

Chapter 23 Progress Billing (Reimbursement Costs)

23.1 General Discussion

All progress billings shall be submitted monthly to WSDOT Headquarters Local Programs by the local agency in accordance with the terms of the Local Agency Agreement¹. Billings will not be accepted before the Local Agency Agreement is executed and authorization in writing has been received from the Washington State Department of Transportation (WSDOT). The Local Agency Agreement, when completed, establishes a work order account which permits billing to the project.

The execution of the Local Agency Agreement does not constitute approval of federal funds. This authorization from WSDOT is separate from the Local Agency Agreement. This authorization may include Advance Construction (AC), where FHWA provides federal authorization so that projects can move forward at their own cost prior to FHWA funding being available to reimburse the local agency for costs incurred. When FHWA funding becomes available, project funds will be converted so that the local agency can submit reimbursement for costs incurred from the date of authorization forward. To minimize the financial impact to local agencies, Local Programs expedites conversions soon after the beginning of each FFY.

WSDOT assigns a contract number on all federal aid construction projects. This number identifies the project. It should be used in addition to the federal aid project number when corresponding with WSDOT.

Once written authorization is provided the Agency agrees to show continuous progress through monthly billings. Failure to show continuous progress may result in your project becoming inactive, as described in 23 CFR 630.106 and subject to deobligation of federal aid funds and/or agreement closure.

23.2 Billing Procedures for Local Agency Ad and Award and Agency Force Work

Once Local Programs has executed the Local Agency Agreement and WSDOT has given the local agency written authority to proceed, the agency submits progress billings monthly for each phase of work. Any work that is performed before the official authorization date does not qualify for federal participation.

Also, Federal grant requirements nationwide have now been consolidated and detailed in 2 CFR 200, please refer to them for additional guidance and eligibility.

As part of the changes included in the CFR is specific to signature authority on reimbursement requests. Per 2 CFR 200.415(a) – *To assure that expenditures are proper and in accordance with the terms and conditions of the Federal award and approved project budget, the annual and final fiscal reports or vouchers requesting payment under the agreements must include a certification, signed by an official who is authorized to legally bind the non-Federal entity.*

¹ [Form 140-039](#)

All progress billings shall be submitted as follows:

1. Local Programs sends the local agency the original fund authorization letter.
2. The agency submits a progress billing to WSDOT Headquarters Local Programs in accordance with the Local Agency Agreement. The form must be completed in accordance with the instruction outlined in [Appendix 23.81](#).

All progress billings, including the final progress bill may be submitted electronically via email to hqpbillings@wsdot.wa.gov or hard copy to

WSDOT HQ Local Programs
PO BOX 47390
Olympia, WA 98504-7390

- All hard copy progress billings must have an original signature in order to be processed.
- All email progress billings must include all of the following in order to be processed:
 - Agency
 - Project title
 - Federal aid project number
 - Local Agency agreement number
 - Signature of the official who is authorized to legally bind the local agency, on the progress billing, as the progress billing form includes the following certification statement:

“By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements, and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil, or administrative penalties for fraud, false statements, false claims, or otherwise. (US Code Title 18, Section 1001 and Title 31. Sections 3729-3730 and 3801-3812)”

- Email approvals must include a signature block which includes the signatory's title.
- In the body or subject line of the email please include the federal aid project number and the billing number.

Note: State funds only projects must include a different certification statement on the progress billing form².

The first progress billing requires the local agency to submit back-up documentation to:

- Support for the reimbursement request. (e.g., consultant invoices, contractor pay estimates, staffing dates & hours worked, mileage logs, equipment rental, etc.) and
- Local Agency's documentation confirming the individual signing the reimbursement request is authorized to legally bind the agency (council/ commission resolution of delegation, etc). Therefore, to implement this requirement, will depend on the structure of your agency on who has this

² [Appendix 23.81](#)

authority or has delegated this authority to another individual in the agency (e.g. Mayor (official) to the City Administrator, Public Works Director or Finance Director)

Thereafter, the billing period needs to be consecutive and if requested, documentation needs to support dates within that billing period. An explanation needs to be provided for billing periods that overlap or have a gap between them. The amount claimed on the progress billing must be billed at the Federal Participation Rate per the Local Agency Agreement up to the maximum authorized amount. If not, an explanation must be provided with the progress bill. Progress billings that claim a negative amount will need an explanation for the credit and a check will need to be sent to WSDOT. Progress billings claiming zero dollars will only be processed when marked as the final billing.

All progress billings must be substantiated by the required standard documentation established in this manual, the *Construction Manual*, requirements of the contract documents, and as defined by FHWA and must be available for review.

Construction costs are not eligible for reimbursement until after the contract has been awarded. There are exceptions to this, and some expenditures can be reimbursed after the construction authorization date, but before the contract award date. They may include contract advertisement, staking, etc. However, a statement explaining these costs must be included with the progress billing.

Upon completion of project, the local agency must submit a final bill clearly marked "Final Billing" and final project summary to the WSDOT Headquarters Local Programs. The purpose of this summary is for the Agency to report the total project costs including federal, state, local and other funds received. The form must be completed in accordance with the instructions outlined in [Appendix 23.83](#). For more information on closures please refer to [Chapter 53](#).

