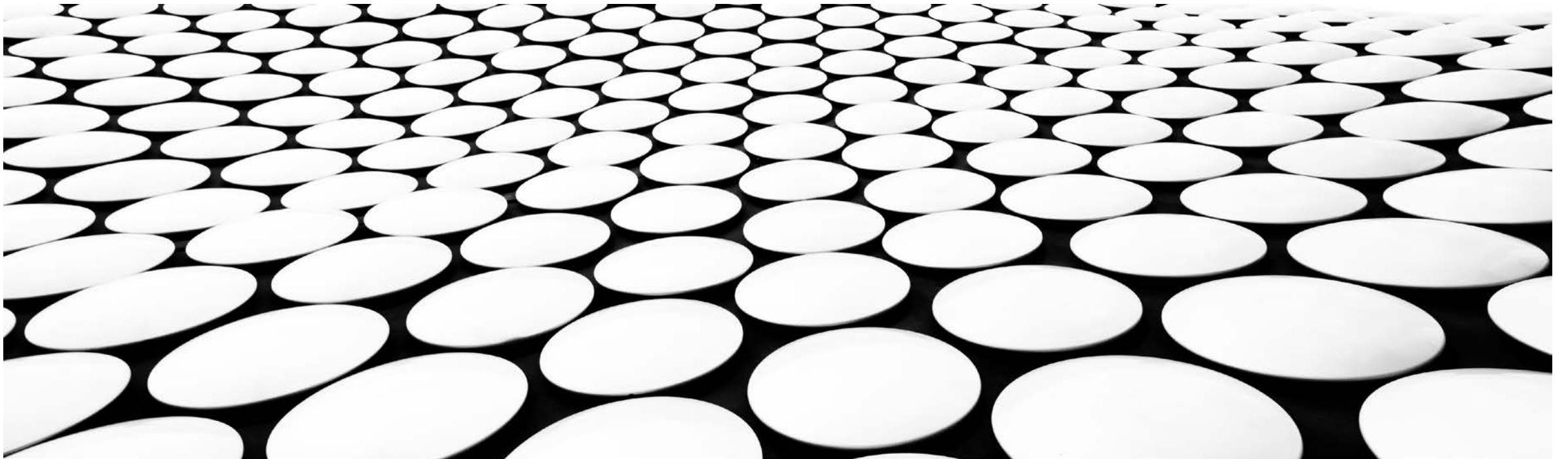


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# CLOSEOUT FOR FEDERALLY PARTICIPATING PROJECTS

WINTER WORKSHOP

FINANCE AND AUDIT PRESENTATION



# FEDERAL REGULATIONS THAT GUIDE CLOSEOUT

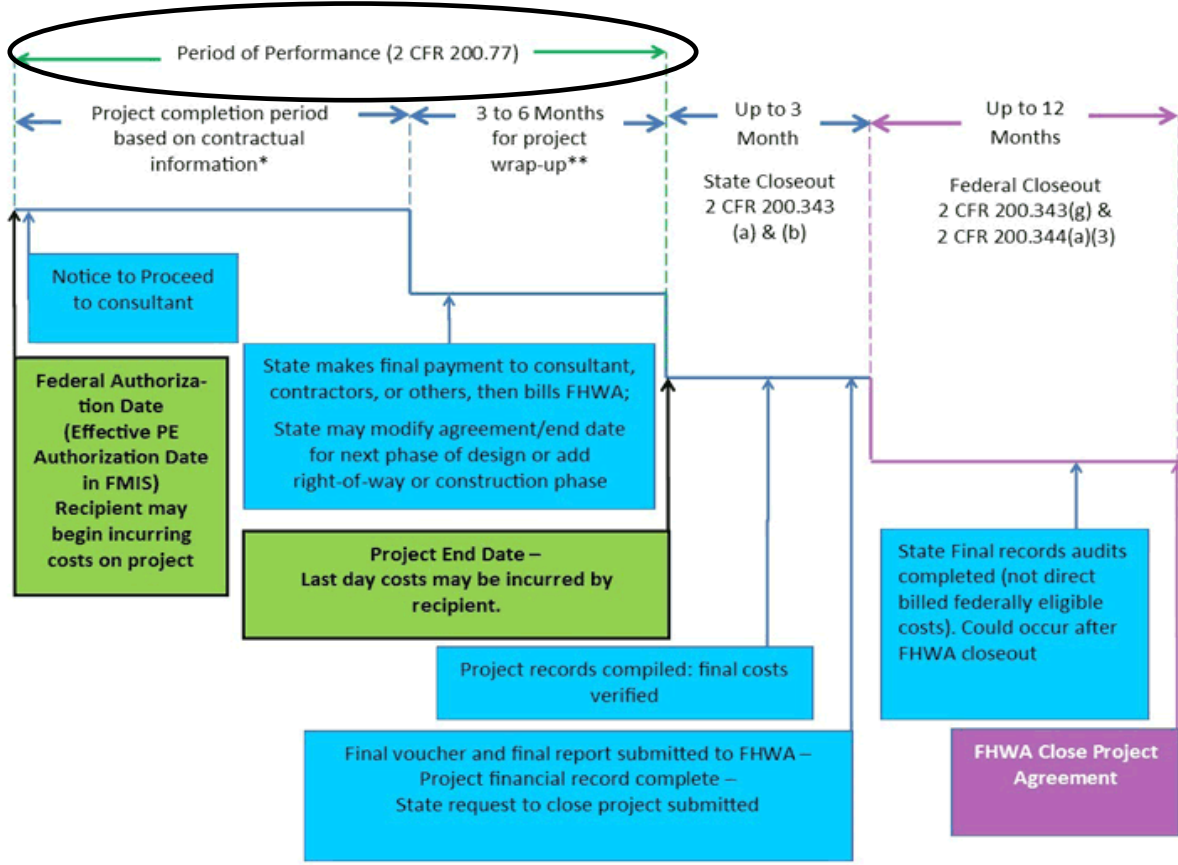
Code of Federal Regulations (CFR) – Federal Rules and Regulations  
2 CFR § 200.344 – Closeout.



