tr>
<td>FUNC</td>
<td>ADV, CAT, FAC, INT, MPO, PLN, RPT, STA, STR, TAS, WPR, &amp; 105</td>
</tr>
<tr>
<td>GEOM</td>
<td>EXT, FUT</td>
</tr>
<tr>
<td>STRC</td>
<td>PRJ, BR, BR2</td>
</tr>
<tr>
<td>TEXT</td>
<td>PC, PR, SF, ST, TI</td>
</tr>
<tr>
<td>TRAF</td>
<td>ACC, PRJ, SEG</td>
</tr>
</tbody>
</table>

AGRE, PYRS, NIPS, MAKE, SCAN, CLAS, SPEC, FACT, and STIP are individual screens that do not contain subscreens.

3.03.01.04 Projects Involving Work by Others

To receive PY resources to perform oversight, the district must identify projects where personnel other than region/district R/W will do the R/W work. The region/district must properly flag these projects and prepare, submit and obtain approval of project workplans. Project workplans must be input into XPM by Project Management staff so budget personnel can identify the resources needed.

3.03.01.05 PYs on Hardship and Protection Parcels

District P&M should follow the procedures below to establish R/W hardship and protection workload.

- Early in the budget process (for example, prior to March 2001 for the 2002/03 Fiscal Year), identify projects where there is a high likelihood of encountering hazardous waste or hardship and protection acquisitions. Make an estimate of the number of parcels that may be involved on each project.

- With the help of Project Development personnel, create a project for R/W activities only by using “H” as the last digit of the EA. For example, if the master project EA is 123400, the hardship and protection EA is 12340H. Enter the necessary data on the required PYPSCAN screens and prepare, submit, and obtain approval of a project workplan. Project workplans must be input into XPM by Project Management staff so resource hours and PYs will be generated.

- After the proper data has been entered, and the project workplan submitted, request the RW PMCS Coordinator to PYPSCAN the project and add the S-0 flag. If there is any overlapping of calculated PYs between the hardship and protection project when compared to the master project, the hardship and protection project will not be valid and must be removed from PMCS and adjusted in the workplan for inclusion into XPM.

- Update data in these projects as information changes to ensure they are current.
3.03.01.06  Reimbursable Work

District R/W may perform R/W work on projects funded by local sales tax and be reimbursed pursuant to a cooperative agreement. The district must carefully differentiate between projects where Caltrans resources will be used and projects where costs will be reimbursed for work done by Caltrans R/W Agents. Project workplans are required for resource generation through XPM. Refer to Chapter 17 – Local Programs.

3.03.01.07  Duties of R/W Coordinator

Different Headquarters units use and control different project designation flags. R/W has primary responsibility for maintaining the “3” flag. District R/W is responsible for maintaining the R/W data on the EVNT RW Screens for these projects as accurately as possible.

3.03.01.08  PYs for R/W Clean-up Activities

Normally once a month, HQ Project Management requests that HQ R/W Planning and Management provide them with the status of post construction R/W effort. Included in the request is a list of recently completed construction projects. All the completed construction projects have an S-0 flag in PMCS (S-0 denotes either Construction Completed or Hardship and Protection workload). After HQ P&M receives this request, they will notify the regions/districts that these construction projects are complete and request that they identify which projects on the list have post construction R/W work and require the retention of the S-0 flag. Region/district must provide this information to HQ P&M in a timely manner. HQ P&M then compiles a statewide list and forwards it to HQ Project Management. Projects not on the list will have the S-0 flag removed and will be closed for post construction resources by HQ Project Management.

To receive resources for post construction R/W work, the regions/districts must have the following items:

1. An Approved Project Workplan in XPM
2. Up-to-date PMCS information
3. An S-0 flag in PMCS
3.04.00.00 - RESOURCE MANAGEMENT - R/W CAPITAL OUTLAY

3.04.01.00   General

R/W capital is administered through use of PMCS COST RW1-10 screens and is officially accounted for through use of TRAMS.

The CTC is responsible for allocating legislatively approved capital outlay appropriations to projects that have been included in the department’s program documents (see table on the following page). The CTC may only allocate funds to projects that are environmentally clear.

3.04.02.00   Transportation Programming

The Government Code provides for establishing various project candidate lists that are used to plan and prioritize the State’s Transportation Program. Projects are segregated into two separate program documents as shown on the table on the following page.

3.04.02.01   Fund Reservation

Each year, the R/W Capital Plan contains dollars in a Fund Reservation. These dollars are necessary to sustain the R/W program, but cannot be readily tied to specifically programmed projects. Examples of such costs are:

- Unidentified right of way.
- Inverse condemnation.
- Right of way for minor projects.
- Hardship and protection acquisitions.
- Post certification R/W costs, such as utility overruns, expert witnesses, excess condemnation awards, goodwill payments, interest costs, and split funded costs (title company services, rights of entry, RAP payments), the balance of which is encumbered after R/W certification.
- Unprogrammed, but departmentally approved projects.

RW develops the Fund Reservation each program cycle based on anticipated costs derived from the COST screens. The Fund Reservation is included in the allocation request submitted to the CTC.

Dollars from the Fund Reservation are allocated to each district based on needs identified in each district’s COST screens.

3.04.02.02   Project Programming

The adopted programming documents are statements of the CTC’s intent to allocate funds during the span of years for each plan. To be considered for programming, a project must have an approved Project Study Report (PSR) or equivalent. Each PSR will contain an escalated estimate for R/W capital outlay (R/W Data Sheet).
The adopted programs are resource management documents to assist in planning and implementing transportation improvements and utilize available resources in a cost-effective manner. The programs include:

- **Scope.**
- Current and escalated construction capital outlay costs.
- Escalated R/W capital outlay costs.

Additionally, the STIP includes estimated support costs for environmental studies, preparation of PS&E, Right of Way, and Construction.

When a project is initially programmed, programmed dollars represent the total estimated cost. As expenditures against the project occur, dollars in subsequent program documents represent remaining estimated costs. The program document should indicate if the programmed project is underfunded.

<table>
<thead>
<tr>
<th>Plan</th>
<th>Abbreviation</th>
<th>Description</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Transportation Improvement Program</td>
<td>STIP</td>
<td>A four-year capital improvement program of transportation projects funded with revenues from the State Highway Account and other sources on and off the State Highway System.</td>
<td>Listed projects are found in the Regional Transportation Improvement Program (RTIP) and the Interregional Transportation Improvement Program (ITIP). The CTC adopts the STIP prior to the beginning of each even-numbered fiscal year.</td>
</tr>
<tr>
<td>State Highway Operation and Protection Program</td>
<td>SHOPP</td>
<td>A list of projects programmed over a four-year period that are required for rehabilitation, traffic safety, seismic safety, and traffic operational improvements on the State Highway System. These projects are not found in the STIP.</td>
<td>The Department adopts the SHOPP every even-numbered year. SHOPP projects are developed jointly from candidate lists submitted by staff in Headquarters, districts, and regional transportation commissions.</td>
</tr>
</tbody>
</table>

### 3.04.02.03 R/W Project Programming Coordination

- **Candidate Projects** - District P&M must work closely with District Programming and Project Development to ensure that a candidate project have R/W estimates. Agency policy requires that a candidate project have an approved PSR or equivalent to be considered for programming. Each district should have R/W estimates for all candidate projects entered into the PMCS COST Screens.

- **Initial Program Placement** - Normally, initial programming of projects will place the construction dollars/schedule into one of the last two years of the STIP. District R/W must check with District Project Management regarding project construction schedules to ensure that R/W needs are reflected in accurate and realistic schedules.

- **Subsequent Program Placement** - Normally, projects will not be programmed for right of way or construction in the first two years of the STIP if the project is not environmentally clear. However, this does not preclude R/W dollars from being programmed into the first two years pending environmental clearance or for hardship or protection acquisitions. Again, District R/W must work closely with District Program/Project Managers to ensure that R/W dollars are accurate and reflect realistic schedules.
3.04.03.00 R/W Estimate

Chapter 4, Estimating, sets forth in detail the Department’s policies regarding R/W project estimates. The estimate is the first step in building a credible budget. The initial R/W estimate must be as accurate as possible so informed decisions can be made as the project progresses through the project development process.

The R/W Data Sheet is the base from which escalated R/W dollars are entered into PMCS via the COST screens. Only one estimate is entered into the COST screens, and it is based on the preferred alternative or on the alternative used for the construction cost estimate. If the alternative for the construction cost estimate has not been selected, the highest estimated alternative, considered by district management to be adopted, shall be used.

3.04.04.00 Budget Development Process

The Department’s proposed budget is submitted to the Business, Transportation and Housing Agency and the Department of Finance in October. To accomplish this, RW provides a R/W capital outlay budget estimate (R/W Capital Plan) to Budgets annually by August 1. The budget estimate is a combination of state and federal dollars.

At the same time, RW provides a R/W capital outlay plan for reimbursed spending authority to Budgets. Reimbursed spending authority covers dollars contributed by local agencies or others that are paid through the Department’s accounting system and must be included in the annual budget. Contributor dollars that are paid directly by the locals or others without passing through the Department’s accounting system are not included in this process, nor are they included in the annual budget. The base used for reimbursed spending authority is the COST screens. Generally, contributor dollars are identified in a cooperative agreement or other form of agreement between the State and local agencies or others.

Ordinarily, R/W dollars contained in the latest approved programming documents (STIP and SHOPP) are used as the basis for budgeting R/W capital outlay dollars.

The R/W Capital Plan for the current fiscal year’s budget is updated concurrent with submittal of the plan for the next fiscal year’s budget. The updated budget is generally consistent with the R/W allocation approved by the CTC the previous June plus any known significant changes. The current plan for reimbursed dollars is also updated and generally reflects the July 1 allocation plus any significant changes.

The R/W Capital Plan as submitted to Budgets includes current programming and any anticipated amendments to the STIP and SHOPP, as well as known significant differences. RW also identifies and submits to Budgets any known special projects, programs, or situations outside the scope of the CTC-approved programs that may require R/W capital outlay expenditures in the next fiscal year. These situations require district concurrence and Transportation Programming Program approval.

The Department of Finance forwards copies of the proposed Department budget to the Legislative Analyst’s Office to aid in review of the Governor’s Budget.

On January 10 of each year, the Governor submits to the Legislature a budget containing itemized statements of recommended sources and use of resources for all departments and activities in the State. This is the printed budget and is referred to as the Governor’s Budget.

The Governor signs the Budget Bill, which becomes the Budget Act, after it is passed by both Houses. The Budget Act is a one-year document beginning July 1 and ending the following June 30. This period is referred to as the State Fiscal Year or Funding Fiscal Year (FFY).

CTC and Department policy for R/W capital outlay is to allow one year to encumber and a total of five years to liquidate.
3.04.04.01  Hardship and Protection

Chapter 5, Corridor Preservation, Hardship and Protection, contains detailed information on review and approval of hardship and protection (H&P) acquisitions. This section provides guidance and sets limitations for funding of H&P acquisitions. Other limiting conditions may be set forth in the budgetary control memo issued annually with the district capital allocation.

There are two types of H&P:

- Those which occur in advance of the regular R/W acquisition process.
- Those which occur when the requirements for commencement of the regular R/W acquisition process have been met, but funding and activity on the project have been deferred.

Authority to approve both types has been delegated to the DDC-R/W.

H&P acquisitions should be considered during the estimating process so funding can be included in the annual allocation to districts. After the initial allocation, the district should consider priorities for spending its allocated dollars and, if necessary, seek additional funding from HQ R/W.

H&P acquisitions are charged as follows:

- **Acquisitions Resulting from Deferred Projects** - charged to the appropriate “9” phase EA and included in an approved E-76 if federally participating.
- **Acquisitions Prior to Environmental Clearance** - charged to the appropriate “H” phase EA. Must have a Stage 1 authorization from FHWA if federally participating.
- **Protection Acquisitions** - charged to the appropriate “H” phase EA with Subjob Number 3P999.

For additional information, see Section 3.05.05.01, Stage 1 Authorization - Hardship and Protection.

3.04.04.02  Inverse Condemnations - Damages to Property

Inverse condemnation settlements or settlements for Damages to Property and the associated costs (Expert Witness Fees, court costs, attorney fees) are funded from the district R/W capital outlay allocation. For more information, refer to the Inverse Condemnation Manual on the HQ R/W P&M Intranet Page.

3.04.04.03  Hazardous Waste/Materials Funding

The source of funds for identification of hazardous waste and hazardous materials and subsequent abatement may vary from fiscal year to fiscal year. District R/W should contact the District Resource Manager for the current funding source and consult with Headquarters P&M to ensure consistent application of funding policies.

3.04.04.04  Title and Escrow Fees

Title and escrow fees are part of the R/W estimate, are reported as such on the R/W Data Sheet, and are entered in the TITLE column on the COST RW screens.

Title and escrow services are contracted out annually to title companies through negotiations by District R/W. The time span of each service contract is generally four years. Since the Department’s policy is to bring encumbrances in line with expenditures, the dollar amount of each contract usually must be split-funded in the accounting records over the life of the contract.

