

**NORTH CAROLINA DEPARTMENT OF TRANSPORTATION
PUBLIC TRANSPORTATION DIVISION**



**FINANCIAL MANAGEMENT SECTION TRAINING
MANUAL**

Table of Contents

Introduction.....3
Part 1 – Request for Reimbursement (RFR).....4
Part 2 – (RFR) Supporting Documentation6
 - Guidelines for Completing PTD (RFR).....10
Part 3 – Revisions/Amendments.....15
Part 4 – Steps for Completing Revisions/Amendments.....17
Part 5 – Extension for Project Period of Performance (POP).....24
 - POP General Guidelines and Procedures27

Introduction

The Financial Management Unit for the Public Transportation Division has a critical role to play in supporting local government and agencies in their pursuit of transit development and assisting them wherever possible to achieve success in their transportation endeavors. However, local governments are not expected to run transit systems alone. The fundamental shift in government requirement and mode of operation asked of local government in the strategy to pursue their goals and objectives cannot be underestimated. The Public Transportation Division will continue to work closely with local transit systems to provide leadership and direction in transit in North Carolina, and to develop standard-based framework, policies and guidelines that support the development of transit in the state. The Public Transportation Division works with transit authorities to facilitate regionalization and to raise awareness to promote the benefit of transit in the state of North Carolina. The State and Federal Transit Administration provide grants to help improve public transportation in urban, rural areas, and between communities. The PTD provides transportation service to individual with disabilities, work-first, and the general public. The Moving Ahead Program is the drive to achieve these objectives. These programs will not be achieved without the role of financial management. The Unit provides timely processing of invoice payments transaction to vendors and grantees, while maintaining a friendly and helpful relationship. The Unit also provides accounting, financial management reporting, and funds status services.

Part 1 -- Request for Reimbursement (RFR)

Background

NCDOT-PTD administers State and Federal public transportation grant programs in North Carolina. Local systems and agencies apply for and are awarded grant funding. As the systems and agencies incur expenses, they submit a Request for Reimbursement (RFR) to PTD's Financial Management Section (FMS).

PTD uses a web-based computer program called System Application Program (SAP) to collect the financial and accounting information needed to process the reimbursement requests. Funds for each project are set up in purchase orders in the department's fiscal accounting system. After FMS enters requests for reimbursement in SAP, it forward requests for payment to the department's Commercial Accounts section which disperses funds.

Purpose

This document outlines the general steps that Grantees will use when processing request for reimbursements.

Processing Steps

The table below presents the general steps Grantees need to do when processing a request for reimbursements. These steps will be applied to all reimbursement requests submitted to PTD.

- | | |
|--------|--|
| Step 1 | Ensure period covered is within the contract's period of performance. |
| Step 2 | Include supporting documentation (if applicable) using the Uniformed Transportation Accounting System (UPTAS) . Grantees exempt from submitting supporting document must also follow the UPTAS. See the request for reimbursement-supporting documentation for specific guidelines. |
| Step 3 | Expenditures submitted for request for reimbursement must fall within the period covered. |
| Step 4 | The Authorized Official, Designee or Alternate Designee must sign the invoice, cover letter, and DBE vendor payment form. Include progress reports if applicable. |
| Step 5 | Mail the reimbursement request to:
Mr. Charlie Wright, Financial Manager
Public Transportation Division
1550 Mail Service Center
Raleigh, North Carolina 27699 |

Processing Deadline

Requests for reimbursement should be processed either monthly or quarterly. If there are no activities on a project at the end of the quarter, a progress report must be submitted with a cover letter.

Payments can be delayed due to the following:

- RFR not signed by authorized official or designee.
- Inadequate or no supporting documentation
- No cover letter
- Cover letter not signed by authorized official or designee.
- No DBE payment form
- Approved budget, Year-to-Date, and Balances are incorrect.
- Ineligible expenditures
- RFR missing information such as WBS number, vendor, period covered, date etc.

Part 2 -- RFR-- Supporting Documentation

Background

Local systems and agencies submit a request for reimbursement to the PTD Financial Management Section in order to receive reimbursement after costs are incurred for the project. As part of this process, Financial Management staff must review the supporting documentation, such as invoices and receipts, to ensure accuracy, completeness and acceptability. This process for supporting documentation is one step in the overall Request for Reimbursement procedure.

Purpose

This document presents:

- the steps for processing the supporting documentation;
- the required documentation for each type of expense (or object code).

Who Must Submit Documentation

All Grantees must submit supporting documentation for all capital expenditures. All capital expenditures equal to or greater than \$3,000 must be accompanied with a procurement checklist and a signed copy of the federal requirements if receiving federal funds. If purchased under state contract, submit the procurement form with the state contract number written on it. Systems covered under the Single Audit Act (submitting an A-133 audit) are exempt from submitting supporting documentation for administrative expenses. However, all systems should maintain this documentation locally. The NCDOT reserves the right to request supporting documentation to monitor acceptability of expenditures.

