Chapter 17 - Local Project Close-outs
Internal Procedures for Locally Administered Federal Aid Projects

17.1 Introduction

This chapter discusses the requirements for closing-out locally administered Federal-aid projects, and is directed primarily to the Regional Local Project Liaisons (RLPLs) and Units within the Main Office Accounting Bureau (Expenditures, Revenue, Federal Aid, and Marchiselli). Additional guidance related to close-out is provided in Chapter 16 - Audit Requirements.

17.2 Background

NYSDOT formally commits funding to a locally administered Federal-aid project through the execution of a State-Local Agreement between NYSDOT and the sponsor for each project. Internally, the Agreement allows for the encumberance of State funds by the Budget Bureau and the reimbursement of eligible sponsor expenditures by the Accounting Bureau. The purpose of this chapter is to describe how final reimbursements occur and how State-Local Agreements are to be closed-out upon completion of the project. It should be recognized that subsequent to the final payment and close-out of the project, an audit by NYSDOT, the Office of the State Comptroller, the Federal Highway Administration, and/or the Office of the Inspector General may occur and may identify disallowances. Amounts paid to the sponsor by NYSDOT that are disallowed by such audit are subject to recovery by NYSDOT from the sponsor or, at the option of the State, will be offset or reduced against current or future claims on other projects. Close-out is important in order to free-up funding commitments that are no longer needed for completed projects and to allocate them to new projects.

17.3 RLPL Monitoring for Project Close-out

- The RLPL will monitor the status of the construction effort and be aware of the estimated completion date in order to prompt the close-out process.

- The RLPL will request the sponsor to submit the following documentation:
  - A final Sponsor Payment Request (FIN 424). Reference Chapter 5 and associated appendix.
  - A Final Acceptance form (NYS 1446-LA) indicating completion of all project related contracts including construction, engineering services, utility agreements, railroad agreements, and right-of-way (ROW) transactions.
  - An acknowledgment of the date of completion of the most recent Federal Single Audit Report and, for projects with consultant contracts greater than $300,000, the date of completion of the Consultant Audit Report.
For bridge projects, as-built plans and a load rating report as well as a copy of the formal request for a bridge inspection. For highway projects involving NYSDOT facilities, as-built plans.

- A final Disadvantaged Business Enterprise (DBE) Utilization Report AAP-19 and a final Prime Contractor Payment Report AAP-21. These reports are applicable to every project, but required for those with construction costs greater than $1,000,000.

- A final Equal Employment Opportunity (EEO) Utilization Report AAP-33d. This report is applicable to all projects.

17.4 RLPL Actions for Project Close-out

- The RLPL will verify that the sponsor’s submission includes a Final Acceptance form (the NYS 1446-LA) documenting that the terms of the State-Local Agreement are satisfied.

- The RLPL will review and, if approved, submit the final Sponsor Payment Request (FIN 424) to Expenditures Unit (with a copy to Federal-aid Unit). The cover memo will confirm that the Region concurs that the project is complete and consistent with the cost and process as described by the State-Local Agreement. (See model in Attachment 1.) The submission will include the Final Acceptance form (NYS 1446-LA) as an attachment.

- For bridge projects, the RLPL will transfer the as-built plans, the load rating report, and the inspection request to the Regional Structures Unit. For highway projects, as-built plans for projects involving NYSDOT facilities will be transferred to the Regional Record Plans Unit. (There is no requirement for NYSDOT to archive plans involving non-NYS facilities, but the Region may do so.)

- The RLPL will transfer the final DBE and EEO reports to the Office of Equal Opportunity, Development, and Compliance (OEODC).

- If it is determined that there is an outstanding issue such as a ROW claim or a consultant dispute that is expected to be resolved quickly, the RLPL should request the sponsor to temporarily withhold close-out, proceed with resolution of the issue, and keep the RLPL informed of progress.