- This regulation defines the steps that DeIDOT must take in order to complete the project closeout process.
- FHWA funded projects obligated or whose spending has increased as of November 12, 2020 must submit **all financial, performance, and other reports as required by the terms and conditions of the Federal award**, no later than 120 calendar days after the end date of the period of performance,.
- Unless FHWA authorizes an end date extension, DeIDOT must liquidate all financial obligations under the Federally awarded project and final voucher no later than 120 calendar days after the end date of the period of performance.

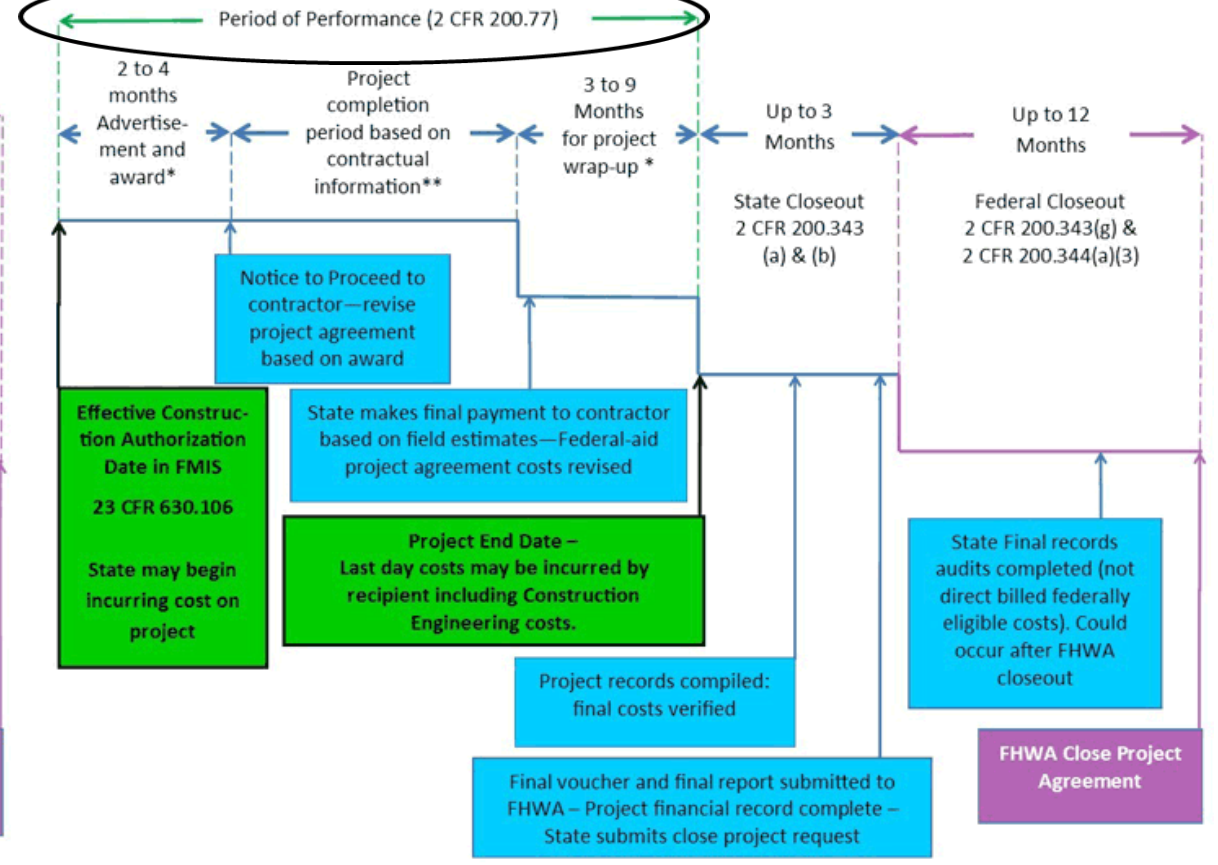
# FISCAL LIFE CYCLE OF A FEDERALLY PARTICIPATING PROJECT

## Consultant Services



\*To be based on the scope of the contract or schedule for authorized work.  
 \*\*Recommended time period for efficiently processed projects.

## Construction



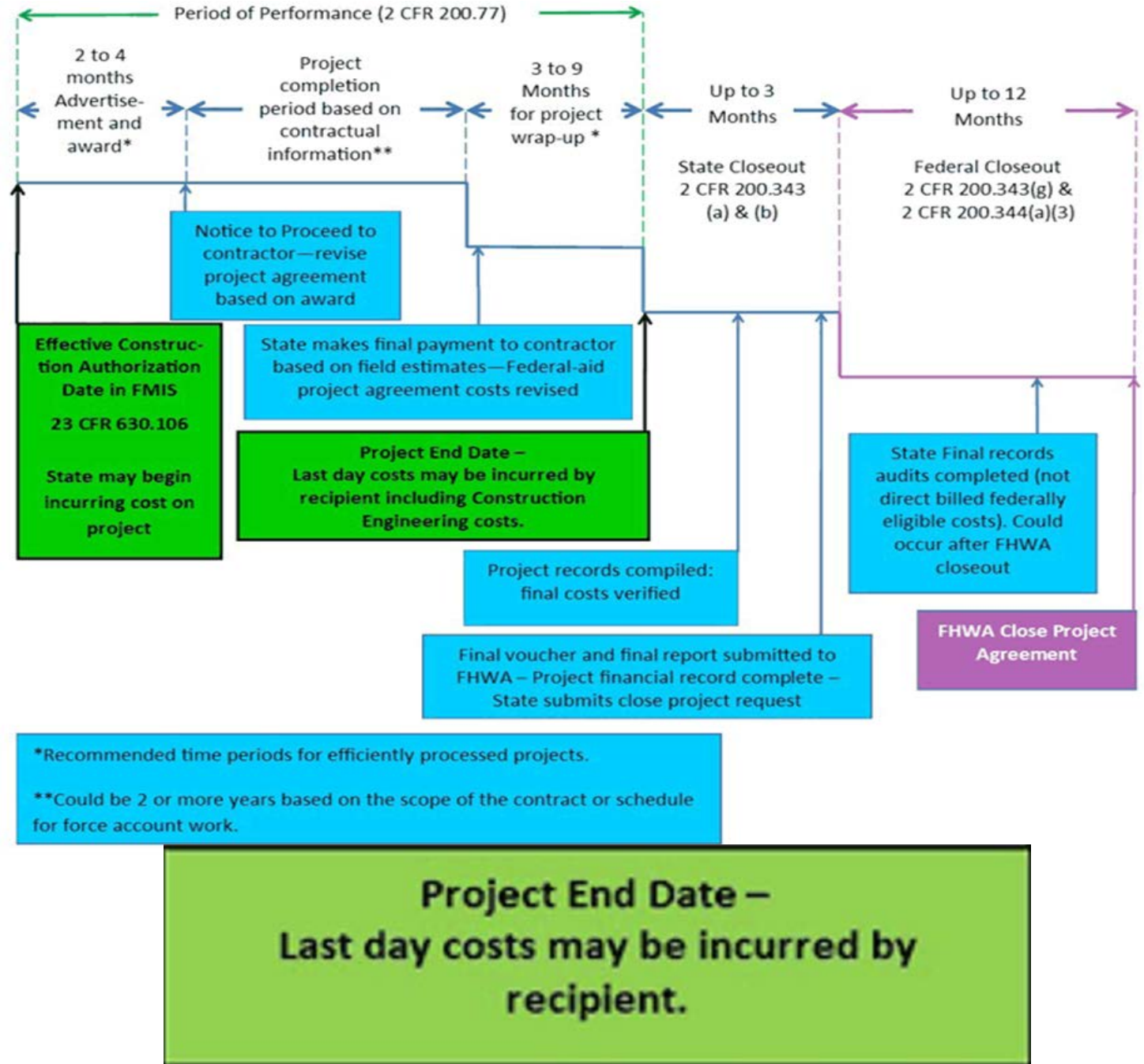
\*Recommended time periods for efficiently processed projects.  
 \*\*Could be 2 or more years based on the scope of the contract or schedule for force account work.