Steps for Grantee

The following chart presents the steps that grantees should use to prepare and submit supporting documentation for administrative expenses. (same rules apply to all other grants when submitting documentation).

- | | |
|--------|--|
| Step 1 | Group invoices and receipts by object code and paperclip together. Clearly mark each group with the corresponding object code from the approved budget in the PTD invoice form. |
| Step 2 | Clearly circle or highlight the eligible expenses on each invoice and receipt (See <u>Eligible Expense</u> table in this section of the Policy and Procedure Manual; refer to UPTAS for detailed descriptions of eligible expenses). Documents must clearly indicate subtotals before taxes. The department does not participate in reimbursement of sales tax expenses since grantees can file for reimbursement with the North Carolina Department of Revenue. |

Step 3

Note the check number and date paid on each invoice/receipt. Reimbursement requests should be submitted for eligible expenses for which the project was paid during the period covered. Overdue balances and late fees are not eligible expenses.

Note

The Grantee can write explanations on the supporting documentation such as rebates, split cost, etc so PTD can have a better understanding of the expenditure(s).

Required Documentation

The following table presents the required documentation for each type of administrative expense (or object code).

OBJECT CODE	Title	Required Documentation
121 - 189	Salaries, Wages, & Fringes	Payroll detail register by each position for which reimbursement is being requested.
191	Accounting	Invoice from accounting firm. NCDOT must have a copy of the engagement letter or third-party contract on file between the grantee and the accounting firm.
192	Legal	Invoice from attorney. NCDOT must have a copy of the engagement letter or third-party contract on file between the grantee and the law firm.
195	Management Consultant	Invoice from management company. NCDOT must have a copy of the third-party contract on file between the grantee and the firm.
2XX	Supplies & Materials	Vendor invoices or receipts.
3XX	Travel & Transportation (other than employee development)	Copy of local expense voucher and receipts for meals and lodging; conference registration receipt or confirmation letter.
321 & 33X	Telephone & Utilities Service	Monthly invoices including summary pages with detailed expenses and sales tax breakout. Drivers cell phones are an ineligible expense. This is an operating expense.
325	Postage	Receipts.
34X	Printing & Binding	Vendor invoices or receipts.
35X	Repairs & Maintenance	Vendor invoices or receipts.
37X	Advertising/Promotion	Vendor invoices or receipts.
38X	Computer Processing Services – Contracted	Vendor invoices or receipts.
391	Legal Advertising	Vendor invoices or receipts.
396	Management Services	Copy of invoice from management company for

OBJECT CODE	Title	Required Documentation
		services rendered during the period covered. NCDOT must have a copy of the third-party contract on file between the grantee and the management firm.
41X	Lease of Real Property	Copy of lease agreement should be submitted with first invoice.
43X	Lease of Equipment	Copy of lease agreement.
44X	Service & Maint. Contracts	Vendor invoices or receipts.
45X	Insurance & Bonding	Vendor invoices or receipts.
481	Central Services	NCDOT must have Approved Cost Allocation Plan on file. Reimbursement will not exceed amount in approved budget. Once indirect cost plan is reviewed by NCDOT, no additional supporting documentation is required to be submitted with requests for reimbursement. Expenses should be charged in equal amounts either on a monthly or quarterly basis.
491	Dues and Subscriptions	Copies of invoices or receipts.

Required Documentation

Vehicle reimbursement requests must include the following additional documentation:

- Vendor invoice - original;
- Executed “Advance Payment Certification” with original signature (required if grantee wants to request payment from NCDOT prior to issuing payment to the vendor);
- Copy of order form sent to vendor;
- Copy of vehicle title application (MVR-1);
- Vehicle inspection form.

Other Required Documentation

Supporting documentation is required for other specific programs. The following table outlines by program the types of supporting documentation that is required unless otherwise requested by PTD’s staff.

Program	Report
Section 5303	DBE Vendor Payment form. Narrative Progress Report of activities completed during the quarter.
Section 5307	DBE Vendor Payment form. FTA Quarterly Progress and Milestone report; narrative Progress report of activities completed during the quarter.

Section 5309	DBE Vendor Payment form. FTA Quarterly Progress and Milestone report; narrative Progress report of activities completed during the quarter.
Section 5311	DBE Vendor Payment form. Progress report of activities completed even if no expenditures for the period were incurred.
Advance Technology	DBE Vendor Payment form, Quarterly Progress Reports, Progress Report and a Reimbursement Request.
Rideshare	DBE Vendor Payment form and Annual report with final invoice.
Demonstration Grant	DBE Vendor Payment and Progress Report with each reimbursement request or at least quarterly.

Supporting documentation for all vehicles:

Program	Supporting Documentation
Section 5311	Vendor invoice, MVR-1 form, and order form.
All other programs	Vendor invoice and receipt.

