

City of Placerville
Standard Operating Procedures for Transportation Project Invoicing
As of August 14, 2023

Purpose:

1. To ensure the timely invoicing of Caltrans and other agency transportation grants and the successful reimbursement of State and/or Federally funded project expenditures.
2. To prevent active projects with remaining available funds be at risk for loss of funding.
3. To ensure the timely closeout of completed State and/or Federally funded projects.

Responsible Departments/Staff:

- Administration Department – City Manager
- Engineering Department – City Engineer
- Finance Department – Assistant City Manager/Director of Finance

General Roles and Responsibilities:

The Engineering Department obtains Federal and State grants for delivery of projects and manages them through project completion. The Finance Department plays a critical role in this process by invoicing projects in accordance with executed agreements with all partnering agencies. State and Federal funded projects must be developed in accordance with the policy and procedural requirements as specified by state law, by the California Transportation Commission (CTC), by Caltrans, and by interagency agreements for administration of those funds. On most federally funded projects, Caltrans has delegation of authority from the Federal Highway Administration (FHWA) and is responsible for ensuring that local agencies administer projects in accordance with the federal requirements. For other funding sources, agencies such as the El Dorado County Transportation Commission (EDCTC) and the El Dorado County Transit Authority (EDCTA) are responsible for ensuring that the City, as a subrecipient, administers funds in accordance with program agreements.

In the instance of Federal and State Highway grants, Caltrans Local Assistance monitors the expenditure of project funds through the receipt of regular project invoicing requesting reimbursement for eligible activities. When the City fails to invoice Caltrans within a 6-month period, Caltrans Local Assistance, in consultation with FHWA, places it on the Inactive Project List, which is monitored by Caltrans, the CTC, Sacramento Area Council of Governments (SACOG), EDCTC, EDCTA, FHWA and the City. A project that is repeatedly on the Inactive Project List is flagged by Caltrans Local Assistance with a warning that the project is at risk of deobligation of funds for failing to invoice within the required time period.

In the case of state-funded and transit projects, it is the responsibility of the City to regularly invoice the project and monitor the timely use of funds requirements. The CTC, via Caltrans, provides only minimal monitoring and notification to the implementing agency regarding timely use of funds requirements and deadlines. Agreements in place provide a 6-month requirement for invoicing projects to prevent loss of funds up to a Timely Use of Funds date or designated reversion date.

The Engineering Department has the primary responsibility of delivering Capital Improvement Projects, managing the project in accordance with any associated cooperative agreement, program supplement agreement (or other applicable agreement) between the City and the administrating state

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agency, grant reporting, and project budget administration. The Finance Department provides accounting support services to the Engineering Department for the said state and federal funds including accounts receivable, accounts payable, audit administration, cash management, cost accounting, and payroll. The Finance Department has the primary responsibility of invoicing Caltrans and all other project partnering agencies in a timely manner for incurred and eligible expenditures on active projects that have remaining funds available. In addition to regular and timely project invoicing, the Finance Department is primarily responsible for preparing the final invoice when projects are completed and advancing towards close out. The Engineering Department is responsible for preparing the associated closeout schedules and submitting them, along with the final invoice, to Caltrans.

The Engineering Department and the Finance Department work together in these associated processes of project delivery and the City Manager manages both departments and retains delegative authority.

Procedures:

The Engineering Department shall provide copies of award letters, cooperative agreements, program supplement agreements, finance letters, form E76s, state allocation letters, and any other agreements associated with funding of CIP Projects to the Finance Department when made available by Caltrans or other agencies. When local matching funds are required, the Engineering Department shall coordinate with the Finance Department in identifying the source of the matching funds for each grant.

The Engineering Department shall provide a list of active State and Federal projects and funding types and how they apply to each phase of work. This list shall be shared and shall be a working list available at all times to Engineering Staff, Finance Staff, and Administration. When changes are made to this list, notification shall be made to each of the three departments. However, it is the responsibility of each department to regularly monitor this list and be aware of changes. The provided list shall include the City's project title, project code, federal and state project number, advantage project ID (PPNO), grant amount for each phase (e.g., project approval and environmental documentation, engineering design/ PS&E, right of way, or construction phase which includes construction engineering, Federal or State reimbursement rate, state remarks, and critical dates, etc.). Such dates include Timely Use of Funds, deobligation dates, reversion dates, Project End Dates that induce the need for a Cooperative Work Agreement, and invoicing dates; all of which can be found on the project finance letter, allocation letter, and/or the authorization agreement summary (E-76).