Contracts for title and escrow services are state funded and ineligible for federal reimbursement. In certain instances, they may be funded in part with contributor dollars when the contract services will be reimbursed by others.
3.04.04.05 Federal Participation in Right of Way

District R/W should follow the guidelines below in determining federal participation in R/W projects and deciding when to complete and submit Request for Approval/To Proceed, Form E-76:

- All Interstate Completion, Park and Ride facilities, and highway transit-related facilities should qualify for federal aid regardless of total acquisition costs.
- All projects with R/W estimates of $1,000,000 or more are eligible for federal participation.
- Projects previously approved for federal aid under former policies continue as federal projects, and supplemental E-76s should be submitted, if necessary.

See Deputy Directive Number DD-11, Exhibit 3-EX-4, and Section 3.05.00.00, Federal-Aid Project Funding, for detailed guidelines.

R/W costs for projects eligible for federal participation must be in the COST FND screen, which automatically rolls over from the COST screens.

3.04.04.06 Accountability of Donated Lands

When land is donated to the Department for right of way purposes, the land’s fair market value, based on an approved appraisal at the time of the donation (see Acquisition Chapter), can be used in certain circumstances in lieu of state matching fund requirements.

- District P&M submits pertinent data for tracking the availability and use of fair market value to Headquarters P&M.
- Headquarters P&M notifies Budgets and Accounting in writing.
- Budgets notifies Resource Management and Project Control if fair market value is applied to a capital outlay project.

Refer to Accounting A-Memo Number A-92-02 for procedures on tracking donated lands.

3.04.04.07 R/W Capital Plan

The R/W Capital Plan is a schedule of projected annual expenditures for projects. The District’s Plan is the foundation from which R/W capital outlay is programmed, budgeted, allocated, monitored, and reported.

R/W estimates are reviewed whenever project scope, scheduling, or cost changes occur. (Refer to Chapter 4, Estimating.) The DDC-RW determines if the change is significant and warrants revising the estimate in PMCS. If the estimate requires revision, a copy shall be forwarded to P&M to update cost screens and to the Project Manager and Program Management. Approvals for program document changes may be required as a result of estimate increases or decreases in accordance with the Project Change Request (PCR). (See Section 3.04.13.00.)

Changing the R/W estimate should not be confused with moving the estimated dollars between fiscal years. The district can and should move R/W dollars to reflect its most current R/W Capital Plan and should inform the Program Manager of changes as they occur.

3.04.05.00 Distribution of Allocation

Budgets makes a lump sum allocation to Headquarters R/W after CTC approval of the R/W Allocation Plan. Funds are then suballocated to the districts on a lump sum basis according to the District’s R/W Plan for major and minor projects, programmed H&P acquisitions, and post certification R/W costs (Fund Reservation). The initial allocation does not contain funds for projects that are not programmed or are not yet environmentally clear. The allocations are usually made to districts by July 1st of each year, but are not available for encumbrance until the Governor’s budget is signed.
3.04.06.00 **Budgetary Controls**

R/W capital outlay allocation policies and guidelines are issued each fiscal year outlining restrictions and expenditures allowed on capital spending.

Even though the district allocation is in a lump sum, the basis for the allocation is the project level detail. The CTC reviews and approves the R/W Capital Allocation Plan.

Since the CTC requires the Department to report annually on actual R/W total commitments compared to the approved R/W Capital Allocation Plan, each district must provide a detailed explanation of such differences.

3.04.06.01 **Allocation Limitations**

District R/W expenditures shall not exceed the district total R/W allocation except with prior approval of the HQ P&M Capital Manager.

See Section 3.04.04.01 for funding and controls regarding hardship and protection.

3.04.06.02 **Movement of Capital Outlay Dollars**

Programmed dollars for projects may be adjusted from project to project by the districts as shown on the table entitled “Adjusting STIP Programmed Dollars” on the following page and following PCR procedures for STIP and SHOPP projects.
Each district has some discretion to advance R/W capital outlay dollars between fiscal years subject to the guidelines set forth above. Movement of capital dollars between years or between projects does not change the district’s lump sum allocation. If redistributing the district’s allocation does not meet R/W capital needs, the district may request additional funds from HQ R/W

HQ R/W will look for additional funds from any reservations withheld from the initial district allocation. If none exists, it will look for funds available from other districts. If funds are not available from either of these sources, HQ R/W may ask the CTC to trade-off other capital funds to increase the R/W allocation.

### ADJUSTING STIP PROGRAMMED DOLLARS

<table>
<thead>
<tr>
<th>STIP Adjustments</th>
<th>Restrictions</th>
</tr>
</thead>
<tbody>
<tr>
<td>On projects where total programmed R/W dollars exceed planned R/W expenditures, the excess is available for use on other projects, provided construction will occur in a future year.</td>
<td>Consistent with these policies and PCR procedures. (See Section 3.04.13.00.)</td>
</tr>
<tr>
<td>R/W expenditures on a STIP project cannot exceed 120 percent of the total programmed in the last approved program document.</td>
<td>Expenditures on such projects are restricted until one of the following occurs: • There is a new district or HQ-approved cost increase using the PCR process. • The district advises HQ using the PCR process that a R/W-Construction dollar switch has been made. R/W changes can only be made at the time of the annual R/W allocation in June.</td>
</tr>
<tr>
<td>R/W dollars suballocated to a STIP project in the next fiscal year may exceed programmed R/W dollars.</td>
<td>Consistent with this section: • R/W dollars are programmed in one of the first two years of the latest program document. If the first R/W programmed dollars are in the third or later years of the latest program document, the district must obtain approval through the PCR process since this is considered a project advancement; or • If no R/W dollars are programmed for the project, the district must obtain approval through the PCR process before R/W dollars can be expended on the project.</td>
</tr>
</tbody>
</table>

Any request for additional R/W capital funds shall:

- Demonstrate the need for the funds and why that particular alternative is necessary.
- Show the effect on project scheduling.
- Demonstrate that redistribution of existing dollars cannot meet the need.
- Demonstrate that at least 90% of the initial allocation will be encumbered by the end of the fiscal year.
3.04.08.00  **July (1st) CTC Reporting Requirements**

At the beginning of the fiscal year, HQ R/W presents the proposed R/W Capital Expenditure Allocation Plan to the CTC annually for review and acceptance after consulting with Budgets and Transportation Programming.

The R/W Capital Expenditure Allocation Plan presented to the CTC shall:

- Show proposed expenditure levels by program, district, and project.
- Show projected environmental clearance dates and project certification dates.
- Relate the budget plan to the program and identify significant ($100,000+ differences between the plan and the program) R/W advancements and delays.

Each year during April/May, RW generates reports from the COST RW screens to develop the annual allocation. Districts may be requested to provide the following R/W capital project level information:

- Amount of planned (allocated) but unspent encumbrances to be carried-over from the current year to the next fiscal year.
- Amount proposed for advancement from future years to the next fiscal year.
- Amount planned for expenditure in the next fiscal year moved to the current year.
- Amount programmed in excess of planned encumbrance in the next fiscal year.
- Amount deferred from the next fiscal year to future years.
- Amount of increases that have been approved through the PCR process.
- Amount of increases that have not yet been reviewed through the PCR process.

The district should be prepared to provide an explanation for each item listed in the report. If the programmed amount for R/W in any given year is the same or nearly the same as the planned amount, the programmed amount will be used as the basis of the annual allocation and no explanation is required.

3.04.08.01  **Quarterly CTC Reporting Requirements**

During the fiscal year, HQ R/W prepares a quarterly report to the CTC. This report compares original lump sum capital allocations to year-to-date commitments and project delivery milestones (certifications) planned to milestones completed, and evaluates the status of year-to-date expenditures on specific major projects. The districts should be prepared to provide an explanation, when requested, for specific items listed in the report.

3.04.09.00  **Year-End CTC Reporting Requirements**

CTC Resolution G91-1 requires that after the end of the budget year the Department report the following based on the Department’s official book closing statement:

- Actual R/W capital program level encumbrances against the R/W allocation.
- Any environmental clearance dates that have not been met and any consequences to scheduled project delivery.

To meet this requirement, district R/W must provide a project-level detail report showing actual R/W encumbrances from TRAMS compared to the allocation for those major R/W projects that formed the basis of the R/W allocation. In addition, each district must provide a detailed explanation for each project where the encumbrance substantially deviated from the allocation. Districts are not required to report on minor projects or activities involving Fund Reservation dollars.

Even though the initial allocation did not include funds for projects not yet environmentally clear, the district must report those projects that were scheduled for environmental clearance during the year but failed to receive such clearance, as well as the effect of not meeting environmental clearance on scheduled project delivery.
Each district must also prepare a detailed report on encumbrances for major projects that were not programmed (not in the STIP/SHOPP) or were not programmed for R/W expenditures in that year.

Year-end detailed project reports are due to RW each year no later than August 15.

**3.04.10.00 PMCS Reports**

R/W capital worksheets and summary reports (PMC 602 and 603) of the COST screens will assist the capital manager in developing a capital plan. The district may order these reports using the FUNC RPT screen. Procedures for ordering reports are described in Section 6-24 of the PMCS User Manual. In addition, the Planned Expenditure Report (Molly Report) pulls dollars planned for a given fiscal year from the PMCS Cost RW screens and includes project descriptions and program and funding elements. This report also assists the capital managers in developing a capital plan and may be requested by contacting the HQ R/W Capital Manager.

**3.04.11.00 PMCS COST RW Screens**

The COST screens provide on-line information to management about the most current district approved* R/W estimate for capital outlay for a specific project. The COST screens are the R/W Capital Plan as defined in Section 3.04.04.07.

The COST screens provide information to support the R/W costs used for programming, budgeting, and allocating R/W capital outlay. The COST screens also contain data regarding contributor dollars, federal participation, and project schedules. The COST screens are used for monitoring R/W capital outlay needs and for reporting purposes.

The DDC-R/W is responsible for ensuring the screens are initiated and maintained whenever there is an anticipated need for R/W capital outlay.

See P&M Reference File Document 95-1 for additional information on COST screens.

*NOTE: “Approved” means the R/W estimate is the same as contained in the R/W Data Sheet or, if different, the Project Manager is aware of the change and will take appropriate action to amend the R/W program through PCR procedures.

**3.04.12.00 Keeping PMCS Current**

Project information in PMCS must be kept current since it is used throughout the Department. District P&M is responsible for ensuring that R/W project cost data on the COST screens is current. The decision to revise R/W project cost information on the COST screen is a district responsibility and should be done only after careful analysis. The R/W estimate data on the COST screens is used as a tool for project programming and subsequent budget and allocation purposes; it should not change frequently. Changing the estimate will likely trigger review of the project through the PCR procedures described below.

Once developed, escalated, and entered into the COST screens, the R/W project cost estimate should not be changed unless there is a substantial change in project scope, project schedule, or project cost. For purposes of this chapter, a substantial change is one brought about by a material change to the project (e.g., expressway to full freeway, additional lanes or interchanges with resultant R/W needs, substantially advanced schedule, significant change to land use at time of acquisition not foreseen in the estimate, and acquisition costs tending more than 20-30% above estimate).

Periodic estimate revisions that reflect only changes to normal inflationary factors should be analyzed, noted, and reviewed with later project estimate revisions and at project milestone dates. R/W costs on the COST screens should not change automatically because of this type of estimate update.
3.04.13.00 Project Change Request Process

On September 21, 2000, the Project Management Program issued a memorandum entitled “Project Change Requests.” (See Exhibit 3-EX-7.)

This directive supersedes the previous policy titled “Project, Scope, Cost and Schedule Management Procedures” dated May 15, 1992. The new directive identifies when corporate management must make a decision on a project prior to proceeding with processing an amendment to make a programming change. All programmed projects (STIP, SHOPP, TCRP) and Special Program projects (Toll, Seismic, and Retrofit Soundwall) are required to follow this process.

3.04.13.01 R/W Project Cost Changes

Scope and schedule changes may have dramatic effects on R/W costs, and district R/W must coordinate closely with district Project and Program Management to determine those effects.

For SHOPP Projects, a cost change approval is required if the sum of escalated construction and escalated R/W costs exceeds the sum of programmed construction and R/W costs as indicated in the latest adopted SHOPP document. A cost change should be requested for UNPAR, deletions, or cost reductions of projects.

For STIP Projects, a cost change approval is required if the sum of the right of way support and capital costs varies from the programmed amount by twenty percent or more. All cost increases must include a plan outlining how required funds will be obtained. Trade-offs can only be used between projects listed in the same programming document, and in some cases the projects must be in the same county.

3.04.13.02 Reporting R/W Project Cost Changes

District P&M shall report cost increases to district Project Management and Program Management as soon as possible after it determines a reportable cost change is required.

District Project or Program Management submits all district-approved cost and schedule changes to the Program & Project Management Program, Office of Engineering Project Management (EPM). Information needed to maintain the PMCS database must be submitted to EPM immediately after district approval. Amendments to programming documents normally reflect changes in scope, cost, and schedule if the changes are reported and the database is amended to reflect the changes.

All scope, cost, or schedule changes not delegated to the district shall also be submitted to EPM with the information outlined in the procedures.

Even if the action consists of a R/W cost increase that can be handled through anticipated savings in construction, it must be reported through PCR procedures to be recorded properly for future programming.

3.04.13.03 R/W Capital Cost Control

The CTC has expressed continuing interest in R/W activities related to accomplishing the capital outlay program on time and within budget. As a result, the Department has increased its efforts to improve effectiveness in managing its R/W program. Proper management of R/W capital costs includes the ability to know at any given time the relationship between the R/W Plan, program allocation, and total commitments to date against the allocation.