Although some Grantees are exempt from forwarding supporting documentation for administrative expenses to the division, they are still required to maintain supporting documentation locally for a period of five years from the date of final payment as per Title 9 North Carolina Administrative Code (N.C.A.C.) Subchapter 3M (nonprofits) and “Records Retention and Disposition Schedule – Public Transportation Systems and Authorities, April 1, 2006,” (public bodies).

Note: Invoices/receipts must clearly show subtotals prior to taxes. The department does not participate in reimbursement of sales tax expenses for which grantees can file for reimbursement with the North Carolina Department of Revenue. For information regarding reimbursement of sales tax expenses, contact N.C. Department of Revenue at 1-877-252-3052, or refer to the following:

Nonprofits: www.dor.state.nc.us/practitioner/sales/bulletins/section17.html. Item 17-2G of this Bulletin lists taxes for which the refund provisions do not apply. PTD will reimburse taxes (except for highway use tax) paid by nonprofit grantees that are listed in 17-2G.

Governments: www.dor.state.nc.us/practitioner/sales/bulletins/section18.html. Item 18-2D of this Bulletin lists taxes for which the refund provisions do not apply. PTD will reimburse taxes (except for highway use tax) paid by governmental (including public transportation authorities) grantees that are listed in 18-2D.

Note: PTD does not participate in the reimbursement of license tags and registration fees.

**GUIDELINES FOR COMPLETING
PTD REQUEST FOR REIMBURSEMENT FORM**

Reimbursement Requests: Requests for reimbursements should be submitted by the grant recipient to NCDOT monthly or quarterly for allowable costs incurred for the project. Expenditures cannot be reimbursed without an Approved Budget for that line item. The Authorized Official, Designee, or Alternate Designee must sign the invoice, cover letters, and DBE forms when requesting reimbursements.

Do not delete/add rows or cells to any worksheets or change the print formats. Some data is automatically carried forward to the next worksheet(s). Due to this, we recommend that you do not copy and paste any data into the worksheets. All requests for reimbursement must include a cover letter on agency letterhead and DBE vendor payment form.

Select the appropriate Invoice template provided by PTD located at <http://www.ncdot.org/transit/nctransit/resources.html>. After the information is entered in the header, the information will carry over through invoice 12 sheet, revision sheet, and DBE Vendor payment and DBE Award form.

After entering the information in Invoice001 tab, the following cells are automatically carried over to the next sheet.

PUBLIC TRANSPORTATION DIVISION – SAMPLE HEADER			
REQUEST FOR REIMBURSEMENT			
PROJECT EFFECTIVE DATE:		MM/DD/YY	
PROJECT SPONSOR: MAILING ADDRESS:			
PROJECT			
INVOICE	WBS ELEMENT	PERIOD COVERED FROM: MM/DD/YY	
		TO: MM/DD/YY	
PO NUMBER		DATE PREPARED	MM/DD/YY
VENDOR NUMBER	DBE/MBE/WBE/HUB VENDOR PAYMENTS		

- Project Sponsor
- Mailing Address
 - Project Number
 - WBS Element
 - PO Number
 - Vendor Number

Project Sponsor	Grantee name that is on contract with NCDOT.
Mailing Address	Address set up in your vendor record with NCDOT .
Project No.	Number assigned by PTD located in grant award letter, contract, and approved project budget. Ex. 11-CT-001.
Invoice No.	Each invoice form is numbered consecutively beginning with 001. If invoices are submitted quarterly, complete invoice 001 for the 1 st quarter and 002 for the 2 nd quarter, etc. If invoiced monthly, complete invoices consecutively beginning with invoice 001. You must request reimbursement at least quarterly but no more frequently than monthly. All who are required to submit supporting documentation for CTP grants are encouraged to request reimbursement monthly. Failure to invoice in a timely manner, at least once a quarter, can result in withdrawal of funding assistance. Invoices must be submitted within 30 days after the end of the period for which you are requesting reimbursement. Ex. Invoice period July 1-July 31 would be due to PTD no later than August 31.
WBS Element	Fiscal account code assigned by PTD, located in grant award letter, contract, and approved project budget. Ex. 36233.199.6.1.
Period Covered	The period for which reimbursement is being requested (period of this invoice). Specify beginning and ending dates of period in MM/DD/YYYY format. Note: When preparing invoices make the period covered does not overlap a previous period. Also, make sure the time period does not skip, it must be consecutive. Ex. From: 07/01/2010 To: 07/31/2010
Purchase Order No.	10 digit number assigned to project by PTD, located on the executed letter, budget, and/or contract. i.e. 570000100.
Vendor No.	Vendor account code assigned by NCDOT that corresponds with the mailing address. Note: Regardless of the grant the Vendor No. will always be the same unless notified by PTD.
Date Prepared	Date invoice was prepared in MM/DD/YYYY format.

