FEDERAL REGULATIONS THAT GUIDE CLOSEOUT

2 CFR § 200.344 – Closeout.

- This regulation defines the steps that DelDOT 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, DelDOT 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

- Period of Performance (2 CFR 200.77)
  - Project completion period based on contractual information
  - 3 to 6 Months for project wrap-up

  - Notice to Proceed to consultant
  - Federal Authorization Date (Effective PE Authorization Date in FMIS) Recipient may begin incurring costs on project
  - State makes final payment to consultant, contractors, or others, then bills FHWA
    - State may modify agreement/ends date for next phase of design or add right-of-way or construction phase
  - Project End Date - Last day costs may be incurred by recipient
  - Project records compiled; final costs verified
  - Final voucher and final report submitted to FHWA – Project financial record complete – State request to close project submitted

  - CFR = Code of Federal Regulations

Construction

- Period of Performance (2 CFR 200.77)
  - 2 to 4 Months
  - Advertisement and award
  - Project completion period based on contractual information

  - Notice to Proceed to contractor – revise project agreement based on award
  - Effective Construction Authorization Date in FMIS
  - State makes final payment to contractor based on field estimates – federal-aid project agreement costs revised
  - Project End Date – Last day costs may be incurred by recipient including Construction Engineering costs
  - Project records compiled; final costs verified
  - Final voucher and final report submitted to FHWA – Project financial record complete – State submits close project request

  - CFR = Code of Federal Regulations

*Recommended time periods for efficiently processed projects.
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*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.

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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.
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.