3.04.13.04 PMCS COST APV Screen

The Office of Project Management and Evaluation developed the COST APV screen in PMCS to assist in managing capital costs. The screen derives data from a number of other screens and displays information relating to planned and programmed project information.
The screen shows project R/W and construction costs as originally programmed, as programmed in the latest approved program document, and as indicated for the latest approved project costs (R/W and construction) with the dates for approval of the latest costs. The current costs and dates are taken from the COST EST screen except for R/W costs, which are taken from the COST RW screen.

3.04.13.05 R/W Capital Cost Control Plan

Each district is responsible for developing and maintaining (staffing) a cost control methodology that allows the district to respond on short notice to requests for R/W cost information. The cost control system must be active and current (daily) and must contain information consistent with statewide sources the Department uses. Data in the system is the basis for information used in the R/W cost screens and by Project Management.

At a minimum, the system must contain information that makes and displays a comparison of the status of R/W as estimated (remaining), programmed (remaining), allocated, expended, and approved (if different from programmed). The district must be able to explain any differences between the amounts and indicate when and to whom cost changes were reported. The plan shall also provide for R/W follow-up on reported cost increases.

Day-to-day management of capital outlay resources, including monitoring and reporting R/W cost changes, rests with each district.

R/W reviews each district’s cost control methodology/plan for conformance with minimum requirements set forth above and for compliance with Department policies and procedures.

Once project information is gathered, it must be constantly monitored. When the district reviews its projects and determines that estimated remaining R/W costs are significantly greater than programmed R/W costs, it must report the increase using PCR procedures.

R/W must take an active and aggressive role in project cost management. It is not sufficient to merely report cost changes to project managers. R/W must follow up on what course of action the Project Manager takes and must record this information for future reference.

If district R/W does not get a response from Project Management, it should advise district Program Management of the cost change. The date the report is made to Program Management and the response should be recorded. Any changes must be reported to the Program & Project Management Program.

3.04.14.00 Reconciliation with TRAMS

The CTC requires the Department to report annually on total commitments compared to approved capital outlay allocation. R/W must manage its capital outlay allocation to ensure the allocation and the commitments do not exceed the allocated state, federal, or reimbursed amounts.

Managing the allocation includes ensuring that expenditures are within the available balances of state, federal, and reimbursed dollars. In addition, R/W expenditures should be properly recorded in TRAMS. If R/W ledger balances do not agree with TRAMS balances, the discrepancy must be resolved. It is R/W’s responsibility to inform Accounting of any discrepancy. Accounting has primary responsibility to isolate the transaction(s) causing the discrepancy and adjust TRAMS accordingly. From the statewide allocation, regions/districts are given allocations based on their workload. Regions/districts are delegated responsibility to manage their allocations and to notify RW Accounting of any discrepancies. If necessary, RW Accounting will adjust TRAMS accordingly.

It is recommended that P&M reconcile expenditure transactions on a weekly basis between TRAMS and the R/W ledger to reduce the time necessary to conduct the reconciliation process at fiscal year end. The “Title” (TRAMS IIIA Report) is a weekly report provided by HQ RW Accounting to the districts. R/W ledger information or RW 8-16 information should be compared against the TRAMS IIIA Report to ensure that each transaction (EA, object code, special designation, transaction codes and amount) are properly recorded.
Available balances are the annual district allocation and encumbrances.

- Allocations increase or decrease due to district need and R/W revisions.
- Encumbrances are depleted as payments are made.

3.04.14.01 RW Accounting Reports

Accounting Service Center, RW Accounting, generates and distributes monthly reports to district P&M. Other reports are available for R/W use and are summarized in the table below entitled “Reconciliation Reports.”

3.04.14.02 Allocations and Suballocations

Each July, Budgets issues the District R/W Allocation for state, federal, and reimbursed dollars. The allocation is available for expenditure and encumbering only after the Governor signs the budget.

Once the budget is signed, P&M can then establish the R/W EAs in the TELNET EAS/COMS system. EAs are electronically forwarded to the District Project Control Unit for coding review, then to Headquarters Accounting Service Center for final approval and entry into TRAMS. This process of establishing (opening) R/W EAs allows R/W to start expending its allocation.

Prior to fiscal year end, HQ R/W P&M conducts a statewide review of R/W capital needs. If the annual allocation is deficient, HQ R/W P&M submits a request to the CTC for additional R/W allocation dollars. The total R/W allocation must be within the R/W Budget Estimate previously submitted to the CTC. This process ensures sufficient allocation is available to support R/W’s final annual expenditures.

3.04.14.03 Coding

Coding entered on transaction documents determines federal participation eligibility.

FHWA requests that all transaction documents contain a box in which the Federal Participation Number can be exhibited. The number is used to confirm federal participation eligibility during examination or audit of parcel files and helps P&M and Accounting determine if the proper coding has been entered on transaction documents and ultimately in TRAMS.

<table>
<thead>
<tr>
<th>Type</th>
<th>Title</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>District Summary Report</td>
<td>Report IA - Weekly Funding</td>
<td>Fiscal year-to-date summary by funding fiscal year, appropriation symbol, fund, and fund source showing EA and subjob, expenditures, unliquidated encumbrances, and listing of expenditures and unliquidated encumbrances sorted by EA for funds used by R/W Capital Outlay Program.</td>
</tr>
<tr>
<td>(transmitted electronically on a weekly basis to District P&amp;M)</td>
<td>Status Report (EA Summary)</td>
<td></td>
</tr>
<tr>
<td>Weekly Report</td>
<td>Weekly Detail Transaction Listing From History File</td>
<td>Weekly history of both expenditure and encumbrance transactions by EA, special designation, object code, process date, reference document number, original document, TRAMS batch identification, transaction code, fund, fund source, claim schedule, reverse code, transaction amount, and liquidation amount.</td>
</tr>
<tr>
<td>Quarterly Cumulative</td>
<td>Report IIIB - Cumulative</td>
<td>Cumulative history of Report IIIA. Provides the same data as IIIA for prior year postings, as well as the current fiscal year to current month ending.</td>
</tr>
<tr>
<td>Report</td>
<td>Listing-Report</td>
<td></td>
</tr>
</tbody>
</table>
### R/W CODING ELEMENTS

<table>
<thead>
<tr>
<th>Element</th>
<th>Abbreviation</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>District also referred to as:</td>
<td>D or Dist</td>
<td>Composed of counties</td>
</tr>
<tr>
<td>Source District Unit</td>
<td></td>
<td>District performing task</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Department or function</td>
</tr>
<tr>
<td>Charge District</td>
<td>Chg Dist</td>
<td>District task is being charged to</td>
</tr>
<tr>
<td>Funding Fiscal Year</td>
<td>FFY</td>
<td>Year funds are appropriated by governor</td>
</tr>
<tr>
<td>Appropriation Symbol</td>
<td>AS</td>
<td>Pot of money funds are assigned from</td>
</tr>
<tr>
<td>Fund Split</td>
<td>F or FS</td>
<td>Type of money:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>T = State dollars</td>
</tr>
<tr>
<td></td>
<td></td>
<td>F = Federal dollars</td>
</tr>
<tr>
<td></td>
<td></td>
<td>R = Reimbursement from</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Local Agencies</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Toll Bridge funds</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Subvention funds</td>
</tr>
<tr>
<td>Expenditure Authorization</td>
<td>EA</td>
<td>Project assigned number</td>
</tr>
<tr>
<td>Subjob</td>
<td>SJ</td>
<td>Number assigned to EA to separate specific activity within a project</td>
</tr>
<tr>
<td>Document Number</td>
<td>Doc No.</td>
<td>Number assigned to a transaction document, such as a contract</td>
</tr>
<tr>
<td>Suffix</td>
<td></td>
<td>Accounting assigned number</td>
</tr>
<tr>
<td>Special Designation</td>
<td>SD</td>
<td>Field used by each unit for specific identifiers</td>
</tr>
<tr>
<td>Federal Authority</td>
<td>FA</td>
<td>6 = eligible for federal participation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>7 = not eligible for federal participation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>8 = transaction held in suspense until eligibility is determined</td>
</tr>
<tr>
<td>Object Code</td>
<td>Obj Code</td>
<td>Determines type of activity, such as acquisition or RAP</td>
</tr>
</tbody>
</table>

Coding elements and abbreviations used most often by Right of Way are shown in the table above.

#### 3.04.14.04 Coding Verification

Verification of coding occurs during examination and completion of RW Accounting payment request forms.

- Reconciliation – District P&M and Accounting verify coding elements and the EA status (opened, closed, suspended) during this process.
- Monitoring Process – District R/W P&M verifies coding for expenditures when reviewing the weekly monitoring report. (See Section 3.06.09.00.)

The weekly IIIA Report is the recommended resource for determining if proper coding has been entered into TRAMS.
R/W developed a system for tracking transaction codes and dollars to correct problems FHWA found in the Department’s record keeping for R/W expenses. The R/W ledger is part of that system.

The format of the R/W ledger should parallel the Accounting Reports, particularly Report IA.

The ledger should have a summary face page, preferably set up in landscape format. All EAs with anticipated expenditures/encumbrances are listed in numeric order.

Following the summary face page are the EA statement sheets containing:

- Federal participation percentages*.
- Amounts listed by fund split and totaled.
- Date transaction documents forwarded to Accounting.
- Document number.
- Amount of transaction.
- State portion.
- Federal portion.

*Federal participation percentages can be verified on the E-76, PR2 or C-Bar screen.

<table>
<thead>
<tr>
<th>Responsible Unit</th>
<th>Process</th>
</tr>
</thead>
</table>
| Accounting Service Center – RW Accounting | Generates accounting reports for reconciliation on a weekly and monthly basis.  
Distributes these reports electronically to districts and HQ R/W. |
| District P&M | Compares the R/W ledger or processed R/W 8-16 forms against the TRAMS Weekly IA, IIIA or TRAMS Monthly IIIB reports.  It is recommended that the reconciliation process be conducted on a weekly basis to reduce the time necessary to complete the fiscal year-end reconciliation of final expenditures.  
Errors in the TRAMS weekly/monthly reports are reviewed and approved by the P&M Senior. The transactions requiring correction are then forwarded to RW Accounting for correction. |
| Accounting Service Center – RW Accounting | Determines type of errors and distributes them to appropriate Accounting Unit for correction.  
Verifies that error adjustments do not affect other entries for the EA/parcel.  
Coordinates with District R/W for R/W adjustments. |
| District P&M | Verifies adjustments in TRAMS via the Accounting Reports the following week or month. |
3.05.00.00 - FEDERAL-AID PROJECT FUNDING

3.05.01.00 General

To obtain federal financing of projects, the Department must comply with laws, regulations, requirements, and procedures established by Congress and FHWA. The decision to apply for federal participation on a project or phase of a project is made during the programming phase and is guided by the Department's federal-aid policy.

The following are laws and regulations that govern FHWA Program financing:

- Title 23 U.S. Code
- Title 23 Code of Federal Regulations
- TEA-21
- Clean Air Act
- National Environmental Protection Act (NEPA)
- Title 49 U.S. Code
- Uniform Relocation Act
- Annual Appropriation Act
- Special Congressional Action

The Department utilizes FHWA’s publication entitled “A Guide to Federal-Aid Programs and Projects” in the administration of the Federal-aid highway program. The guide provides basic information about the Federal-aid programs, projects, and other program characteristics. The publication also includes information resulting from the latest multiyear Federal-aid authorizing legislative act, The Transportation Equity Act of the 21st Century (TEA-21, Public Law 105-178).

Federal-aid to California encompasses federal funding to Local Agencies, and STIP and SHOPP projects. Under SB 45, the STIP provides 75% of new STIP funds for the Regional Transportation Improvement Program (RIP) and 25% for the Interregional Transportation Improvement Program (IIP).

FHWA provides a portion of the total cost of each project in which it participates; the state or local agency must provide matching funds. The Federal Transportation Act sets the federal participating ratio (percentage) for each program.

Title 23, Section 115, of the United States Code, as amended by the Federal Highway Act of 1987, allows states to finance projects with their own funds and later claim reimbursement when new federal funding or authorization becomes available.

Under the conditions in 23 CFR 1.36, FHWA may withhold payment where the state fails to comply with federal laws or regulations, state laws, or under circumstances of waste, fraud, and abuse.

The Federal Highway Administration (FHWA) amended the right of way regulations for federally assisted transportation programs administered under Title 23, United States Code. The FHWA clarified and reduced federal regulatory requirements and placed primary responsibility for a number of approval actions at the state level.
Changes in 23 Code of Federal Regulations (as a result of TEA-21) that affect R/W activities are detailed in the functional sections of the R/W Manual. Significant changes to the federal regulations affecting right of way include, but are not limited to the following:

1. Expanding federal funds to participate in all costs required by state law.
2. Allowing states to receive credits for early acquisition in concurrence with meeting environmental process.
3. Allowing states to advance preliminary acquisition activities under preliminary engineering for requesting federal participation in funding and reimbursement of incidental or support costs.
4. Allowing states to retain the proceeds for the lease or sale of real estate purchased with federal funds as long as the proceeds are used for Title 23USC type projects.
5. Eliminating the federal right-of-way revolving fund for acquiring right-of-way in advance of available state funding.
6. Requiring states to update and submit ROW operations manuals (to document methods and practices to assure compliance with state and federal laws and regulations) to FHWA for approval no later than January 1, 2001.
7. Requiring State Transportation Department to certify to FHWA every five years after January 1, 2001 that the current ROW operations manual conforms to existing practices and contains necessary procedures to ensure compliance with federal and state real estate law and regulation.