DEPARTMENT 4521 – ADMINISTRATION – **SAMPLE BODY**

OBJECT	TITLE	APPROVED BUDGET	EXPENSES THIS PERIOD	YEAR-TO-DATE EXPENDITURE	BALANCE
G121	SALARIES AND WAGES - FULL TIME			\$0.00	\$0.00
G122	SALARIES AND WAGES - OVERTIME			\$0.00	\$0.00
G125	SALARIES AND WAGES-PART-TIME (BENEFITS)			\$0.00	\$0.00
G126	SAL. AND WAGE-TEMP/PT-TIME (NO BENEFITS)			\$0.00	\$0.00
G127	SALARIES AND WAGES - LONGEVITY			\$0.00	\$0.00
G181	SOCIAL SECURITY CONTRIBUTION			\$0.00	\$0.00
G182	RETIREMENT CONTRIBUTION			\$0.00	\$0.00
G183	HOSPITALIZATION INSURANCE CONTRIBUTION			\$0.00	\$0.00
G184	DISABILITY INSURANCE CONTRIBUTION			\$0.00	\$0.00
G185	UNEMPLOYMENT COMPENSATION			\$0.00	\$0.00
G186	WORKER'S COMPENSATION			\$0.00	\$0.00
G189	OTHER (PHYSICALS, BONUS, INS, ETC.)			\$0.00	\$0.00
G191	ACCOUNTING			\$0.00	\$0.00

Grantees must **enter the approved budget amounts** by object code into the worksheet **“invoice 001”** on the invoice template. Refer to the approved project budget that was transmitted with your grant award letter and contract from PTD. Enter a 0 (zero) for line items not included in your approved project budget.

After entering the information in Invoice 001 tab, the following cells are automatically carried over to the next sheet.

- Approved Budget
- Year-To-Date Expenditure
- Balance

Approved Budget

The approved budget information is submitted to the Grantee with the grant award letter and contract from PTD.

Expenses This Period

Enter expenses for the period in which you are requesting reimbursement. Expenses claimed should be eligible expenses the Grantee paid during the period covered in the reimbursement request according to the Uniform Public Transportation Accounting System (UPTAS) or the grantees application. Requests can only be made for the line items with an approved budget. Lines not in the Approved budget will require a Revision. (see Revision instructions)

Note: Expenses must be actual net cost, (i.e., the price paid minus any refunds, rebates, or other items of value received by the Grantee which have the effect of reducing the cost actually incurred). The department does not participate in reimbursement of sales tax expenses for which Grantees can file for tax refunds with the North Carolina Department of Revenue.

Invoices/receipts must clearly show **subtotals prior to taxes**. Overdue balances and late fees interest **are not eligible** expenses.

Taxes eligible for reimbursement includes the following:

- utilities (electricity, piped natural gas, telephone services, etc)
- purchase, lease or rental of motor vehicles (lease/rental by **employee for travel purposes**);
- travel reimbursements to employees or individuals

Please be aware that effective July 1, 2007, grantees shall limit reimbursement for meals, lodging and travel to the rates established by the State of North Carolina Travel Policy. Exemptions are made if the Grantee is requesting per diem rates according to their agency if less than the State of North Carolina Travel Policy. Costs incurred in excess of these rates shall be borne by the Grantee. Travel should be claimed under Line Item G311 (mileage) and G312 (meals and lodging).

Note:

Important Contra Accounts (Revenue Account): It is important for Grantees with operating budgets for the CTP grants to claim revenue on the invoices if contra accounts are in the approved budget. Failure to do so will result in PTD overpaying the Grantee because the revenue had not offset the expenses. In such situations, the grantee will have to mail a check to PTD for the over payment amount or the final invoice will be reduced by the amount overpaid.

Note: Ineligible expenses. If PTD overpaid a Grantee, a check for the overpaid amount must be returned to PTD. Failure to submit a check and a credit invoice can result in future payments and grants be placed on hold.

Final invoices are due to NCDOT Financial Management within ninety (90) days following the end of the Period of Performance. Reimbursement requests should include all eligible cost charged against the project incurred within the period of performance timeframe. Please note that special provisions will be given to accruals such as public utilities and other costs/charges where payments incurred during the period of performance were made after June 30, 20XX on administrative budgets for CTP grants. These requests for reimbursement can be submitted up to September 30, 20XX and/or for expenses that were incurred after the period of performance expiration date are not eligible for reimbursement. In accordance with PTD policy, any remaining federal and/or state matching funds may be de-obligated at that time.

TOTAL COST THIS PERIOD		\$0.00
LOCAL SHARE	15%	\$0.00
STATE SHARE	5%	\$0.00
FEDERAL SHARE	80%	\$0.00
AMOUNT DUE THIS INVOICE	85%	<u>\$0.00</u>

PREPARED BY:	[Redacted]	AUTHORIZED
		SIGNATURE* [Redacted]
TITLE:	[Redacted]	(Authorized Official or Designee)
		AUTHORIZED OFFICIAL/DESIGNEE
PHONE:	[Redacted]	TITLE:

IF APPLICABLE, SUPPORTING DOCUMENTATION IS ATTACHED FOR THE ABOVE EXPENSES

The following cells are adjusted automatically: Total Cost this Period, Local Share, State Share, Federal Share, and Amount Due This Invoice. Changes can be made to the percentages if necessary. The percentages can be adjusted by it should not be necessary in most cases.