# WHAT IS A PROJECT'S END DATE?

NOT: The FIRST DAY to PAY INVOICES

NOT: Like the expiration date on your Milk  
"Best before this date..."

IS: Last Day to Get Work Done on the Project



## WE'RE HERE TO HELP COVER YOUR REAR END - DATES

- Finance currently reaching out to PMs 3 to 6 months ahead of pending end dates.
- Working with FHWA to extend end dates when we're made aware projects may not meet their current end date.
- Updating our end date procedures to help PMs remain vigilant of end dates & potential need for changes.



# WHY DOES FINANCE & AUDIT NEED ADDITIONAL TIME?

Project Closeout is the final phase of a project lifecycle.

There are 7 recognized steps to closing a project.

1. Finalization and transfer of all deliverables.
2. Confirmation that project is complete.
  - a. Invoices noted as final
  - b. Final estimate
  - c. Acceptance into inventory
  - d. Releases
3. Review of all agreements, contracts, commitments to determine all services have been paid for and no outstanding invoices.
4. Release funding/resources.
5. Conduct a project review.
6. Archive documentation.
7. Celebrate – this is a big accomplishment.



# WHERE DOES THE TIME GO?

Step 4: To comply with CFR 200.302 →

- Finance reviews expenditures by phase and appropriation to show that all three financial systems, FSF, FACTS & FMIS are in agreement. →
- These values are compared to the Risk Assessment and Audit’s review documentation to address any outstanding findings.
- Finance finalizes releasing funds (takes all funding off the project)
- Begins the “Final Voucher” or PR-20 in FMIS. →

## §200.302 Financial management.

(a) Each state must expend and account for the Federal award in accordance with state laws and procedures for expending and accounting for the state's own funds. In addition, the state's and the other non-Federal entity's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award. See also §200.450.