3.05.02.00 Departmental Policies and Guidelines

The Department has established policies and guidelines for developing budget and programming documents (STIP and SHOPP) and for administering and programming federal-aid projects. The Department maximizes use of federal resources by capturing all federal aid available and applying it to construction, right of way acquisition, and preliminary engineering.

Current policy directs that all projects requesting federal aid must be listed in the current federally approved State Transportation Improvement Program (FSTIP). Departmental directive requires federal aid for both capital and support be requested for all eligible R/W projects. (See Section 3.04.04.05, Federal Participation in Right of Way.)

Refer to Deputy Directive Number DD-11, Exhibit 3-EX-4, for further directions.

It takes several years to expend funds for R/W project costs. To avoid obligating excess federal funds unnecessarily, the Department, therefore, typically does not request the total estimated at one time.

The Federal Resources Office, Headquarters Budgets, is responsible for developing and submitting the Department's Federal Aid Programs to FHWA. In preparing the programs, it must consider the class of funds involved and the relationship of total funds to amounts expected to be available during the programming period.

District R/W submits multiple E-76s to cover incremental portions of R/W work.

3.05.02.01 Federal-Aid on State and Local R/W Projects

The Department secures federal funding on State and Local projects that qualify for federal-aid. To request federal-aid, a project must be listed in the FSTIP or FTIP and have an approved environmental document dated within 3 years of the submittal of the E-76.

With the enactment of SB 45, programmed projects on the State Highway System may have a mix of both state and local funds. State funds are STIP funds, which include the Regional Improvement Plan (RIP) and the Interregional Improvement Plan (IIP). Local Agency Funds include tax measure, property tax, developer fees, and Local Assistance federal subventions.

The Federal Resources Office and Office of Local Programs are both responsible for programming federal funds on R/W projects. Headquarters Federal Resources Office is responsible for State projects while Local Programs is responsible for Local Agency projects.
State Projects are those projects on the State Highway System.

Local Projects are those projects on Local Streets and Roads.

In administering state and locally funded R/W projects, there must be separate accountability of State and Local federal funds. The Department must establish separate TRAMS EAs with Subjobs to account for separate funding and expenditures on each (State or Local) federal-aid project.

For locally funded (including subvention funds) projects, the Department must enter into a cooperative agreement with a local agency prior to performing any right of way activities.

**3.05.02.02 Early Acquisition under 23 CFR Section 710.501**

Effective January 20, 2000, 23 CFR amended R/W regulations for federally assisted transportation programs to allow the state, under certain circumstances, to initiate early acquisition for corridor preservation, access management, or other purposes and use eligible acquisition costs toward the state’s share of the project into which the right of way is incorporated. It specifically provides for early acquisition in advance of final environmental and project approval.

In discussing “early acquisition” and acquisition costs as credit or soft match of federal funds, early acquisition refers to the acquisition of real property by state or local governments in advance of federal authorization or agreement. Early acquisition referenced in this section is not the same as advance acquisition under hardship or protection purchase criteria. See Chapter 5, Corridor Preservation, Hardship and Protection.

Amendments to 23 CFR allow flexibility in considering early acquisition under certain situations. However, state and local governments must conform to statutory requirements in early acquisition approaches and follow federal guidelines that include careful observance to environmental process before obtaining credit. Before initiating early acquisition, proper legal authority must be obtained and careful consideration given to program and project needs.

On December 28, 2000, HQ Right of Way issued a memorandum that sets forth criteria for beginning R/W acquisition on STIP projects prior to approval of environmental clearance. The guidelines are a departmental process only and are not applicable to local agencies. See Exhibit 3-EX-6.

**3.05.02.03 Credit (Soft Match) toward State’s Share of Project Cost**

Revisions to 23 CFR (as a result of TEA-21 legislation) allows acquisition costs (capital costs only) incurred by a state agency to become eligible for use as a credit towards the state’s share of a federal-aid project provided certain conditions are met. [23 CFR 710.501 (b)] Credits can be applied to projects where the initial project agreement with FHWA was executed after June 9, 1998.

Essentially, this provides that the value of property acquired by state or local governments and incorporated into the project could be credited to the nonfederal share in either the right of way or construction component of the total cost of a federal project. However, it is only land and building costs (state only funded) that are deemed to be qualifying and are permitted as a contribution toward the nonfederal share. (All other costs, such as support, appraisal, related acquisition costs, damages, and RAP are not counted as soft match or credits.) Credits are not available for lands acquired with any form of federal financial assistance, or already incorporated and used for transportation purposes.
Prior to TEA-21, publicly-owned property could not be used as credit toward the nonfederal share of the cost of a project. However, with the amended 23 CFR regulations 710.507, state and local contributions of properties (incorporated within a federally funded project) can be used as a credit toward the matching share of the total project cost.

In 23 CFR Part 710, Subpart E, Section 710.501 Early Acquisition, (b) Eligible Costs provides conditions that must be met if eligible acquisition costs are used as credit (soft match) on a federal-aid project. Those conditions are, in part, as follows:

1. The property was lawfully obtained.
2. The property is not Park Land (23 U.S.C. 138).
3. The property was acquired in accordance with 49 CFR, Part 24.
5. The FHWA concurs that the action taken did not influence the environmental assessment,
   i. The decision to construct the project;
   ii. The consideration of alternatives; and
   iii. The selection of the design or location; and
6. The property must be incorporated into a federal-aid project.
7. The original project agreement covering the project was executed on or after June 9, 1998.

Provisions of 23 CFR, Section 710.505–Real Property Donations and 710.507–State and Local Contributions, provide opportunities to the State Transportation Department to utilize the value of real properties as credit towards the state share of a project.

Under Section 710.505 (b), donations of real property from a nongovernmental owner may be credited to the state’s matching share of the project. The credit is to be based on fair market value established on either the date on which the donation becomes effective, or the date on which equitable title to the property vests in the State.

Under Section 710.507 (d), contributions of real property acquired with State funds may support a credit toward the nonfederal share of project costs provided documentation supporting all credits includes the following:

1. Certification that the acquisition satisfied the conditions in 23 CFR 710.501(b); and
2. Justification of the value of credit applied, Acquisitions costs incurred by the State to acquire title can be used as justification for the value of the real property.

Under Section 710.507 (e), contributions by local government of real property may be offered for credit against the state share of the project at fair market value of the real property. The state agency must assure that the acquisitions satisfy the conditions in 23 CFR 710.501 (b), and that the documentation justifies the amount of the credit.

Sufficient documentation of the financial data to support the soft match or credit must be included in the project file for the final voucher. Expenditure reports from TRAMS will suffice as financial support to document the State’s matching share of the project.

HQ Federal Resources Office and Accounting Service Center should also be consulted for further guidance on the application of soft match or credit toward a federal-aid project.
3.05.03.00 Federal Participation in R/W Projects

Setting the threshold for federal-aid for R/W projects at $1,000,000 or more has resulted in different criteria being used to determine federal participation in R/W costs. Although federally approved R/W projects are generally 100% participating, only those parcels within the R/W lines and eligible excess land are eligible for federal participation.

There could be federal authorization and participation on a R/W project, but not on specific parcels because acquisitions occurred prior to federal authorization on the R/W project. (Those nonparticipating acquisition costs should be coded in TRAMS as ineligible.) Also, where the Department did not apply for and receive FHWA authorization and specific federal approval for utility relocations, the utility relocation costs may not be charged to the project with federal participation. (See Section 3.05.12.05, Federal-Aid Eligibility Code.)

There may be federal aid for preliminary engineering and construction engineering on a highway project, but not for R/W. The nature and complexity of R/W projects compared to construction or preliminary engineering projects require that extreme care be exercised in identifying federal eligibility and participation. To accommodate the multifunctional R/W costs and credits, various federal participation forms are used to identify federal participating costs and to segregate eligible and ineligible R/W costs for federal reimbursement. Each R/W functional area has included special instructions for properly coding functional costs in its Monitoring Procedures. (See functional sections of the R/W Manual for detailed instructions.)

3.05.04.00 Federal Funding Overview

Whenever federal funds provide a portion of a project’s funding, the Department must qualify the project for federal participation by meeting applicable requirements of federal laws, and implementing regulations and directives.

The following is a summary of activities necessary for obtaining federal authorization, funding and reimbursement for a federal-aid project:

- Verify project is included in programming documents (e.g., STIP, SHOPP, FTIP, FSTIP).
- Request work/project authorization and execution of project agreement by submitting an electronic E-76 in FADS to the Federal Resources office for processing to FHWA.
- Receive FHWA's approval through electronic signature document in FADS for the work/project, and begin R/W work.
- Bill FHWA for progress payments through the Current Billing and Reporting System (CBARS).
- Initiate and submit, when necessary, an electronic modification of project agreement in FADS to adjust federal funding under agreement with FHWA.
- Prepare a final voucher for the project after all work is completed and close out project with FHWA.

3.05.05.00 Federal Authorization/Approval

FHWA has delegated to the Department much of the authority for determining FHWA Involvement and Oversight on projects. Headquarters Federal Resources Office and Local Programs have overall responsibility for the management of federal funds on State and Local projects.

The Department obtains separate authorizations/agreements on capital outlay projects for preliminary engineering, R/W, and construction through the electronic combined authorization/agreement process. This process utilizes the Federal Aid Data System Electronic Signature System (FADS). The FHWA approval of
plans, specifications and estimates, authorization to proceed with work, and obligation of federal-aid funds (for an exception, see Section 3.05.05.01 on advanced construction projects) all occur with the execution of the project agreement. FHWA’s approval to proceed with work establishes the date after which expenditures are eligible for reimbursement.

Federal funds may not be used for costs incurred prior to the date of authorization to proceed. Since CBARS precludes costs prior to authorization from billing FHWA, special coding is not needed for segregating costs in the billing.

While many federally funded projects are exempt from FHWA approval and oversight, R/W projects are not exempt. Often R/W projects are authorized and funded for an amount less than the total estimated cost (usually the amount that can be expended on a timely basis, generally one year). Since R/W project limits frequently differ from construction project limits, these projects are programmed separately with FHWA and are assigned different federal-aid project numbers.

The Federal Resources Office and Office of Local Programs coordinate programming of all federal funds with FHWA and submit necessary back-up documentation for the projects.

3.05.05.01 Federal Authorization for Advance Construction (AC) Projects

The Federal Resources Office will use its discretion in programming and processing federal-aid projects. When an R/W project is designated as an advance construction (AC) project, it is processed in the same manner as a regular federal-aid project and a project agreement is executed. The only exception is that the FHWA authorization does not constitute a commitment of federal funds on the AC project. The Federal Resources Office at some future date will convert the AC project so that it will be funded through an electronic modification of project agreement.

3.05.05.02 Federal Participation in Preliminary Acquisition Activities

23 CFR 710.203(a)(3) allows preliminary acquisition activities to be advanced under preliminary engineering prior to National Environment Policy Act (NEPA) clearance (42 USC 432 et seq.). Appraisal completion may also be authorized as preliminary right-of-way activity prior to completion of the environmental document. Thus, costs of preliminary R/W activities incurred in conformance with state and federal law requirements may qualify for federal participation.

Districts may prepare and submit an electronic E-76, Project Authorization/Agreement to seek Federal participation in preliminary R/W activities following:

1. June 9, 1994 guidelines that define preliminary right of way (see Exhibit 3-EX-5 and Section 3.08.01.00).
2. Departmental guidelines for federal aid project funding for Right of Way Projects (see Exhibit 3-EX-4).

3.05.05.03 Stage 1 Authorization - Hardship and Protection Acquisitions

Federal aid for H&P acquisition is requested only when total R/W capital costs, including H&P acquisition, are $1,000,000 or more. The Department's practice is to budget expenditures for Stage 1 H&P acquisitions showing federal participation.

The provisions of 23 CFR 710.503 (b)(c) allow authorizations for protective buying and hardship acquisitions. FHWA may authorize federal participation in acquisition of a particular parcel or a limited number of particular parcels within the limits of a proposed highway corridor prior to completion of the Environmental Impact Study and selection of the route. Known as Stage 1 Authorization, this is simply a federal authorization to proceed without the obligation of federal funds.

Stage 1 Authorization for H&P parcels requires submittal of a complete justification package, along with the preparation and submittal of an E-76 to FHWA. When submitting the E-76 for a Hardship or protection acquisition, the FADS SCOMMENT screen must clearly indicate that the request for a Stage 1 Authorization is
pursuant to 23 CFR Section 710.503 – Protective buying and hardship acquisition, and authorization to proceed under 23 CFR 630.106 (c) (3).

The following statement must be typed in SCOMMENT screen for the request of Stage 1 Authorization:

“Authorization to proceed shall not constitute any commitment of Federal funds, nor shall it be construed as creating in any manner any obligation on the part of the Federal funds for that portion of the undertaking not fully funded herein.”

The Stage 1 Authorization allows eligible incurred costs be reimbursed after the appropriate requirements are fulfilled provided a revised E-76 (converting from the authorization from Stage 1 to 2 – Regular Right of Way) is transmitted to and approved by FHWA.