Refer to the Appendix A for the Local, State, and Federal Share.

Formulas:

Local = (Total Cost) – [(Total Cost x State %) + (Total Cost x Fed %)]
 State Share= (Total Cost) x (State Share %)
 Federal Share= (Total Cost) x (Federal Share %)
 Amount Due- (Total Cost x State %) + (Total Cost x Fed %)

Amount Due This Invoice- This is the payment amount the grantee will receive from PTD.

Prepared by-Enter the name of the individual and position of who prepared the invoice along with their email and phone number (include area code)

Signature-Authorized official/designee and duty/position title for the grant. If signed by designee, PTD must have a Delegation of Authority form on file signed by the authorized official.

Mail to-Mail the original signed invoice form and supporting documentation (if required) to:

Mr. Charlie C. Wright, Financial Manager
 NCDOT/PTD
 1550 Mail Service Center
 Raleigh, NC 27699-1550

Part 3 -- Budget Revision / Amendment

Background

The PTD approves a budget for each funded application. This budget is divided into line items that follow the federal UPTAS (Uniform Public Transportation Accounting System) format and definition of FTA budget codes. The grantee must submit reimbursement requests that incur costs which fit into these line items. However, as the grantee implements the funded program and the actual program costs shift between the different line items, e.g., office supplies increase and utilities decrease, the grantee must revise these budget line items to match the actual allowable expenses.

Legal Basis

The NCDOT adheres to FTA Circular Grants Management Requirements 5010.1D in administering budget revisions.

Purpose This document presents the:

- general policies for Budget Revisions;
- required budget format;
- revision process, and;
- required documents and approvals for processing.

General Policies

The following list presents the general policies for Budget Revisions.

Total Project Funding -- A Budget Revision does not change the total funding amount of a project. The revision transfers funding among different line items.

Budget Amendments -- If a change to the total funding amount is required, the grantee must request a Budget Amendment. PTD de-obligates any available funding that remains after the original project scope and budget is complete.

Prior to Incurring Costs -- A Budget Revision must be requested and approved prior to incurring costs that require such a revision.

Requests for Reimbursement -- Once the PTD has approved a Budget Revision, the grantee must use the revised budget and line items for all subsequent Requests for Reimbursements.

New Line Items or Quantities-- If adequate funds exist in the total project budget, the grantee can revise the project scope to add line items and/or quantities. Exception: Section 5309 grantees may not add line items to the original project budget.

Transfer within Department -- Funds may not be transferred from one department to another, i.e., transferring funds from the Administrative Budget to the Capital Budget is not allowed. Funds cannot be transferred from one grant to another.

Required Documents

The grantee must submit the following documents to request a budget revision:

Cover Letter -- Authorized Official/Designee must sign letter, and the letter must reference the project number, wbs element, and must provide justification for revision.

TEAM FTA Approval -- Grantee must submit copy of FTA approval from TEAM if FTA prior approval is required (e.g., Section 5307 and 5309).

Current Budget -- Grantee must submit requested budget using the three-column method (See section above for example).

Part 4 - Steps completing Revisions/Amendments

Background

The PTD approves a budget for each funded application. This budget is divided into line items that follow the federal UPTAS (Uniform Public Transportation Accounting System) format and definition of FTA budget codes.

Amendment vs. Revision

Difference between a budget amendment and budget revision:

Amendment - An amendment increases or decreases the total project budget. Even though the Grantee may request changes in the budget line items, the Grantee must request a budget amendment if the total project budget changes.

Revision -- A revision has the same total project budget, but the amounts in the line items change.

Purpose

This document provides a general description how budget revisions/amendments need to be completed.

- ❑ general policies for Budget Revisions and Amendments;
- ❑ required budget format;
- ❑ revision and amendment process, and;
- ❑ required documents and approvals for processing.

General Policies

The following list presents the general policies for Budget Revisions.

Budget Revisions

A budget revision is defined as the transfer of funds between line items within the approved project budget. **A budget revision cannot be used to change the purpose, scope, total dollar amount or terms and conditions of the contract.** NCDOT reserves the right to disallow or limit the amount of funds to be redirected. Requests for a budget revision must be made using the NCDOT-PTD Budget Revision Form. (This form is found on the invoice template).

Budget revisions are submitted by the Grantee to NCDOT to move money from one budget line item to another within the project's approved budget. The project budget total dollar amount remains the same. Funds cannot be moved from one department to another i.e. from the Administration budget to the Capital budget or one grant to another.