- If it is determined that there is an outstanding issue that may not be resolved for an extended period of time, the RLPL should request the sponsor to acknowledge that the particular phase is not complete. In such a case, the RLPL will notify Expenditures Unit and Federal-aid Unit in writing that the incomplete phase is to remain open. The close-out memo (Attachment 1) is not to be used. The RLPL will proceed with final reimbursement of the completed phases and progress payment for the incomplete phase.
17.5 Main Office Close-out Process

**Expenditures Unit**

- Receives cover memo from RLPL indicating that the Region concurs that the project is complete and consistent with the cost and process as described by the State-Local Agreement with the following attachments:
  - the final Sponsor Payment Request (FIN 424).
  - the Final Acceptance form (NYS 1446-LA).
- Initiates the final payment process with the Office of the State Comptroller.
- Offers Notice of Final Payment to Revenue Unit with copies to Federal-aid Unit, Marchiselli Unit, Contract Audit Bureau, and the RLPL. (See model in Attachment 2.)

**Revenue Unit**

- Receives notice of Final Payment from Expenditures Unit.
- Prepares final Project Cost Report and transmits it to Federal-aid Unit and to Marchiselli Unit with a copy to the RLPL via email.

**Federal-aid Unit**

- Receives Final Project Cost Report from Revenue Unit.
- Prepares Final Federal-aid Project Modification Form reflecting final project costs and closing the project with FHWA electronically.
- Offers copies of Final Federal-aid Project Modification Form to Project Operations Bureau and the RLPL via email.
- Revises Federal Project Agreement amount and removes the Federal-aid Project Identification Number (PIN) from the Department's Federal-aid Current Bill file. The PIN is removed from the Integrated Accounting System at the beginning of the fiscal year.

**Marchiselli Unit**
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- Receives Final Project Cost Report from Revenue Unit.
- Initiates final payment process with the State Thruway Authority and facilitates removal of the PIN from the Comprehensive List. (See Chapter 4.)
- Notifies Project Operations Bureau and the RLPL of Final and Total payment amounts requested from the State Thruway Authority via email.

17.6 Regional Close-out Process

Based on receipt of the referenced notices from the Federal-aid Unit and the Marchiselli Unit (if applicable), the RLPL shall notify the sponsor in writing that the State-Local Agreement is closed.

17.7 Contact Information

Questions about this chapter should be directed to Geoff Begley (518 457 6510).
TO: Geoff Begley, Expenditures Unit

FROM: __________________, Regional Local Program Liaison

SUBJECT: Final Sponsor Payment Request

PIN _________________, D _________________

PROJECT DESCRIPTION

SPONSOR

DATE: _________________

Attached is a FIN424 (Sponsor Payment Request) and supporting documents for the subject project. The Sponsor has formally accepted the project as complete and the NYSDOT RLPL confirms that the sponsor has met the reporting and certification requirements pursuant to Chapter 17 of the LAFAP Manual.

I am recommending that the State/Local Agreement referenced above and the PINs associated with it be formally closed out. Please note that the last Federal Single Audit was completed on ____________ and the consultant audit was completed on ____________.

Design PIN XXXX.XX.XXX
ROW PIN XXXX.XX.XXX
Construction PIN XXXX.XX.XXX

If you have questions about this request, please call me at _________________.

Attachments: NYS 1446-LA C
FIN 424 C

cc: G. Gorrill, Federal-aid Unit (with NYS 1446-LA)
TO: K. Grupe, Revenue Unit
FROM: G. Begley, Expenditures Unit
SUBJECT: Final NYSDOT Reimbursement

Final payment request number ___________ for the above referenced agreement has been received and is now being processed for payment. Applicable PINs for this agreement are as follows:

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<thead>
<tr>
<th>PIN</th>
<th>FEDERAL-AID PROJECT NUMBER</th>
<th>MARCHISELLI ELIGIBILITY</th>
</tr>
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<tbody>
<tr>
<td>Design</td>
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<td>C</td>
</tr>
<tr>
<td>Right-of-way</td>
<td>XXXX.XX.XXX</td>
<td>C</td>
</tr>
<tr>
<td>Construction</td>
<td>XXXX.XX.XXX</td>
<td>C</td>
</tr>
</tbody>
</table>

Please take the appropriate steps to proceed with close-out.

cc: G. Gorrell, Federal-aid Unit
S. Romanoski, Integrated Accounting Section
L. Zinzow, Contract Audit Bureau
______________, Regional Local Project Liaison