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SECTION C
Chapter 5-Appendix

CERTIFIED AGENCY
Desk Procedures

Oregon Department of Transportation <u>ODOT Local Program</u>  DESK PROCEDURES <i>May 4, 2007</i>	NUMBER	SUPERSEDES
	EFFECTIVE DATE 4-1-2006	PAGE NUMBER
	VALIDATION REVIEW DATE 5-4-2007	
	REFERENCE <i>LPACP Agreement No. 21492; Misc. Contracts & Agreement No. 23007 –AOC–LOC; Title 23 CFR Parts 1.11, 140, 710.</i>	
SUBJECT Local Public Agency Certification Program Process for Reimbursement of Federal Funds	APPROVED SIGNATURE	

A. PURPOSE

1. To set the standard method followed by the Oregon Department of Transportation (ODOT), Regional Local Agency Liaison and local agency personnel for processing reimbursements of federal funds to certified or conditionally certified local agencies; and
2. Outline procedures that will facilitate compliance with the Master Certification Agreement between ODOT and the local agency.

B. DETERMINING USE OF THE REIMBURSEMENT (PAYMENT) PROCESS

The reimbursement process is used only after:

1. ODOT and the local agency have signed a Master Certification Agreement, Supplemental Project Agreement(s); and
2. The local agency is conditionally certified or certified through ODOT's Certification Program,
3. The project prospectus has been signed; and
4. FHWA Fiscal Management Information Systems (FMIS) agreement is signed by FHWA authorizing the federal funds for a specific phase of the project.

C. GUIDELINES PURSUANT TO THE MASTER CERTIFICATION AGREEMENT

Local Agency Responsibilities –

- The local agency shall present invoices for 100 percent of actual costs incurred by the local agency on behalf of the project directly to ODOT's Regional Local Agency Liaison for review, approval and reimbursement to the local agency.
- Billings for preliminary engineering and construction engineering shall be presented for periods of not less than one-month duration, based on actual expenses to date.
- Regarding billings for construction contractor payments, the local agency will request reimbursement from ODOT then ODOT will reimburse the local agency within ten (10) working days of receipt of payment request from the local agency.
- The local agency's actual costs eligible for federal-aid or state participation shall be those allowable under the provisions of Federal-Aid Policy Guide (FAPG), Title 23 CFR Parts 1.11, 140, 710.

- Final billings shall be submitted to ODOT for processing within three (3) months from the end of each funding phase as follows:
 - 1) Award date of a construction contract for preliminary engineering;
 - 2) Last payment for right-of-way acquisition; and
 - 3) Contract completion for construction.
- Partial billing (progress payment) shall be submitted to ODOT within three (3) months from the date that costs are incurred.
- Final billings submitted after the three (3) months shall not be eligible for reimbursement.
- When the actual total cost of the project has been computed, the local agency shall furnish ODOT with an itemized statement of final costs. The local agency shall pay 100 percent of the final total actual costs. The actual cost of services provided by ODOT are covered in the Supplemental Project Agreements.

ODOT Responsibilities –

- All billings received from the local agency must be approved by ODOT's Regional Local Agency Liaison prior to payment.
- ODOT shall submit all claims received from the local agency for federal-aid participation to FHWA in the normal manner and compile accurate cost accounting records.
- ODOT shall pay the local agency all reimbursable costs of the project.
- ODOT may request from the local agency a statement of costs to date at any time by submitting a written request.
- Payment from ODOT shall be limited to federal funds available as prescribed in the supplemental project agreement for each project and shall follow instructions for reimbursement as described in the Master Certification Agreement.

D. ACRONYMS / ABBREVIATIONS / DEFINITIONS

CFRCode of Federal Regulations
 EA.....Expenditure Account
 FAPG.....Federal-Aid Policy Guide
 ODOTOregon Department of Transportation

E. PROCEDURE FOR REIMBURSING ODOT CHARGES

Responsible Party	STEP / ACTION
ODOT's Regional Local Agency Liaison	1. Requests creation of Expenditure Account (EA) from ODOT's Highway Program Office - Program and Funding Services, for the new project.
ODOT's Highway Program Office	2. Creates an EA for each phase of the project. 3 Assigns a subjob for ODOT charges (such as 000). This subjob will automatically generate a monthly billing to the local agency. 4. Notify Regional Local Agency Liaison when the EA has been set up and provide the Regional Local Agency Liaison with the EA number.
Local Agency	5. Reimburses ODOT for 100 percent of ODOT costs upon receipt of invoices.