Funds cannot be moved from Marketing (G371), Promotional Items (G372), Training- Employee Development (G395), Vehicle Insurance (G452) and (G481) Indirect Costs for CTP grants. On contrary, funds can be added to those line items when doing a revision except G481. If a line item budget exceeds \$1,000 a budget revision is required; otherwise, Administration and Operating revisions should only be requested on December 31st and June 30th. Any revisions to salaries must include a salary and wage revision sheet. All other grant revisions are done on an as need basis; however, sending a revision with every reimbursement request is unacceptable. The form to request budget revisions is located in the invoice workbook at <http://www.ncdot.org/transit/nctransit/resources.html>. (Scroll past invoice012 tab and you should see the Revision template) The same template is used for amendments.

A budget revision must be approved in writing in advance of incurring the costs. Therefore, it is the responsibility of the project sponsor to initiate the revision in time to provide PTD with adequate time to review and provide written approval.

Note: When submitting an invoice along with a revision make sure the approved budget in the invoice reflects the proposed budget in the revision. This saves both PTD and the Grantee time to complete the revision and immediately process the invoice when approved.

Important: Grantees will have to absorb costs if funds are not available to make up the overdrawn line items. A budget cannot have any line items overdrawn in the final reimbursement request. Expenditures must be reduced if actual cost exceeds remaining balance in a line item.

Amendments

An amendment is defined as a change in the existing budget that causes an increase and/or decrease in an existing line item; proposes additional funding for a new line item that expands the scope of work, or; a change in the scope or purpose of a contract.

All budget amendments proposed by the project must be approved by NC Board of Transportation. No costs associated with the amendment are allowed until written notification of the approval of the amendment is provided to the project by Financial Management Unit.

All requests for budget amendments require a cover letter on agency letterhead with a justification for the proposed changes and amount requested. All requests for budget amendments must be submitted in accordance with the policies and procedures established by FTA and the Department.

Requirement – An amendment is required when proposed changes in the contract would:

Alter the scope or purpose of the approved project; or

Require an increase or decrease in the project amount or a change in the federal/state/local matching ratio.

Change of Scope or Purpose - The scope or purpose of a contract is changed by any of the following circumstances:

Changes in the scope that will involve an increase or decrease in the federal and/or state financing of the project; or

Adding or deleting a project budget category from the contract; or
Changes to the size, or physical characteristics of items being purchased that are originally under contract that impact the project budget; or

Changes that will increase or reduce the number of units to be purchased or constructed where the change exceeds the greater of one unit or 10 percent of the number approved in the line item; or

Changes that will increase the total amount allocated to any single cost category in the project budget; or

A change that the NCDOT concludes is significant which modifies a category, project description, or the size of items specified in any contract.

Note: Approval for a budget amendment is based on adequate justification and the availability of funds.

Budget Format

The grantee must submit the revision in the three-column (Current Budget; Amount to Increase/Decrease; and Proposed Budget) format that shows the entire current budget. An example follows:

<u>Object Code</u>	<u>Description</u>	<u>Current Budget</u>	<u>Change</u>	<u>Proposed Budget</u>
114206	Purchase Shop Equipment	\$4,500	\$500	\$5,000
114211	Purchase Support Vehicles	\$32,000	(\$500)	\$31,500
	Total	\$36,500	--	\$36,500

Revision Process

The following table shows the simple Budget Revision process. The responsible entity is in **bold**.

- | | |
|--------|---|
| Step 1 | Grantee's Authorized Official , or designee, submits request and required documents for budget revision to PTD Financial Management Section. For Section 5307 and 5309 projects, if Grantee provides a copy from TEAM of FTA approval. Mail revision and cover letter with justification to:
Mr. Charlie C. Wright, Financial Manager
NCDOT/PTD
1550 Mail Service Center
Raleigh, NC 27699-1550 |
| Step 2 | Financial Management Section will send an approval letter and a copy of the revised budget when complete. |

Amendment Process

- | | |
|--------|---|
| Step 1 | Grantee's Authorized Official , or designee, submits request and required documents for budget an amendment to PTD Financial Management Section. For Section 5307 and 5309 projects, Grantee must provide a copy from TEAM of FTA approval. Mail amendment and cover letter with justification to:
Mr. Charlie C. Wright, Financial Manager
NCDOT/PTD
1550 Mail Service Center
Raleigh, NC 27699-1550 |
| Step 2 | Supplemental contracts will be sent to the Grantee via email. |
| Step 3 | Two supplemental contracts must be printed and signed by the Authorized Official and attested. The contracts will be mailed to the same address in step 1. |
| Step 4 | When completed the Grantee will receive a copy of the contract, supplemental executed letter, and a copy of the revised budget. |

Required Documents

The grantee must submit the following documents to request a budget revision/amendment:

Cover Letter -- Authorized Official/Designee must submit a revision/amendment request on agency's letterhead. The letter must reference the project's grant number, purchase order number, WBS element, and provide justification for revision or amendment.

TEAM FTA Approval -- Grantee must submit copy of FTA approval from TEAM if FTA prior approval is required (e.g., Section 5307 and 5309).

Current Budget -- Grantee must submit requested budget using the three-column method (See section above for example).