Since all eligible Stage 1 costs, including appraisal, acquisition, and rental activities, potentially qualify for federal participation, they must be captured by a multiphase (project) EA and not by a single phase EA. See Section 3.04.04.01 for charging information on H&P acquisitions.

All 2 and H Phase EAs for Stage 1 must be masterfiled in TRAMS EA Table for federal participation and must reflect Federal-Aid Status Code 1, Condition Code 3, and other appropriate federal-aid information.

On Stage 1 Authorization, Federal Program Accounting establishes the R/W project in CBARS under Status Code S to ensure that eligible project costs are not prematurely billed to FHWA.

### 3.05.05.04 Stage 2 Authorization - Conversion to Regular Federal-Aid Project

When an H&P project progresses to the environmental clearance stage, the Stage 1 authorized project must be converted to a Stage 2 regularly funded federal-aid R/W project. As soon as project criteria are met, district P&M must submit a revised E-76 using FADS to receive federal funding obligations.

The following information must be included in the SCOMMENT Screen on the revised E-76 for a Stage 2 Authorization:

- Stage 2 Authorization (Conversion from Stage 1 Authorization)
- Environmental Clearance Document Date
- Route Adoption Date
- Public Hearing Date

Upon approval of the Stage 2 Authorization, Federal Program Accounting changes the federal project status in CBARS from Code S to A to allow billing of H&P costs to FHWA.

Once a project has progressed to Stage 2, R/W capital outlay expenditures are charged to the Phase 9; the “H” phase of the project EA is no longer used. Upon environmental clearance, district P&M should change Phase H EA from Status 40 to 70 so it will no longer accept charges to this EA phase.

### 3.05.06.00 Project Identification

The Federal-Aid Project Number (FPN) is the project identifier on a federal-aid project. For State purposes, the project EA is the project identifier. (See Section 3.02.00.00 for additional information on EAs.) More than one project EA may be assigned to a federal project, and more than one federal project may be assigned to an EA.

Both FPN and EA are referenced on various documents including the E-76. FPNs and EAs are contained in the EAS PMF, PMCS, TRAMS, CBARS, IRWS, RWPS, and ELMS.

The relationship between FPNs and EAs is important, especially with regard to federal authorization and reimbursement. Proper federal-aid information must be established in PRIME on the “U” card of the EA(s) to link
an FPN to one or more EAs or vice versa for the department to record project expenditures and to bill and collect federal reimbursement.

3.05.06.01 Federal-Aid Project Number

The Federal Resources Office assigns an FPN to identify a specific federally aided highway project or federally approved research study. The number is used to monitor project activities and funding and must be on the E-76, PR2 or PR2A, and any other support documents for the project.

An example of two versions of an FPN is:

- I-105-3 (311) for documentation
- 042 1053 311 for TRAMS and CBARS

The FPN as displayed in the first version above must be shown on R/W plans, contracts, deeds, appraisals, options, vouchers, correspondence, and other documents and papers.

3.05.06.02 EA Adjustments for Combined and Split Projects

When combining or splitting project EAs, district R/W must exercise caution to maintain the federal-aid information related to authorized federal-aid R/W projects.

- **One Federal-Aid R/W Project Involved** - newly created EAs must reflect the original federal-aid project number if they are within the project termini authorized by the E-76.
- **Two Federal-Aid R/W Projects Involved** - newly created EAs with Subjob numbers must be established to correspond respectively with each federal-aid project. (Post mile, or kilometer post, identification will be key to relating to appropriate federal aid R/W project.)

Consult with Headquarters P&M if the combined or split projects result in discrepancies with the federal project limits.

3.05.07.00 Request for Approval/To Proceed, Form E-76

As a condition for receiving federal-aid, the Department must obtain FHWA authorization of work and execute a project agreement with the Federal Government for contractual obligation of the federal share of a project.

The Department and FHWA use FADS Electronic Signature System to electronically transmit information required to authorize the project, execute the project agreement, and obligate funds for the federal-aid project. (See the table entitled “Departmental Data Bases and Systems” in Section 3.01 for additional information on FADS.).

The Department and FHWA Division office, in accordance with 23 CFR 630.106(2), now handle all project authorizations/agreements as a single action through execution of the project agreement in the FADS Electronic Signature System. After reviewing E-76 data, FHWA Division transmits the FADS data to the FMIS in Washington, D.C. for electronic signature to finalize the agreement. The process on the E-76, authorization/agreement, is complete when the data is transmitted back to FADS from FMIS with signature names and dates for each project.

The electronic processing of the Authorization to Proceed (E-76), Project Agreement (PR2), and Modification of Project Agreement (PR2A) replaces the hard copies of these referenced documents.

Since costs are not eligible for federal participation if incurred prior to the authorization to proceed date, timeliness of E-76 submittal and authorization is critical. The district must submit an E-76 to Federal Resources Office as soon as possible after environmental approval. Authorization to proceed with preliminary engineering and
acquisition of rights of way on H&P projects is obtained in the same manner as regularly financed federal-aid projects.

The E-76 must be prepared for each highway project eligible for federal-aid funding. The purpose of the E-76 is to:

- Cover the various types of projects and kinds of work to be undertaken.
- Indicate the effective date governing FHWA authorization for federal share of eligible costs.
- Show the total amount of project cost requested and federal funds obligated.
- Set forth any special provisions or limits relating to the project.

The E-76 must be submitted at the following milestones for R/W projects:

- Preliminary work - before beginning any effort, such as appraisal maps.
- R/W hardship or protection, appraisal, acquisition, relocation assistance, and utility relocation - before beginning effort.

Capital outlay costs are eligible for participation upon E-76 approval prior to commencement of the activity proposed for participation. For example, acquisition activities commence with the “First Written Offer.” Submittal of the “First Written Offer” before the E-76 is approved makes all acquisition costs nonparticipative. The same restrictions apply to other capital outlay activities, e.g., utilities relocation and RAP.

Federal aid must also be requested for R/W support when federal aid is requested for capital outlay costs. Initially an E-76 is submitted to cover preliminary R/W work, such as R/W engineering activities, then subsequent E-76s are submitted for the remainder of capital outlay and support costs.

The E-76 contains basic data about the project and the phase for which participation is being requested. The district drafts the request and the Federal Resources Office finalizes it. The E-76 should include:

- Total estimated support costs and functions involved in the support costs (e.g., acquisition, utilities, and RAP).
- Total estimated capital outlay broken down by costs of acquisition (right of way, excess land, and demolition and clearance), RAP, Last Resort Housing, and utilities.
- Total number of acquisition parcels.
- Total number of RAP families and business relocations.
- Total number of Last Resort Housing units.
**3.05.08.00 R/W Project Estimate**

The Department must provide total R/W costs for an entire project when submitting an E-76 for FHWA's approval to proceed. The total R/W costs must include separate estimates for:

- Acquisition (R/W and excess).
- RAP Families and Businesses.
- Last Resort Housing/Hardship Acquisition.
- Utilities.
- Support.

The total R/W costs displayed on the E-76 must reflect R/W (capital outlay) cost estimates that are on the COST RW-1 screen in PMCS.

A R/W support cost estimate must be itemized separately on the E-76 and not included in the cost of acquisitions. Since support estimates currently are calculated manually and no standard procedures are applied, many projects are underobligated and underfunded in federal funds. Support costs must be current and realistic, and based on anticipated workload. If workload changes, support costs must be revised.

The R/W cost estimate provided on the E-76 should be kept current and updated whenever it is determined the estimate is no longer valid. See Chapter 4, Estimating.

**3.05.09.00 Amendment/Modification of Federal-Aid Project Agreement**

When it is necessary to adjust federal funding on a project, the Federal Resources Office will prepare and transmit an electronic Amendment/Modification to FHWA for review and approval. The modification of project agreements should continue to be processed in accordance with the requirements in 23 CFR 630.110.

The modifications to the project agreement are based on funding adjustments on an "as needed basis" to cover federal-aid accruals or funding and adjustments requested by R/W and/or Accounting.

Eligible project costs cannot be reimbursed beyond funding limits under federal project agreement. Therefore, it is advisable that the electronic Amendment/Modification be submitted to FHWA in a timely manner.

**3.05.10.00 Multiple Federal Funding**

R/W projects may have multiple federal funding, that is, more than one funding source of federal funds. Two examples of dual or multiple funding are:

- A project with Interstate Completion (I) and Interstate Rehabilitation (IR) funds.
- A project with Surface Transportation Program (STP) and Minimum Allocation (MA) funds.

The Federal Resources Office can obligate different classes of federal funds for a specific project depending on the need and availability of funds. It is not unusual for a R/W project that spans a number of years to be financed with different types of federal funds.

A R/W project that is multifunded (dual, triple, or quadruple funded) must have correct federal-aid information on the “U” card of all EAs related to the project. Specifically, all EAs involved in the project must reflect the correct participating ratio for each funding (federal-aid fund type). This is to ensure that project expenditures will be accurately charged to the appropriate FPN. Each FPN carries a separate class of program fund reflecting its reimbursement rate.
District R/W sets up the initial federal-aid information on the “U” card of a R/W EA using information from the approved E-76 — essentially the initial federal funding and the project number(s) (e.g., 315 0052 687). Federal Program Accounting adjusts the “U” card information for subsequent funding modifications approved by FHWA. Infrequently, a R/W project has dual funding that requires separate accountability of federal funds. For example:

- A project involves two different routes - one is an Interstate route, the other is a State route (e.g., I-880 and SR 237).
- A R/W project is approved with both Interstate Construction (I) and Interstate Maintenance (IM) or Interstate Rehabilitation (IR) funds.

P&M must receive sufficient project information related to conditional funding requirements and limitations when a project is approved by FHWA and R/W work is identified for federal funding. This is to ensure that R/W EAs are correctly masterfiled to maintain separate accountability for costs to be charged to each federal fund type. District R/W must be aware of the funding restrictions inherent in the different federal fund types to prevent mischarging project costs to FHWA. In addition to the above, under SB 45 programmed projects may also have multiple federal funding sources that require separate accountability. Therefore, it is important to exercise care to segregate the different federal fund types and properly account to each fund type and individual federal-aid project.

R/W should consult with the Federal Resources Office when clarification is needed on separate accountability of federal funds and other federal-aid funding issues.

### 3.05.11.00 Federal Emergency Relief (ER) Funded Projects

In situations where there are declared disasters (storms, earthquakes, fires, etc.) eligible for Federal Emergency Relief (ER) funds, the Department of Transportation (Caltrans) must follow Federal Emergency Relief Recovery Procedures to assure maximum federal reimbursement. Where the damage is significant, Caltrans will prepare a Letter of Intent to the Federal Highway Administration (FHWA) to apply for ER funds. FHWA approves and allocates ER funds either administratively or when a Presidential Declaration of Disaster is declared.

Under the Emergency Relief Program, Emergency Opening (EO) and Permanent Restoration (PR) work are eligible for ER funds. Consult HA-23 Statewide Program Advisor or Federal Resources Area Engineer for the difference between Emergency Opening and Permanent Restoration.

FHWA will reimburse the Department with Emergency Relief (ER) Funds at a rate of 100 percent for eligible emergency opening expenditures incurred during the first 180 days of a federally declared disaster. According to the Federal Register, the 180-day period starts on the initial day of the disaster. Emergency opening work continuing beyond the 180-day period will be reimbursed using the normal qualifying rates for the project.

Restoration work is not eligible for 100 percent federal reimbursement even if accomplished during the 180-day period following the start of the disaster. Projects for restoration work will follow the normal federal-aid process. Before restoration work begins, an E-76 must be approved. Restoration work is reimbursed by FHWA at the normal system rate, currently 91.57 percent on Interstate routes and 88.53 percent on all other Federal Aid Highways.

While the Federal Resources Office and Headquarters Maintenance are responsible for processing the ER projects for approval and funding with FHWA, it is still the District’s responsibility to initiate the authorization request (E-76) and assure all requirements are met before beginning work. If work is begun prior to approval of the E-76, Federal ER funds will be lost. (Consult with the Federal Resources Office for guidelines and procedures for handling ER funded projects.)

For ER funded projects, only work for temporary operations, emergency repairs, and preliminary engineering may proceed without prior Federal authorization. All other work including right of way appraisals and permanent restoration must have a signed Request for Approval/To Proceed (E-76) prior to proceeding.
EO projects must have photographs and other documentation of the initial damaged site to substantiate emergency opening costs. Also, a Damage Assessment Form (DAF) must be prepared for each site located on Federal-aid highways. The DAFs for State highway projects must include cost estimates for all phases of work including those of R/W.

When major damage and disasters occur, Right of Way must actively participate in the Emergency Relief process to ensure that R/W work is considered and included in the DAF. The following are necessary:

**Emergency Opening (EO) Projects**

- Participating as part of the disaster team to perform field reviews of damage sites
- Providing R/W cost estimates to the District Major Damage Coordinator in the District Maintenance Office for the Damage Assessment Form (DAF)
- Providing R/W cost estimates to District Major Damage Coordinator for the E-76 [HQ Federal Resources is responsible for preparing the E-76 for EO projects, including the R/W estimates.]
- Ensuring R/W staff charges to the proper EAs established for the EO projects
- Delivering R/W work in a timely manner for Emergency Opening Phase
- Confirming completion of R/W work on ER projects and notifying Federal Program Accounting for final vouchering of ER projects

**Permanent Restoration (PR) Projects**

- Coordinating with Project Development on the PR projects
- Developing R/W estimates as in regular typical projects
- Requesting federal participation by submitting E-76 in a timely manner [R/W prepares and submits Request for Approval/To Proceed, E-76 for all PR projects.]