SPR Research Program FY2016

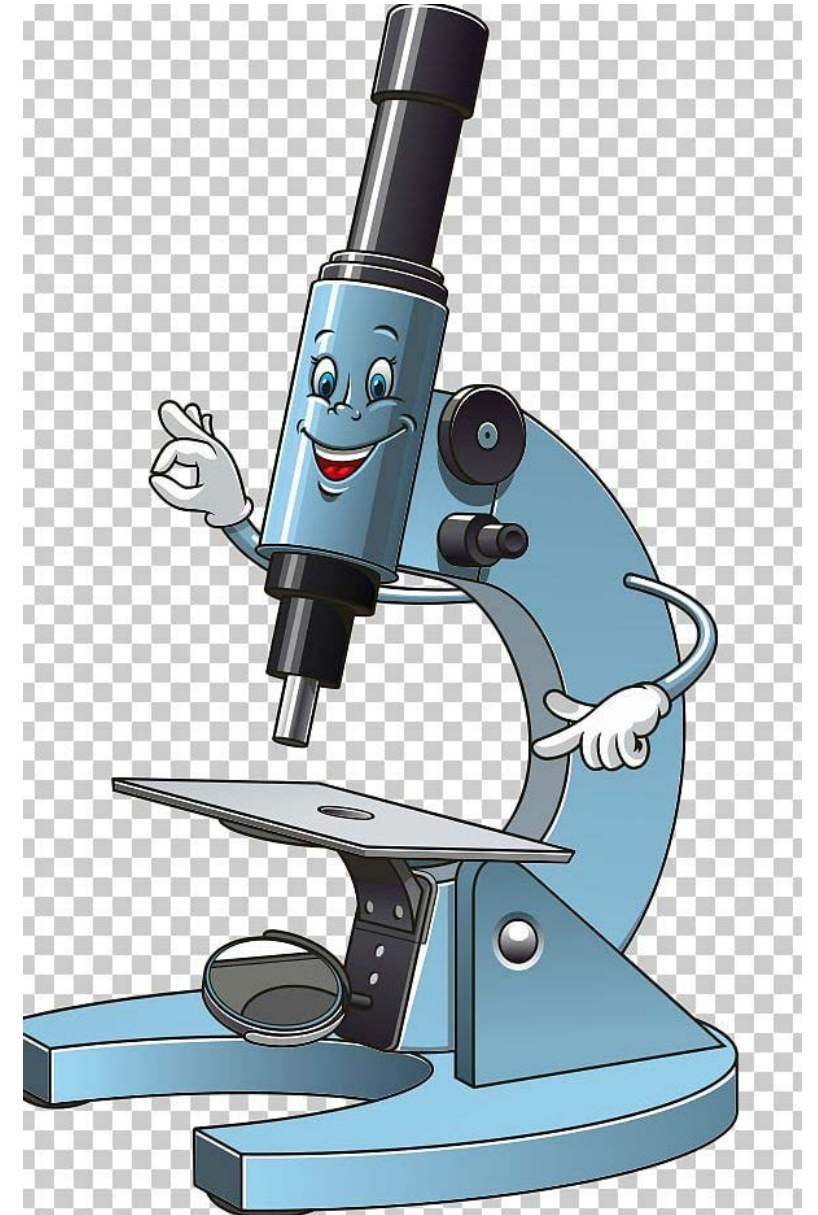
| Program Code  | Phase | Project Total       | State               | Percent | Federal             | Percent | "J"    | Percent |
|---------------|-------|---------------------|---------------------|---------|---------------------|---------|--------|---------|
| L56E          | PD    | \$213,601.41        | \$42,720.28         | 20%     | \$170,881.13        | 80%     | \$0.00 | 0%      |
| M560          | PD    | \$15,636.51         | \$3,127.30          | 20%     | \$12,509.21         | 80%     | \$0.00 | 0%      |
| M56E          | PD    | \$605,934.85        | \$121,187.00        | 20%     | \$484,747.85        | 80%     | \$0.00 | 0%      |
|               | PD    | \$160,646.16        | \$160,646.16        | 100%    | \$0.00              | 0%      | \$0.00 | 0%      |
| <b>TOTALS</b> |       | <b>\$995,818.93</b> | <b>\$327,680.74</b> |         | <b>\$668,138.19</b> |         |        |         |

| TOTAL ACTUAL COST   | TOTAL PARTICIPATING COST | PRO-RATA OF PARTICIPATING COST CLAIMED FROM U.S. | TOTAL AMOUNT CLAIMED FROM U.S. | LESS PREVIOUS PAYMENTS | NET AMOUNT CLAIMED  |
|---------------------|--------------------------|--------------------------------------------------|--------------------------------|------------------------|---------------------|
| \$835,172.77        | \$835,172.77             | 80%                                              | \$668,138.19                   |                        | \$668,138.19        |
| \$160,646.16        |                          | 0%                                               |                                |                        |                     |
| <b>\$995,818.93</b> | <b>\$835,172.77</b>      |                                                  | <b>\$668,138.19</b>            |                        | <b>\$668,138.19</b> |

# REVIEW, REVIEW AND REVIEW SOME MORE

Step 5:

- Audit is reviewing all expenditures to ensure compliance with all terms of agreements and contracts, as well as Federal and State guidelines.
- That funding was appropriately approved, obligated, allotted and expended.
- That internal controls at a Department and entity level were adequate and followed.
- That expenditures were approved, reasonable, supported and documented.
- That all deliverables (products and services) were received in accordance with project terms.





## STEPS 6 & 7:

# PRODUCE REPORTS, MEMOS, & RISK ASSESSMENTS

Risk assessments show all the entities paid by fund type and phase, referencing agreements, contracts and results of review.

Findings will be processed by Finance and when resolved notify Audit and complete the PR-20 to close the project in all accounting systems.

Celebrate!

Anticipate closing approximately 200 projects annually.