Sample Revision Form

NORTH CAROLINA DEPARTMENT OF TRANSPORTATION
PUBLIC TRANSPORTATION DIVISION

BUDGET REVISION / AMENDMENT REQUEST

PROJECT SPONSOR:
MAILING ADDRESS:

PROJECT _____

WBS ELEMENT _____ REVISION NO. 01

VENDOR NO. _____
PO NUMBER _____

DATE: _____

DEPARTMENT 4521 - ADMINISTRATION

OBJECT	TITLE	APPROVED BUDGET	+ / - CHANGE	PROPOSED BUDGET
G121	SALARIES AND WAGES - FULL TIME	\$0	\$0	\$0
G122	SALARIES AND WAGES - OVERTIME	\$0	\$0	\$0
G125	SALARIES AND WAGES-PART-TIME (BENEFITS)	\$0	\$0	\$0
	TOTAL	\$0	0	\$0

PREPARED BY _____

AUTHORIZED OFFICIAL/ _____
DESIGNEE SIGNATURE

TITLE _____

PHONE NO. _____

AUTHORIZED OFFICIAL/DESIGNEE
TITLE

JUSTIFICATION FOR THIS BUDGET REVISION/AMENDMENT REQUEST MUST BE INCLUDED BELOW.

After the **invoice 012** worksheet on the invoice template, you will find two pre-numbered budget revision/amendment worksheets. Use **Revision 01** for your first request, **02** for your second and so on. The **Revision 01** worksheet should already contain your original approved budget (carried over from inv.001). Each revision will forward information to the next revision worksheet. Verify that the budget worksheet contains the correct budget.

Note - No entry required! Information is automatically carried over from entries made in Invoice 001 in the following cells:

- Project Sponsor
- Mailing Address
- Purchase Order Number
- Project No.
- WBS Element
- Revision No.
- Vendor No.

Date-Enter date budget revision/amendment was prepared in MM/DD/YYYY format.

Approved Budget-The **Revision 01** worksheet should contain your original approved budget. If you are working on your 2nd budget request, the **Revision 02** worksheet will contain the new, revised budget from the 1st revision worksheet. Verify that information is correct. All current approved budget line items must be included, regardless of whether you are requesting a change to that line.

Revisions

+/- Change- To increase/decrease a line item enter changes into column “H.” **Only whole dollars should be used.** Ex.

	<u>Current Budget</u>	<u>+/- Change</u>	<u>Proposed Budget</u>
To increase:	\$100	50	\$150
To decrease:	\$300	-50	\$250
Total	<u>\$400</u>	<u>0</u>	<u>\$400</u>

Amendments

+/- Change- To increase/decrease a line item enter changes into column “H.” **Only whole dollars should be used.** Ex.

	<u>Current Budget</u>	<u>+/- Change</u>	<u>Proposed Budget</u>
To increase:	\$100	50	\$150
To decrease:	\$300	50	\$350
Total	<u>\$400</u>	<u>100</u>	<u>\$500</u>

Change total should equal zero (0) for budget revisions since money is being moved between line items. For amendments, the total in the center column will be the total amount you are requesting to increase or decrease the budget.

Proposed Budget-No entry required.

Prepared by-Enter the name of the individual and duty/position who prepared the invoice along with their phone number (include area code) and email address.

Signature-Authorized official/designee and duty/position title for the grant. If signed by designee, PTD must have a Delegation of Authority form on file signed by the authorized official.

Justification-Enter justification on the cover letter.

Note: If you are requesting a budget revision or amendment for changes to salaries, you must complete a Salary and Wage Detail revision (see Wage Revision worksheet) and submit it with your budget revision/amendment request.

Period of Performance Overview

The Period of Performance for NCDOT-PTD grants is defined as the period of time during which the Grantee/Contractor is expected to complete the grant activities outlined in their proposal and grant agreement. The Period of Performance also establishes the timeframe of execution of project activities and period when expenses may be incurred and reimbursed. The Period of Performance for NC DOT-PTD grants shall begin on the date that the grant is approved by the North Carolina Board of Transportation (BOT) and ends on the last day of the performance period unless otherwise stated in the grant agreement. Depending on the type of grant that end date may be 12 months – 36 months.* The Period of Performance will be stated in the grantee cover letter.

Period of Performance Extensions

Period of Performance Extensions are intended to provide additional time for projects that have made reasonable progress to expend funds, invoice and seek reimbursement. By extending a Period of Performance it allows the project to remain in compliance with the terms of the grant agreement. Grantees that are out of compliance in accordance with the contract are subject to loss of funds, suspension or termination of the Agreement.

All requests for a Period of Performance extension must be in writing and on agency letterhead. To be considered for an extension, each grantee must fully complete the **Period of Performance Extension Application** and any requested documentation.

Requests for an extension to the Period of Performance will be considered and assessed in accordance with the provisions of the grant agreement. An Extension will **not** be granted for more than one year. No more than two extensions will be approved for any one grant. Please note that the Scope of Work must remain the same and that any revisions or amendments to the budget are not permitted as a part of the Extension. In accordance with NCDOT-PTD policy, Grantees are required to complete a NCDOT-PTD Requests for Budget Revisions and/or Request for Budget Amendments form for any change in the budget.