**NOTE:** Permanent restoration projects are not required to be listed in a Federally approved Transportation Improvement Plan unless they involve substantial function, location or capacity changes [23 CFR 450.324(f)]. All R/W work for permanent restoration projects must have a signed E-76 prior to proceeding.

- Ensuring R/W staff charge to the proper EAs established for the PR projects
- Delivering R/W work in a timely manner for Permanent Restoration Phase
- Monitoring PR projects funded by ER funds and notifying Federal Program Accounting of completion of R/W work for final vouchering of projects

General questions regarding the ER Program, the HA-23 program, Deputy Directive DD-26, the Major Damage Restoration Handbook, and the Director’s Order and Resolution G-11 Processes should be directed to the Headquarters Maintenance HA-23 Statewide Program Advisor.

**3.05.12.00 Federal Reimbursement**

The Federal-Aid Highway Program is a reimbursable program. The Department provides the initial cash to get a project underway, then receives federal funds for the federal share of the project cost incurred and work completed. This means Caltrans must first obtain obligational authority, execute a project agreement, incur costs, and bill FHWA for payment. Then it can receive payment. FHWA will pay only those expenses eligible for reimbursement, limited to the amounts shown on the executed PR2 and PR2A.

Once the project is authorized and the Federal-Aid Agreement is executed, expenditures are accumulated in TRAMS and reimbursement procedures are initiated. Project expenditures are matched with the appropriate federal funds reimbursement criteria, and FHWA pays the State a pro rata share of eligible participating costs. See Section 3.05.12.07 for information about the Department's system for billing FHWA.
3.05.12.01 Importance of Federal Reimbursements

Over 50 percent of the Department's annual resources come from federal reimbursements. Although the amount apportioned to California from the current Federal Highway Act is part of the annual Caltrans budget for a given fiscal year, the actual amount reimbursed depends on the amount claimed in compliance with established approval and reimbursement procedures.

3.05.12.02 Maximizing Federal Reimbursement

Timeliness of accounting entries and proper coding of transactions are essential for maximizing federal reimbursement. Each employee who codes a time sheet, car tag, or any other accounting document is performing an accounting function and has a responsibility for coding those costs properly.

A key element is correct use of the Federal-Aid Eligibility (FAE) code with activity and object codes. See Section 3.05.12.05 for detailed information.

3.05.12.03 Reimbursable R/W Costs

FHWA approves and limits the project expenditures it reimburses to those costs the Department has actually incurred (i.e., cash disbursed, not dollars encumbered).

Federal funds may participate in R/W costs recorded in TRAMS in two categories:

- **Capital Outlay** - costs necessary to acquire and clear rights of way for project construction. All capital outlay costs must be charged to a specific project. To meet FHWA requirements, capital costs must be recorded in sufficient detail to determine eligibility. This includes transactions for land, improvements, damages, utility relocation, demolition, clearance, relocation assistance, condemnation deposits, and income relating to sale of improvements and excess lands.

- **Incidental (Support)** – personnel and operating expenses supporting R/W functions that produce the capital outlay payments. FHWA uses the term “incidental cost;” the Department uses “support cost.”

3.05.12.04 Definitions

**Direct eligible costs** are those expenditures incurred after federal authorization on a project is obtained. Generally, eligible acquisition and related costs are based on a parcel-by-parcel authorization by FHWA. Federal participation in real property costs is limited to the costs of property incorporated into the final project and the associated direct costs of acquisition, unless provided otherwise.

23 CFR 710.203(4)(b)(1) expands federal reimbursement for right-of-way acquisition costs beyond the current limits of “generally compensable” costs. Federal aid eligibility now extends to items usually covered by state law and items formerly determined not to be compensable under earlier CFR guidelines. See above-referenced section of 23 CFR for details on federal participation in direct costs.
District R/W is responsible for determining federal eligibility of R/W costs.

**Ineligible costs** are those expenditures that are not eligible for reimbursement (e.g., costs that would normally be eligible, but are incurred prior to FHWA’s approval of the E-76. FHWA does not participate in any costs (except early acquisition soft match) that are incurred prior to the authorization of a project.

As a result of TEA-21 and the newly adopted Federal regulations, FHWA no longer limits federal reimbursements on formerly excluded costs, such as goodwill and defendant’s costs in connection with condemnation action.

The Department may also decide not to obtain federal reimbursements on certain eligible project costs. For example, since 1991 R/W has provided state funds to cover the costs of title reports and escrow fees and has charged these as ineligible project costs. Additionally, in 2000, Caltrans made a policy decision not to seek federal reimbursement for property management costs (see Section 11.01.09.00).

See Section 8.50.04.00, Segregation of Acquisition Costs for Federal Reimbursement, and Section 8.50.04.01, Federal Reimbursement Provisions.

**Participation Ratio (Percentage)** is that portion of the eligible costs applicable to project segments authorized for federal reimbursement. State projects often provide for work outside the limits of a federal-aid project, thereby creating a nonparticipating portion. Generally, federally approved R/W projects are 100% participation.

**Reimbursement Percentage** is used to calculate the portion of the participating eligible costs that will be reimbursed. FHWA establishes the reimbursement percentage for each federal program. ISTEA made various funding changes in the Federal-Aid Highway Program. The Federal Resource Office should be consulted for specific questions about federal project funding.

The following is an example of CBARS calculations of federal reimbursement:

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$150 x</td>
<td>100% x</td>
<td>91.57</td>
<td>$137.26</td>
</tr>
<tr>
<td>Matching State Funds</td>
<td></td>
<td></td>
<td>12.74</td>
</tr>
<tr>
<td>Total Eligible</td>
<td></td>
<td></td>
<td>$150.00</td>
</tr>
</tbody>
</table>

**3.05.12.05 Federal-Aid Eligibility Code**

The coding of expenditures on accounting system entry documents indicates whether or not costs are treated as eligible expenditures. The FAE (prefix) code denotes the eligibility for federal reimbursement of both Activity and Object Code expenditures. The Coding Manual, Section 5, Object Codes, and Section 6, Activity Codes, lists the allowable FAEs for labor and other expenditures.

Activity Code (Labor Charges):

<table>
<thead>
<tr>
<th>FAE Code</th>
<th>Federal Reimbursement</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Eligible</td>
</tr>
<tr>
<td>2</td>
<td>Ineligible</td>
</tr>
</tbody>
</table>
Object Code (Expenditure-Other than Labor):

<table>
<thead>
<tr>
<th>FAE Code</th>
<th>Federal Reimbursement</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>Eligible</td>
</tr>
<tr>
<td>7</td>
<td>Ineligible</td>
</tr>
<tr>
<td>8*</td>
<td>Undetermined Eligibility</td>
</tr>
</tbody>
</table>

* FAE Code 8 is used when expenditures are placed in suspense status and federal reimbursement is undetermined.

Generally, the eligibility of R/W costs for federal participation relates directly to whether or not specific parcels have FHWA approval. Utility relocation costs, however, are only eligible for federal participation if FHWA approves and if federal rules and regulations that dictate federal-aid eligibility on R/W project costs are met.

District P&M should be consulted when it is necessary to determine whether or not certain R/W costs are approved for federal participation.

See Exhibit 3-EX-7 for object codes commonly used by R/W.

**3.05.12.06 Claims for Reimbursement**

Any claims made with FHWA for reimbursement shall be supported by a R/W map or plan showing the rights of way authorized and actually acquired, including parcel identification numbers, area acquired, property lines of acquired area, and any other pertinent data affecting the cost of right of way (e.g., structures, improvements, and fences).

Claims must also include a statement of cost of right of way showing:

- Parcel number.
- Cost of parcel.
- Cost of excess land, if any, acquired from same ownership.
- Credits by parcel or project.
- Incidental expenses (support costs) by parcel or project.
- Cost of construction performed to mitigate damages on a parcel basis, if claimed as a R/W item.

**3.05.12.07 Current Bill**

Reimbursement of expended project funds is obtained through CBARS, a receivable system that produces the current bill. The current bill is the means by which the state claims reimbursement and informs the federal government of the amount of eligible costs the state has expended on federally participating projects. The current billing process summarizes the federal eligible expenditure data in TRAMS and combines CBARS project information to create the current bill.

Expenditures for R/W billings are generated from the detailed district documents and entered into TRAMS. The R/W Acquisition Data Sheet (FIS 867) is developed from this information.
Federal-aid accruals are the reimbursable expenditures incurred by the Department that FHWA has not reimbursed. The three categories of accruals are:

- Expenditures that have not been reimbursed due to the time lag between billing and reimbursement (also referred to as a receivable).
- Expenditures that exceed the agreement amount.
- Expenditures already programmed but for which there is no agreement.

Federal Program Accounting provides Federal Resources and R/W with monthly reports on all federal-aid projects with accruals. Accounting, Budgets, and R/W use the reports to monitor unbilled federal funds and to clear accruals to the extent of available appropriated federal funds.

As part of the process to clear accruals, Federal Resources requests R/W to provide justifications and project cost information necessary for preparing and submitting a PR-2A to FHWA for additional federal funds. R/W assists in resolving accrual issues and is the liaison with Federal Resources and district R/W.

**FHWA Citations - Federal Ineligibility Notice**

**General**

Authorized by 23 and 31 CFR, FHWA has implemented the Financial Management Program for effective management of federal-aid funds and control of ineligible costs for federal participation.

23 CFR contains criteria relating to the eligibility of costs for reimbursement of Federal-Aid Highway funds. Pursuant to it, FHWA reviews and audits costs charged to federally reimbursable projects for eligibility. When certain costs are determined to be ineligible for reimbursement, FHWA issues a citation to the Department in the form of a Federal Ineligibility Notice (FIN) that identifies those costs.

**Purpose of FIN**

FIN Form PR-1367 is used to cite final or progress voucher claims for federal reimbursement or to require additional supporting information for such claims. FHWA prepares and submits a PR-1367 to the Department when deficiencies are disclosed that require a deduction from federal-aid participating costs or place such costs in an unbillable status.

**FHWA Issuance of FIN**

FHWA may issue FINs during three major activities:

- **Operational Audit** - FHWA may discover improper charges on the sample projects under audit.
- **FHWA Functional or Technical Review** - the reviewer may find items that have been improperly billed.
- **Voucher Fiscal Analysis** - FHWA may question certain cost items. The issues raised must be resolved before a revised final voucher can be processed and the project closed.
3.05.13.04 Required Adjustments to Current Bill

When a FIN is issued, FHWA requires the Department to make an adjustment in the next billing cycle to move the questioned cost from “Eligible” to “Citation Suspense” category. This is done in accordance with FHWA Order H 2500.1A that all costs documented on a FIN shall be credited at the EA level from the next state current billing, but no later than 30 days from date of the FIN.

Federal Program Accounting does all initial crediting for federal reimbursement when the FIN is received. Credit must be given whether or not Caltrans concurs with the citation. Any differences of opinion on a citation may be negotiated, but should be resolved within nine months.

3.05.13.05 Process for Resolving FIN

The overall process for resolving FINs is shown on the table below.

3.05.13.06 Final Adjustments to Projects

Federal Program Accounting makes the final federal fund adjustments to projects once the FIN is resolved. Accounting coordinates this effort with R/W to ensure the correction is timely and the appropriate amounts are adjusted.

R/W FIN Coordinator must know the status of all outstanding FINs and prepare a quarterly reconciliation of open FINs with Federal Program Accounting.

3.05.14.00 Federal Funds Management

3.05.14.01 General

Federal funds management involves managing federal-aid projects from authorization to reimbursement and is the key to achieving better control over the use of federal funds. Project funds management assures the reprogramming of federal funds through the timely release of excess unexpended funds.

The Department has implemented continuous project funds management in response to audit findings by FHWA and the Office of Inspector General (OIG). The Department must manage its federal-aid funds with emphasis on the following:

- Continuously monitoring project expenditures against obligational authority.
- Applying accelerated procedures for closing completed projects.
- Promptly withdrawing federal-aid projects that will not be completed.
- Releasing funds that exceed project needs in a timely manner.

<table>
<thead>
<tr>
<th>Step</th>
<th>Responsible Party</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Federal Program Accounting</td>
<td>Receives all FINs issued.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Distributes copy of FIN to R/W for the R/W federal-aid project at issue.</td>
</tr>
<tr>
<td>2</td>
<td>R/W FIN Coordinator</td>
<td>Forwards FIN to the appropriate functional branch.</td>
</tr>
<tr>
<td>3</td>
<td>R/W Functional Branch</td>
<td>Sends FIN to district.</td>
</tr>
</tbody>
</table>

PROCESS FOR RESOLVING FIN
### PROCESS FOR RESOLVING FIN

<table>
<thead>
<tr>
<th>Step</th>
<th>Responsible Party</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>District R/W</td>
<td>Investigates the allegation, prepares a draft response to FHWA, and recommends final resolution of FIN.</td>
</tr>
<tr>
<td>6</td>
<td>R/W Functional Branch</td>
<td>Prepares and submits final response to FHWA.</td>
</tr>
<tr>
<td>7</td>
<td>R/W FIN Coordinator</td>
<td>Coordinates activities with Federal Program Accounting to ensure that all FINs issued to R/W are resolved and cleared from FHWA’s and Accounting’s tracking systems.</td>
</tr>
</tbody>
</table>


R/W has oversight responsibilities for project funds management and is the liaison with District R/W, Federal Resources Office, and Federal Program Accounting.