The Engineering Department and the Finance Department shall coordinate in establishing project code(s) for each project before revenues are appropriated and encumbrances are approved by the City Council. Consideration for the number of revenue sources, project phases, and types of assets being designed and/or constructed shall be made when identifying the necessary project code(s). The Finance Department shall establish the new project code(s) and email them to the Engineering Department within five business days or less of the request.

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The Finance Department shall prepare and submit progress payment invoices to Caltrans Local Assistance or other partnering agencies for each active State and/or Federally funded project and each source of funding on a quarterly basis. Invoices shall be prepared a minimum of 10 days prior to the end of the quarter/90 days for that invoice.

It is understood that the Finance Department has the option and is encouraged to stagger invoices in 90-day tracks for workload efficiency. When quarterly project expenditures are less than \$1,000, the Finance Department may delay the issuance of the associated invoice to Caltrans or other agency for an additional 30 calendar days in an effort to accumulate additional project expenditures. However, in no case shall an invoice not be submitted in less than 120 day intervals.

If Caltrans Local Assistance or other partnering agencies request corrections to a progress payment invoice, the Finance Department shall submit a corrected invoice within five (5) business days. Copies of the said invoices and payment checks shall be sent to the City Manager and the City Engineer electronically via email.

It is understood that when grant funds are not available or there are no billable project expenditures, the timing of each invoice may be delayed. In this case, the Finance Department shall send a list of Caltrans grants that were not invoiced on a quarterly basis to the City Manager and City Engineer within five (5) business days of the end of the quarter and project invoicing cycle.

The Engineering and Finance Departments will hold quarterly meetings to review and discuss project invoicing, funding sources, and project delivery requirements.

Six months prior to the timely use of funds date, or other reversion date, /and/or deobligation date (whichever comes first), the Engineering Department shall email a reminder message to the Finance Department and cc the City Manager, to invoice any remaining grant funds for the applicable phase of work. Three months prior to the timely use of funds, or reversion date, and/or deobligation date, the Engineering Department shall email a second reminder message to the Finance Department and cc the City Manager to invoice any remaining grant funds. Two months prior to the timely use of funds date, reversion date, and/or deobligation date, the Engineering Department shall email a third reminder message to Finance Department and cc the City Manager to invoice any remaining grant funds. The Finance Department shall submit an invoice to Caltrans Local Assistance no later than 60 days before the timely use of funds date unless there are no expenditures to invoice. If there are no expenditures to invoice, the Finance Department shall email a message to the Engineering Department and cc the City Manager alerting them of the situation.

If additional time is needed to closeout a Federally funded project before its reversion date and/or deobligation date, the Engineering Department shall email a cooperative work agreement to Caltrans requesting a time extension at least six months before the reversion date and/or deobligation date and cc the City Manager and the Finance Department to coordinate with Caltrans or other partnering agencies to discuss the progress of the project to closeout (e.g. environmental mitigation requirements).

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If additional time is needed to closeout a State funded project before its timely use of funds, reversion date and/or deobligation date, the Engineering Department shall seek all available remedies to effectuate a time extension and coordinate with Caltrans to discuss the progress of the project to closeout (e.g. environmental mitigation requirements). When a state and/or federally funded project is completed and/or the grant funds have been fully expended, the Engineering Department shall email a request to the Finance Department to prepare a final invoice to be included as part of the close out document package submitted to Caltrans or other partnering agencies. The Finance Department shall prepare a final invoice within 30 business days of receiving the request and email it to the Engineering Department.

The Engineering Department shall prepare the various closeout items and submit them along with the final invoice as the closeout package to Caltrans Local Assistance or other partnering agencies within 30 business days of receiving the final invoice from the Finance Department. If Caltrans Local Assistance requests corrections to the closeout package, the Engineering Department shall submit a corrected closeout package to Caltrans Local Assistance within ten (10) business days. If corrections are requested on the final invoice, the Finance Department shall make the corrections and provide a revised final invoice to the Engineering Department within ten (10) business days.

Reviewed and approved:



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