*Facility and New Start projects may be exceptions to this guidance.

PERIOD OF PERFORMANCE EXTENSION General Guidelines & Procedures

- Requests for an extension to the POP will be considered upon written request of the grantee and completion of the POP Extension Application.
- Completed POP Extension applications must be submitted with a cover letter and sent to the Assistant Director for Administrative Services. The assigned Mobility Specialist or Project Manager must be copied on the request. Requests must include adequate documentation and/or proof to justify the extension—written explanation of the reason(s) that an extension is needed.
- Unless authorized by the PTD, requests for Period of Performance extensions must be made a minimum of 60 days prior to the original POP expiration.
- Assessment of the request will be in accordance with the provisions of the grant agreement. Financial Management will review the request with the Mobility Development Specialist or Project Manager and verify that all documentation is in order. The Financial Management Manager will provide a recommendation to the Assistant Director of Administrative Services.
- Financial Management will have the authority to approve an extension for the Period of Performance. Final decisions will be provided to the grantee in writing within 30 days of receipt of the completed application.
- A request for a POP extension will not exceed one year.*
- No more than two POP extensions will be granted for any one grant.*
- Mobility Specialist and Project Managers will be available to assist the grantee in completing their application, but DPT staff will not prepare the application on behalf of the grantee.
- Financial Management will send timely reminders to Grantees regarding due dates of reports and other documents.
- Financial Management will monitor and provide oversight on all contracts including: review of progress reports, invoices and convey information to Assistant Directors, Project Managers and Mobility Development Specialist.
- Financial Management will process the invoices/reimbursements.
- Financial Management will provide technical assistance if requested by grantees during the extended Period of Performance.

Grantee

- Grantee will complete the application for a POP Extension in accordance with the written guidelines.
- Grantee will submit request for POP extensions at a minimum 60 days prior to the POP extension.
- Grantee will submit invoices and required documentation monthly or quarterly as required within the Period Covered and Period of Performance.
- Grantee will provide a final request for reimbursement and supporting documentation at a maximum, 90 days following the expiration of the Period of Performance for valid expenditures incurred during the Period of Performance.
- Grantee affirms that in requesting the extension, no change of scope or budget will be proposed.

The following shows the process to extend the POP. The responsible entity is in **bold**.

Step 1 Grantee's **Authorized Official**, or designee, submits a POP application, cover letter, and progress report to: (must be done 60 day prior to the POP expiration date)

By fax: 919 733-1391

Via US Mail

Wayne Rogers
Financial Management Section
1550 Mail Service Center
Street, Room 542C
Raleigh, NC 27601

Priority Mail

Wayne Rogers
Financial Management Section
1 South Wilmington
Raleigh, NC 27601

Step 2 Upon approval or reject, the Grantee will be notified by mail.

**PERIOD OF PERFORMANCE EXTENSION
APPLICATION**

Sample Period of Performance Application

Current POP Extension Date _____	Requested Extension Date _____	
WBS Element: _____	Project #: _____	
DATE: _____	P.O. # _____	
Grantee (<i>Official Name</i>) _____	NCDOT Use Only	
Contact: _____ Phone: () _____		
Email: _____		
Project Description		
1. Reason for Delay. Provide a brief description of the delay re: obstacles, issues that are the reason for the extension.	Adequate <input type="checkbox"/>	Inadequate <input type="checkbox"/>
2. Provide a brief summary of the status of the project. Indicate the progression of activity on the project and provide documentation of dates when project reports were submitted—if no project reports were submitted provide a written project status summary.	Adequate <input type="checkbox"/>	Inadequate <input type="checkbox"/>
3. Plan for Completion. Describe by milestones the activities/tasks that are planned to assure completion.	Adequate <input type="checkbox"/>	Inadequate <input type="checkbox"/>
4. Indicate the number of Period of Performance extensions that have been granted on this project: _____ 1 _____ 2 _____ 3 or more, please explain.	Adequate <input type="checkbox"/>	Inadequate <input type="checkbox"/>
<p>(Agency Name) _____ certifies that the scope of work will be completed within the requested timeframe, _____ 20XX - _____ 20XX. (Agency Name) _____ further agrees that a request for reimbursement for eligible expenses incurred within the Period of Performance will be submitted for reimbursement within the 90 day timeframe following the new Period of Performance end date. All of the provisions of the grant agreement remain in effect and the grantee will continue to abide by the contract and execute the project in the manner identified in the grant agreement.</p> <p>I certify that the project scope of work has not changed and no change of scope or budget amendment or revision is being proposed.</p> <p>_____ _____ Signature of Authorized Representative or Delegate Date</p>		
<p>For DOT Use Only Recommendation: <input type="checkbox"/> Approve <input type="checkbox"/> Not Approve _____ Signature and Date</p> <p>Comments:</p>		