Responsible Party	STEP / ACTION
	6. Submits the federal portion of said cost to ODOT's Regional Local Agency Liaison for federal reimbursement under engineering charges. (Payment shall be limited to federal funds available as prescribed in the Supplemental Projects Agreement(s).(e.g. for the City of Portland the Supplemental Project Agreements are 1) Naito #22443; 2) Hawthorne #22461; 3) ITS Flavel #22763; and 4) Union Station #22935).

F. PROCEDURE FOR REIMBURSING CONSTRUCTION CONTRACTOR PAYMENTS (CP) & LOCAL AGENCY PRELIMINARY ENGINEERING (PE) and CONSTRUCTION ENGINEERING (CE) CHARGES

Responsible Party	STEP / ACTION
Local Agency	1. Presents invoice and statement for 100 percent of actual costs incurred by the local agency on behalf of the project, to ODOT's Regional Local Agency Liaison for review, approval, and reimbursement to the local agency. (Local Agency's invoice /statements shall be hardcopy as ODOT cannot process electronic invoices and is not set up for electronic signatures). 2. Assures that all invoices/statements shall include the following: (Sample invoice attached as Exhibit A): a) Invoice number; b) Include a Vendor Number; c) Include a "remit to" name and address; d) Reference the Master Certification Agreement number (e.g. the agreement between City of Portland and ODOT is Agreement No. 21492); e) Reference ODOT's Supplemental Project Agreement number; f) Identify the project by the project name in the Agreement; and g) Include the EA number
ODOT's Regional Local Agency Liaison	3. ODOT's Regional Local Agency Liaison receives the invoice/statements from the local agency. 4. Reviews total amount of itemized expenses, then verifies the percentage amount that will be reimbursed with federal dollars. 5. Reviews, approves the invoice/statements and either: a) Forwards the invoice/statements to ODOT Region Financial Services; or b) Returns the invoice/statements to the local agency for any necessary corrections.
ODOT's Regional Person or Backup	6. Region receives the invoice/statements from ODOT's Regional Local Agency Liaison. 7. Processes invoice/statements for payment to the local agency. 8. Region codes the invoices/statements in the same manner as any other invoice (e.g. EA, subjob & object detail). 9. ODOT's Regional Local Agency Liaison signs the invoice then the

Responsible Party	STEP / ACTION
<p data-bbox="185 884 380 919">Local Agency</p> <p data-bbox="219 993 347 1098">ODOT Financial Services</p>	<p data-bbox="464 191 1438 296">“proper payment person,” in the Region submits for payment (e.g. for Region 1 it is Nati Sherman 503-731-8463, Natividad.A.SHERMAN@odot.state.or.us).</p> <p data-bbox="418 302 1175 333">10. For Construction Contractor Payments only:</p> <p data-bbox="456 338 1487 516">a) Financial Services staff shall assure that the invoices/statements have “EXPEDITE” written on the Batch Maintenance Screen print and this will be attached to the payment batch as the “cover sheet” before it is submitted to ODOT Financial Services /Central Authorization for final payment approval on the batch.</p> <p data-bbox="472 520 1487 590">b) The person that processes the batch shall check and verify that the batch has processed the following day.</p> <p data-bbox="472 594 1487 737">(NOTE: If the invoice for a construction contractor payment does not have “EXPEDITE” written as indicated, the payment will go through ODOT’s normal forty-five (45) day process instead of the ten (10) day process as indicated in the Master Certification Agreement.)</p> <hr/> <p data-bbox="418 783 1451 814">Electronic Deposit to the Local Agency (Contractor Payments Only):</p> <p data-bbox="418 827 1463 932">1. The local agency must supply routing codes and an account number to ODOT Financial Services (e.g. Table Maintenance 503-986-4385, TableMaintenance.ODOTTEAMS@odot.state.or.us)</p> <p data-bbox="418 945 1382 1087">2. ODOT Financial Services establishes a Construction Contract Payment Vendor Number (e.g. regarding the City of Portland and Master Certification Agreement No. 21492, the vendor number is 936002236-41).</p> <p data-bbox="418 1100 1451 1205">3. TEST – First Payment: The first payment to the local agency will be a hard copy check because the first payment “tests” the system (verifies the account numbers etc.).</p> <p data-bbox="418 1218 1409 1323">4. Subsequent Payments - After the first payment, all subsequent payments will be auto deposits. The payment will show on the local agency’s books two days after it is deposited.</p> <p data-bbox="418 1335 1468 1549">5. Once the vendor number is established and the system is tested, then all subsequent payments will go to the one “remit to” address the local agency provided (e.g. for the City of Portland the “remit to” address is: Construction Contract Payments, City of Portland/Accounts Receivable ,– 1120 SW 5th Room 1250, Portland, OR 97204). ODOT cannot separate payments to different departments within the local agency.</p>