District R/W administers federal-aid projects and manages federal funds. This primarily involves, but is not limited to:

- Obtaining FHWA authorization promptly.
- Monitoring project expenditures against federal obligations.
- Taking timely actions to release unexpended funds or cancel federal obligations.

#### 3.05.14.02 Monitoring Federal Aid Project Expenditures

At a minimum the district takes the following actions to monitor all activities and project costs.

- Compares approved amounts with actual expenditures incurred.
- Monitors cost overruns to request increased funds.
- Monitors underruns to release or deobligate excess unexpended funds.
- Makes revised project cost estimates as required.

For additional information on project cost overruns, see Section 3.05.12.08.

For additional information on excess federal funds, see Sections 3.05.14.07 and 3.05.14.08.

#### 3.05.14.03 Project Expenditure Report, TRAMS Q48

In managing federal-aid projects, the Department must properly track project costs by EAs. The TRAMS Q48 Report is a standardized accounting report that provides the most current information available in TRAMS related to projects and EAs. A by-product of the monthly “Project Expenditure Report” (Q41), the Q48 Report combines historic expenditure data recorded in TRAMS through the previous update of Report Q41 and supplements this information with subsequent activity through the report request date.

The report can be obtained by accessing Teale with either a TRAMS or SCOPE logon. Requested reports are produced overnight and can be received at a printer location designated by the user. Procedures for requesting Q48 Reports are described in TRAMS Q48 Project Expenditures Report Procedures Manual, which is available through P&M.
R/W Acquisition Data History Report, FIS 867Q

Federal Program Accounting provides the quarterly R/W Acquisition Data History Report, FIS 867Q, to R/W to review project costs at the parcel level. This report shows R/W capital outlay costs and credits recorded by parcel to each federal-aid Phase 9 & H EAs segregated by categories of “Participating,” “Nonparticipating,” and “Undetermined.”

R/W distributes the report to district P&M quarterly. The report is primarily used when reviewing and analyzing federal-aid projects to ensure that there are no inappropriate charges or credits recorded to the projects.

Estimating Remaining Project Costs

Prior to completion of a project, the district may need to provide Federal Resources Office with a reasonable estimate of remaining costs. This may occur when project expenditures exceed the agreement (PR2/2A) amount or when there are anticipated excess unexpended funds to deobligate.

In developing remaining cost estimates, the district needs to:

- Review outstanding encumbrances for all R/W EAs related to the federal project. (Accounting provides the Report of Unliquidated Encumbrances upon request.)
- Project support costs for R/W activities left to be performed (e.g., acquisition, RAP, and utilities).
- Estimate capital outlay costs for each type of expenditure (e.g., title and escrow, acquisition, utility relocation, demolition and clearance, and RAP).

Accelerated Closing Procedures

R/W monitors federal-aid projects for timely progression through the final voucher stage to prevent unnecessary delays in closing out projects. To advance projects for final vouchering, R/W periodically reviews R/W projects for completion of the related construction projects. Using PMCS to identify projects where construction is completed, R/W requests district R/W to confirm completion of R/W work and to verify that all R/W costs have been paid and no R/W transactions remain outstanding. If a project is completed, R/W notifies Federal Program Accounting to final voucher with FHWA.

Cancellation of Obligational Authority

When a project has been deleted through the appropriate Departmental process, district R/W prepares a written notification to the Federal Resources Office requesting FHWA cancellation of federal obligations and deobligation of federal funds, if funds are under agreement. The Federal Resources Office prepares and forwards to FHWA:

- E-76 - to release obligations.
- PR2A - to release federal funds, if applicable.

Release (Deobligation) of Excess Funds

Unused federal funds must be released (deobligated) promptly and made available for reprogramming on other highway projects or for other FHWA programs.

R/W periodically provides district R/W with a Project Status Report of inactive projects with significant fund balances to reassess funding needs. District R/W reviews projects to determine whether they will become active or need to be canceled and the funds deobligated. The district advises R/W on project status. If appropriate, the district prepares a written request to Federal Resources Office for release of excess unexpended funds. Federal Resources Office then prepares and forwards a PR2A to FHWA to reduce federal funding on a project.
District R/W should take the initiative at any time prior to completion of a project to release unexpended obligations and identify excess federal funds. (It is not necessary to wait to review the Project Status Report before taking actions to release federal funds.)

**3.05.15.00 Suspend/Close R/W EAs**

As soon as P&M determines that all R/W costs on a project are recorded in TRAMS, it must suspend all R/W phase EAs for the project. This prevents inappropriate charges from being recorded against the project and allows Federal Program Accounting to begin final vouchering activities.

See Section 3.02.06.00, Suspending EA, and Section 3.02.07.00, Purging EA.

**3.05.16.00 Final Vouchering - Project Close Out**

The last phase of a federal-aid project is final vouchering and closing of the project.

R/W periodically reviews PMCS to identify completed R/W federal-aid projects and to verify with district P&M that all R/W work is completed and all costs are recorded in TRAMS. R/W then forwards a list of R/W projects to Federal Program Accounting for final vouchering activities.

Federal Program Accounting audits project charges to ensure FHWA is billed for all eligible expenses. They then prepare a final voucher representing the final claim for a single, completed, and FHWA-accepted project and submit it to FHWA.

The final claim for the federal share of project costs is made on Form PR-20, Interstate Projects, and Form 1447, Non-Interstate Projects. The final voucher is a segregated summary of the project's total costs and a determination of the final federal share. Accounting uses expenditures in TRAMS as the basis for the final voucher. (A summary of project costs, classified by work type and other supporting documents, shall accompany the final voucher as a means of verifying costs.)

**3.05.16.01 Final R/W Maps and Parcel List**

Prior to 1994, R/W Engineering prepared a final R/W map that delineated the “as-built lines” and a Parcel List, FA 1567, to support the final vouchering of a completed federal-aid project. Under streamlined procedures approved by FHWA, R/W no longer prepares and forwards the final R/W maps to FHWA. All information required for completed federal-aid projects is recorded on R/W record maps and other maps. R/W Engineering must maintain these maps and make them available for FHWA's review upon request.

For final vouchering purposes, R/W Engineering shall continue to complete the Parcel List, Form FA 1567, to record parcel information on acquired right of way and excess land. To assist R/W Engineering, district P&M shall provide an accurate list of parcels on the completed project to be final vouchered. P&M compiles the parcel list based on the data recorded in IRWS or other data bases for parcel control.

At P&M's request, R/W Engineering completes and forwards Form 1567 to document parcel information for project closure by Accounting. P&M records the Parcel List completion date and forwards the List to Federal Program Accounting.
3.06.00.00 - MONITORING PROCESS

3.06.01.00   General

R/W P&M must identify projects with federal participation and segregate R/W costs for federal reimbursement down to the parcel level. In 1997 R/W and Accounting developed a new monitoring process to ensure that all R/W transactions resulting in either expenditures or credits to FHWA are accurately recorded. This process replaces the “Closing the Loop” process.

3.06.02.00   Roles and Responsibilities

A successful monitoring process requires a close working relationship among the various R/W functional units, P&M and Right of Way Accounting (RW Accounting). R/W has primary responsibility, authority, and accountability for parcel level detail. Accounting has primary responsibility for ensuring that R/W’s parcel detail coding and funding splits are entered accurately in TRAMS.

3.06.03.00   Objective

The Monitoring Process was implemented to streamline the “Closing the Loop” process while continuing to assure that R/W transaction coding and funding splits on federal projects are recorded accurately and accounted timely. This allows the Department to receive federal reimbursements based on current bills generated by CBARS.

The Monitoring Process facilitates identification of federal participation at the project and the parcel levels; assists in segregating R/W costs in eligible and ineligible categories; and identifies the type of costs involved. The process uses standard procedures that establish control for appropriate and proper accounting of revenues and expenditures on federally aided projects. It requires that adequate documentation is available for review by federal and state auditors.

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<thead>
<tr>
<th>MONITORING PROCESS RESPONSIBILITIES</th>
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</tr>
<tr>
<td>District R/W Agent</td>
</tr>
<tr>
<td>P&amp;M</td>
</tr>
<tr>
<td>Accounting</td>
</tr>
</tbody>
</table>

3.06.04.00   Scope

The Department is accountable for all expenditure billings and credits applied to projects. This encompasses capital outlay and support expenditures; incomes from rental properties and sales of excess lands, improvements, and equipment; and adjustments resulting from FHWA citations.
3.06.05.00  Federal Eligibility

R/W is responsible for determining federal eligibility of transactions and relaying this information to Accounting on the appropriate accounting documents.

For additional information, refer to:

- Section 3.05.12.04, Definitions.
- Section 3.05.12.05, Federal-Aid Eligibility Code.

3.06.06.00  Procedures

The procedures in the table on the following page establish a formalized tracking process to assure timely and uniform follow-up of R/W expenditure transactions and compliance with federal requirements.

3.06.07.00  Document Log

The Monitoring Process requires a document log to monitor documents as they progress between R/W and RW Accounting. Since the majority of documents flow from the R/W function through P&M, P&M should maintain the document log. There are exceptions, however, such as Excess Land, where the responsible function maintains its own document log. The document log includes the following information:

- Parcel Number
- Expenditure Authorization
- Special Designation
- Date document received from functional unit (if appropriate)
- Date document forwarded to Accounting
- Date document returned from Accounting
- Date document returned to functional unit (if appropriate)

It is recommended that the document log be set up by type of R/W transaction, such as:

- Acquisition
- Condemnation Deposit
- RAP
- Utility Relocation
- Demolition and Clearance
- Property Management
- Sales of Improvement/Equipment
- Excess Land
- Sales of Excess Land

3.06.07.01  Expenditure Document Retention File

All capital outlay transactions for Phase 9 EAs are processed through P&M. P&M maintains a copy of the transaction document in a pending file. When RW Accounting electronically transmits the weekly report, P&M compares the two documents for accuracy and completeness.

- No Variances - attach the Report page to the expenditure document and forward to the appropriate function.
- Variances - follow procedures in Section 3.06.09.00.
For auditing purposes, FHWA approved the use of a special ad hoc report produced by RW Accounting that is sorted by parcel identification number. The districts may choose to keep copies of the weekly report pages in each parcel file.

**MONITORING PROCEDURES**

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<th>Responsible Party</th>
<th>Procedures</th>
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</thead>
<tbody>
<tr>
<td>R/W Agent</td>
<td>The R/W Agent initiates functional transactions in a timely manner and identifies federal participation at the project and parcel levels with P&amp;M’s assistance. The Agent must segregate R/W costs into eligible and ineligible categories and classify expenditures to code them properly for TRAMS. The Agent must accurately prepare and sign the Federal Participation Memorandum or a similar form to reflect the appropriate R/W transactions.</td>
</tr>
<tr>
<td>Functional Supervisor</td>
<td>The functional supervisor reviews the payment document and all necessary support documentation to verify appropriateness and accuracy of the Agent’s work. The supervisor approves and signs the RW Accounting forms and returns the transaction package to the Agent.</td>
</tr>
<tr>
<td>R/W Agent</td>
<td>The R/W Agent forwards the transaction package (including support data) to P&amp;M for encumbrances or payments.</td>
</tr>
<tr>
<td>P&amp;M</td>
<td>The P&amp;M reviewer should request the complete file and any supporting material required to verify the functional transactions Accounting will process. The reviewer checks accuracy of coding and federal-aid related data, including the proposed segregation of charges, to ensure an appropriate distribution between eligible and ineligible categories. The P&amp;M reviewer signs the appropriate RW Accounting form(s), places a copy of the transaction request form in the pending file, and forwards the transactions package to Accounting.</td>
</tr>
<tr>
<td>RW Accounting</td>
<td>RW Accounting reviews and verifies coding accuracy on all documents, and ensures that transaction package is complete. Accounting then enters the data into TRAMS. For capital outlay transactions, RW Accounting electronically transmits the weekly reports to the district offices every Monday. This report substitutes for the documents formerly required for the Closing the Loop process.</td>
</tr>
<tr>
<td>P&amp;M</td>
<td>Upon receipt of the electronic reports from RW Accounting, the P&amp;M reviewer confirms coding and funding splits on all capital outlay payment/encumbrance transactions. If there are no variances, P&amp;M attaches the pending file to the accounting report and forwards them to the appropriate function, which reviews coding and funding splits one last time (safety net) and files it in the parcel folder. If there is a variance, P&amp;M advises Accounting either by phone or by fax.</td>
</tr>
<tr>
<td>Accounting</td>
<td>Accounting makes adjustments in TRAMS within 10 working days. The adjustments are recorded on the weekly reports.</td>
</tr>
<tr>
<td>P&amp;M</td>
<td>P&amp;M reviews the weekly reports for the next period to confirm that adjustments were made.</td>
</tr>
</tbody>
</table>

**3.06.07.03 R/W Forms**

Before RW Accounting can process functional transaction requests, R/W must submit appropriate functional documents. A complete listing of the required documents for each functional transaction can be obtained from the P&M Office.
3.06.07.04 R/W Claim Schedule Report

The Weekly Report was developed to replace the Closing the Loop Report. The Report is electronically forwarded to each P&M Office every Monday (Tuesday, if Monday is a holiday).