State Contract No.: T2004-122-01  
 Federal-Aid Project No.: NH-K008(005)  
 Federal Program Code(s): L050 / L05E / M001 / M0E1 / Q050 / Z001  
 Project Description: SR 1, Thompsonville Grade Separated Intersection

Risk Assessment: EA20-1057

| Vendor                             | Agr#       | Task# | Phase  | Total            | Federal          | State           | Other | Sponsor |
|------------------------------------|------------|-------|--------|------------------|------------------|-----------------|-------|---------|
| Century Engineering, Inc           | 1376       | 12    | PE     | \$ 13,625.58     | \$ 10,900.46     | \$ 2,725.12     | \$ -  | \$ -    |
| Century Engineering, Inc           | 1583       | 13    | PE     | 25,103.91        | 20,083.13        | 5,020.78        | -     | -       |
| City of Milford                    | 86U-06-050 |       | PE     | 6,500.00         | 5,200.00         | 1,300.00        | -     | -       |
| Division of Accounting             | DC         |       | PE     | 132.07           | 105.66           | 26.41           | -     | -       |
| Environmental Resources, Inc       | 1573       | 27    | PE     | 22,420.35        | 17,936.28        | 4,484.07        | -     | -       |
| McCormick Taylor, Inc              | 1414       | 6     | PE     | 515.34           | 412.27           | 103.07          | -     | -       |
| TBE Group, Inc                     | 1462       |       | PE     | 91,222.92        | 72,978.34        | 18,244.58       | -     | -       |
| Walton Corporation                 | 1394       |       | PE     | 24,031.43        | 19,225.14        | 4,806.29        | -     | -       |
| Walton Corporation                 | 1394       |       | PE     | 21,810.00        | -                | 21,810.00       | -     | -       |
| Sub-total                          |            |       |        | \$ 205,361.60    | \$ 146,841.28    | \$ 58,520.32    | \$ -  | \$ -    |
| AECOM Technical Services, Inc      | 1696       | 10    | CE     | \$ 73,352.64     | \$ 58,682.11     | \$ 14,670.53    | \$ -  | \$ -    |
| Aqua Infrastructure Rehabilitation | 1617       | 2     | CE     | 58,596.55        | 46,877.24        | 11,719.31       | -     | -       |
| Century Engineering, Inc           | 1679       | 16    | CE     | 1,464,511.94     | 1,171,609.57     | 292,902.37      | -     | -       |
| Division of Accounting             | DC         |       | CE     | 228.24           | 182.60           | 45.64           | -     | -       |
| Pennoni Associates, Inc            | 1657       | 3A    | CE     | 71,692.89        | 57,354.31        | 14,338.58       | -     | -       |
| URS Corporation                    | 1696       | 10    | CE     | 84,891.59        | 67,913.28        | 16,978.31       | -     | -       |
| Sub-total                          |            |       |        | \$ 1,753,273.85  | \$ 1,402,619.11  | \$ 350,654.74   | \$ -  | \$ -    |
| Mumford & Miller Concrete, Inc     | Bid        |       | CO     | \$ 11,531,132.30 | \$ 9,224,905.84  | \$ 2,306,226.46 | \$ -  | \$ -    |
| Mumford & Miller Concrete, Inc     | Bid        |       | CONTIN | 1,780,845.11     | 1,424,676.09     | 356,169.02      | -     | -       |
| Sub-total                          |            |       |        | \$ 13,311,977.41 | \$ 10,649,581.93 | \$ 2,662,395.48 | \$ -  | \$ -    |
| Buckley's Photo Lab, Inc           | DC         |       | PD     | \$ 122.10        | \$ -             | \$ 122.10       | \$ -  | \$ -    |
| Century Engineering, Inc           | 1223       | 4     | PD     | 417,889.44       | -                | 417,889.44      | -     | -       |
| Century Engineering, Inc           | 1223       | 26    | PD     | 206,187.46       | -                | 206,187.46      | -     | -       |
| Department of Transportation       | DC         |       | PD     | 40.00            | -                | 40.00           | -     | -       |
| Division of Accounting             | DC         |       | PD     | 1,102.82         | -                | 1,102.82        | -     | -       |
| Hyatt Regency San Antonio          | DC         |       | PD     | 325.74           | -                | 325.74          | -     | -       |
| Independent Newspapers, Inc        | DC         |       | PD     | 176.75           | -                | 176.75          | -     | -       |
| News Journal Co                    | DC         |       | PD     | 554.26           | -                | 554.26          | -     | -       |
| Percival McNeil                    | DC         |       | PD     | 454.91           | -                | 454.91          | -     | -       |
| South Bowers Volunteer Fire Co     | DC         |       | PD     | 50.00            | -                | 50.00           | -     | -       |