The Report page-breaks after each EA. Since the Report is run once a week, there is usually only one transaction per page (or EA).

If the Report contains a variance, it is reported to the district RW Accounting liaison. An adjustment is made within 10 working days. The adjustment appears on the reports issued during the next two weekly cycles. The first line entry records the reversal of the variance and should contain an “R” code. The second line entry is the adjustment.

The Report page is attached to the pending file document and is placed in the parcel file.

FHWA has approved replacing the Closing the Loop Report with the electronically transmitted Weekly Report.

3.06.08.00 Verification

P&M has primary responsibility for:

- Verifying coding and funding split amounts on Phase 9 transaction documents sent to RW Accounting.
- Comparing and confirming accuracy of coding and funding type amounts on RW Accounting Weekly Reports.

Excess Land Phase 9 documents are an exception, and Excess Land has primary responsibility for reviewing the accuracy of coding and amounts on separately transmitted weekly Excess Land Reports.

Functional units must also review documents for accuracy and correctness of processed data before the documents are forwarded to P&M for final processing and filing.

3.06.09.00 Variance Resolution

The need to resolve variances arises in both Accounting and R/W.

When Accounting reviews R/W transaction documents, questions may ensue about federal participation and eligibility or proper coding. RW Accounting shall contact the appropriate R/W function to clarify and resolve any item in question. Accepted policy is that RW Accounting will not make any coding changes to R/W transactions without R/W’s approval.

If Accounting is not certain about whom to call, their contact is P&M. P&M will direct them to the correct unit/person and will follow up to ensure the issue is resolved.

If R/W discovers a variance upon review of the Weekly Report issued by RW Accounting, P&M contacts the appropriate RW Accounting unit.

Variances on the Weekly Reports are to be reported immediately to the district RW Accounting liaison by phone or by blue route tag (overnight) service. Notes verifying the phone call and anticipated corrective action should be written on the Report page and in the log.

If adjustments are not made in a reasonable time or the Accounting liaison is not responsive, R/W should contact R/W Federal Program Accounting’s manager.
Follow-Up Action

Inherent in maintenance of document logs and ledger files is the requirement to follow up with Accounting.

Accounting has committed to the following:

- **RW Accounting** - will make acquisition payments per instructions on the RW Accounting forms and will mail check/warrant per date on invoice. (To avoid charges for expedited service from the State Controller’s Office, RW Accounting will determine if payments can be made out of the revolving fund.) Normal process takes up to 20 days from the date documents are received in RW Accounting to the day the Controller’s mails the warrant. Special expedited procedures are available for unusual circumstances or for special needs, such as condemnation judgment payments.

- **Cashiering Unit** - condemnation deposits require a minimum of four to six weeks once documents are forwarded to the Controller’s Office. As of March 1995, Controller’s will not expedite condemnation deposits.

- **R/W Federal Program Accounting** - will expedite condemnation settlement payments within 24 hours if received before 11 a.m.

- **Accounts Payable** - RAP payments are normally processed in five days, but can be expedited within 24 hours if received before 11 a.m.

- **Accounts Payable** - all other payments are paid within 30 days per SAM.

- **RW Accounting** - will adjust reported variances on the Weekly Report within 10 working days.

If the time frames listed above are exceeded without explanation, district P&M initiates follow-up action to request payments be made, or transactions be posted or adjusted.
In delivering projects on the State Highway System, the Department may be requested to perform R/W work financed with Local Agency Funds (e.g., Tax Measure, Property Tax, Developer Fees, Local Assistance federal subvention). To the extent that Departmental policy and budget authority allows, the State and Local Agencies may enter into cooperative agreements (co-op) for the R/W to be performed by State personnel.

The following procedures should be followed to ensure that cooperative agreements for reimbursed R/W work are properly developed and managed. Depending upon R/W’s organizational structure in the region or district, these steps may be performed by various R/W functions including Planning & Management (P&M), Local Programs, the R/W Project Coordinator, or a combination of the three.

• Upon conception of a cooperative agreement, the R/W Project Coordinator works with the Project Manager to identify the type of R/W work to be covered by the agreement. The Project Manager should ensure that reimbursable work to be done is consistent with departmental policy.
• At the earliest stage of the project, the R/W Project Coordinator verifies with P&M that the District has sufficient reimbursement budget authority for the proposed reimbursed R/W work.
• Before negotiating an agreement with the other party or parties, the Project Manager and R/W Project Coordinator must verify that conceptual approval exists for doing the work cooperatively and that adequate funding is available.
• R/W develops resource information (R/W capital and support estimates) needed for the agreement. Also, R/W ensures adequate budget estimates are computed for R/W Support Costs that include both direct (the loaded rate for labor costs) and indirect costs.

NOTE: The indirect is also known as Indirect Cost Rate Proposal (ICRP) rate for reimbursed work. It is a combined rate consisting of Functional and Administrative rates for each of the various programs in the Department. (The ICRP for Right of Way historically has been quite significant, that is, as high as 87 percent.)

The ICRP rate in effect at the time the expense was incurred is applied to the direct costs and is billed out to the Local Agency for the reimbursed work. The Accounting Division calculates and revises the ICRP rate for departmental programs annually.

• The R/W Project Coordinator forwards sufficient R/W information to the Project Manager for the writing of the project cooperative agreement.
• The R/W Project Coordinator and other appropriate functions review the draft cooperative agreement for all aspects of the R/W involvement and recommend approval to the R/W Manager or designee.
• The R/W Project Coordinator ensures that R/W activities do not begin prior to having a formal executed agreement.
• Upon execution of the cooperative agreement, R/W P&M establishes the R/W Phase(s) in Advantage, establishing the funding structure and budget for the reimbursed Project ID with all pertinent data (e.g., contributor number, dollar estimates for funding fiscal year), for recording and controlling reimbursed expenditures.
• R/W P&M provides charging instructions to staff for reimbursed work to be performed under the agreement.
• R/W P&M tracks and monitors expenditures by fund source. Also, R/W P&M and/or Accounting provide information to the R/W Project Coordinator on reimbursed expenditures.
• The R/W Project Coordinator monitors and manages the co-op to ensure that work is performed and reimbursed costs are within the limits of the agreement.
• The R/W Project Coordinator makes request to the Project Manager for an amendment to the cooperative agreement prior to exceeding funding limits.
See Caltrans Cooperative Agreement Manual for detailed information on cooperative projects and reimbursed work. Please also refer to Chapter 17, Local Programs, of the Right of Way Manual.
3.08.00.00 – PREREQUISITES FOR RIGHT OF WAY ACTIVITIES

3.08.01.00 Preliminary Right of Way (R/W) Activities – Defined

Preliminary R/W Activities are defined as those R/W activities that occur after the project is programmed, and are typically charged as R/W support to the project’s Phase 2 Project ID. These activities include:

1. Ordering Title Reports.
2. Preparing Base Maps.
4. Conducting project-wide comparable sales searches once a preferred alternative is internally selected.
5. Assigning appraisers to specific parcels, contacting the property owners to commence appraisal activity, and completing the appraisal.

Unless the prerequisites outlined below are met, these activities shall be avoided in all cases unless prior Headquarters R/W approval has been secured in writing in accordance with the instructions found below.

3.08.02.00 Prerequisites for Commencement of Preliminary Right of Way Activities

The prerequisites for initiating preliminary R/W activities are outlined as follows:

(These requirements do not apply to hardship and protection parcels or parcels subject to Acquisition Reference File 99-1 Regular R/W Activities prior to Environmental Clearance (non-STIP), or Acquisition Reference File 02-1 R/W Acquisition Prior to Environmental (STIP).

1. The project development component (Environmental and Permits) must be programmed, the amount requested must be managed within the lump sum allocation (if required), and a Phase 9 Project ID must be approved.
2. If Federal funds are to participate in preliminary R/W costs, environmental clearance (PA&ED milestone) must be achieved, and R/W activities must have been authorized by FHWA through the E-76 process; however, if project schedules require that these activities be started prior to achieving PA&ED, the department may request authorization for preliminary R/W activities in the Preliminary Engineering (PE) federal authorization request (E-76) so that these costs may be federally reimbursed.
3. When preliminary R/W activities for a STIP/SHOPP project must be completed prior to environmental clearance, or a STIP/SHOPP project is 100% federally funded, a non-STIP/non-SHOPP fund (PECT 20.20.800.200, Fund 0042) must be used to record costs related to such preliminary R/W activities.

Other entities (city, county, etc.) may, by agreement, be committed to funding all or some R/W support and/or capital costs. It is the responsibility of the District to see that such funds are secured in accordance with the terms of the Agreement prior to initiating the applicable activities.

3.08.03.00 Regular Right of Way Activities – Defined

The following is a nonexclusive list of activities, which shall not commence prior to satisfying the above prerequisites.

1. Acquiring right of way parcels
2. Relocating Displaced Persons or Businesses
3. Performing Utility Relocation activities from the request for Relocation Plans forward

Unless the prerequisites are met, these activities shall be avoided in all cases unless prior Headquarters R/W approval has been secured in writing in accordance with the instructions found in Section 3.08.04.00 or as defined in Acquisition Reference File 00-1 R/W Acquisition Prior to Environmental Approval.
3.08.04.00  Prerequisites for Commencement of Regular Right of Way Activities

The prerequisites for initiating regular R/W activities are outlined as follows:

(These requirements do not apply to hardship and protection parcels or parcels subject to Acquisition Reference File 99-1 Regular R/W Activities prior to Environmental Clearance (non-STIP), or Acquisition Reference File 02-1 R/W Acquisition Prior to Environmental (STIP).

1. The project report must have been approved.
2. The project must have current final environmental clearance.

NOTE: As an alternative to having final environmental clearance, this requirement may be satisfied if the following three events have occurred:

a. The draft environmental document has been circulated.
b. The public hearing process is complete.
and
c. A preferred alternative has been approved.

3. Freeway agreement(s), including required amendments, must have been executed if required for the project.

NOTE: By statute (Streets and Highways Code Section 100.21), “(a) Whenever a street or highway closing agreement is required by Section 100.2, the department shall not acquire, except by gift, and except in hardship or protective cases as determined by the department or the commission, any real property for a freeway through a city until an agreement is first executed with the city council, or for a freeway through unincorporated territory in a county until an agreement is first executed with the board of supervisors. The department shall give notice to the city council or the board of supervisors, as the case may be, of any acquisition of real property prior to the execution of an agreement.

(b) Notwithstanding subdivision (a), a city council, or a county board of supervisors may, by resolution, authorize the purchase of rights-of-way prior to approval of an agreement if the purchase is limited to the mainline corridor of the proposed freeway and the alignment of the freeway is not at issue.” (Direct quote from the Statute)

Current final environmental clearance means:

a. An approved determination that the project is categorically exempt under CEQA, and if there is Federal participation in any part of the project, FHWA concurrence in a determination that the project is a categorical exclusion under NEPA.

or

b. Final environmental documents (Environmental Impact Report [EIR], Environmental Impact Statement [EIS], Negative Declaration [ND], Environmental Assessment [EA]) have been prepared and approved, and, under NEPA, a Finding of No Significant Impact (FONS1) or a Record of Decision (ROD) has been completed and signed, and, under CEQA, a Notice of Determination (NOD) has been filed with the Office of Planning and Research.

and

c. When required pursuant to the Environmental Handbook, an Environmental Reevaluation has been prepared and approved.
### 3.09.01.00  Delegations of Authority

As referenced in Section 2.05.01.00, the delegation matrix for Planning and Management is noted below. The delegation matrix reflects the associated policy and RW Manual reference for each delegated item. The matrix also distinguishes whether an item is delegated to the District or Headquarters (HQ) level, along with the lowest level of sub-delegation authorized.

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<th>Reference (Statutory, WBS, Director’s Policy, Deputy Directive, etc.)</th>
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<td>Certification of Right of Way Capital Funds Availability</td>
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<td>3.04.05.00</td>
<td>Authority to Sub-Allocate Funds for Right of Way Annual Capital Allocation</td>
<td>HQ</td>
<td>Senior RW Agent</td>
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<tr>
<td>CTC G01-09</td>
<td>3.04.06.01</td>
<td>Authority to Increase Right of Way Annual Capital Sub-Allocation</td>
<td>HQ</td>
<td>Senior RW Agent</td>
</tr>
<tr>
<td>PMD 022R1</td>
<td>3.04.04.07</td>
<td>Inform Project Manager of Need for Change Management Document</td>
<td>District</td>
<td>AGPA</td>
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<tr>
<td></td>
<td>3.04.14.04</td>
<td>Authorize Amounts in PMCS</td>
<td>District</td>
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Programming and Budgeting

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<td>3-EX-8</td>
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Exhibits are located online at [http://www.dot.ca.gov/hq/row/rowman/exhibits/index.htm](http://www.dot.ca.gov/hq/row/rowman/exhibits/index.htm).
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Forms are located online at [http://www.dot.ca.gov/hq/row/rowman/forms/index.htm](http://www.dot.ca.gov/hq/row/rowman/forms/index.htm).