23.3 Billing Procedures for State Ad and Award

Progress billings are submitted as follows:

- Requests for payment from contractors are submitted to the Regional Administrator in accordance with the Local Agency Agreement.
- The requests will be processed in the region using standard WSDOT procedures.

23.4 Number and Timing of Submittals

Progress billings will be numbered sequentially and submitted monthly.

If the billing is prepared properly, payment should normally be received within three weeks of submittal. If payment is not received within one month, the agency should contact WSDOT Headquarters Local Programs.

FHWA requires WSDOT to conduct a quarterly review of local agency inactive projects. Local Programs definition of an inactive project is any project for which no expenditures have been charged against the federal project for the past 9 months. Any project that meets this definition will require evaluation and documented justification for remaining open. If a federal project remains open without acceptable justification and supporting documentation for remaining open, the project is at risk of being closed by FHWA³.

³ [Appendix 23.82](#)

23.5 Identification of Federal Aid Participating and Nonparticipating Charges

Costs are eligible for Federal Highway Administration (FHWA) federal participation if claimed in accordance and in compliance with 23 CFR and 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

No costs may be claimed for reimbursement if incurred prior to FHWA authorization to proceed with the work. All work must be programmed with FHWA.

All local governments and units of local governments that claim indirect costs under federal awards must prepare an Indirect Cost Rate Proposal (ICRP) and related documentation to support those costs. The ICRP must be prepared in accordance with the instructions and regulations outlined in Appendix VII to 2 CFR Part 200 – States and Local Government and Indian Tribe Indirect Cost Proposals.

- A local government that receives more than \$35 million in all direct Federal funding must submit its ICRP to its federal cognizant agency for indirect costs. The cognizant agency for indirect cost negotiations is the Federal agency providing the largest amount of direct Federal awards. A local government that has a current federally negotiated indirect cost rate approved by its cognizant agency may apply for a one-time extension of the rate for a period of up to four years as defined in 2 CFR Part 200.414, paragraph (g).
- Other local governments must develop and certify⁴ an ICRP in accordance with federal requirements and maintain the proposal and related supporting documentation for audit. These governmental departments or agencies are not required to submit their proposals unless they are specifically requested to do so by the cognizant agency for indirect costs.

If a local government has never received federal reimbursement for indirect costs, they may be eligible to use a de minimis rate of 15% of their modified total direct costs.

Eligible agencies that elect to use the de minimis rate must meet the requirements as defined in 2 CFR Part 200.414, paragraph (f).

Some costs have been deemed ineligible for federal participation. Ineligible costs include equipment purchase and repair (unless specifically approved by FHWA), future equipment replacement costs, and those costs unallowable under 2 CFR Part 200.

.51 Participating Functions – Classifications of work programmed with FHWA and eligible for federal aid:

1. **Preliminary Engineering** – The work of locating and designing, making surveys and maps, sinking test holes, making foundation investigations, preparing plans, specifications and estimates, centerline, right of way plan preparation and other related preliminary work and incidental construction staking, to the extent such staking is necessary to review construction plans, and related general engineering preparatory to the letting of a contract for construction. The work may also include traffic counts, studies undertaken to determine traffic demands, holding of public hearings, preparation of right of way cost estimates, legal, and other costs incidental to the location and design of a highway project necessitating the acquisition of right of way thereon up to but not including the appraisal of individual parcels for acquisition purposes.

⁴ Form 140-554

These engineering costs are generally incurred prior to the date of construction PS&E approval, or the date construction plan changes are completed prior to the beginning of construction. The date of contract award is the cutoff for charging to preliminary engineering.

2. **Acquisition of Rights of Way** – The continuation of preparation of right of way plans; appraisal for parcel acquisition; review of appraisals; preparation for and trial of condemnation cases; management of properties acquired; furnishing of relocation advisory assistance; and other related labor expenses. If RW costs are claimed after the date of contract award, please provide an explanation.
 - Excess land (appraised value) including uneconomic remnants.
 - Improvements (appraised salvage value).
 - Right of way acquired after certification by the local agency that right of way necessary for a designated federal aid highway project has been acquired.
 - Judgments in condemnation cases not appealed when the attorney's closing report indicates a basis for appeal. The amount in excess of the review appraiser's determination of value is nonparticipating.
 - Landowners:
 - Attorneys' fees;
 - Witness fees;
 - Expert witness fees; or
 - Similar costs to a landowner based on value of the services rendered to him which are paid by the local agency in connection with acquisition of rights of way, regardless of whether such costs are included in court judgments or court costs in litigated condemnation cases, e.g., statutory evaluation allowance.
3. **Construction Engineering** – The work of supervising construction activities; the inspection of construction and related mechanical aspects (e.g., staking necessary to review construction plans together with those staking activities necessary for the local agency to control construction operations); testing of materials incorporated into construction, checking shop drawings and measurements for and preparations of progress and final estimates, and as-built drawings. Construction engineering costs are generally incurred only after approval of the PS&E, a contract number is issued, and also incurred prior to:
 - Completion date of the final contract pay estimate and its submission to the contractor.
 - The final date of charges for required material testing; or
 - Completion date of the separation of contract cost by code type, location, etc., whichever is applicable to that portion of the construction engineering phase involved.
4. **Highway Planning** – The orderly and continuing assembly and analysis of information about highways, such as the history of highway development and their extent, dimensions and conditions, use, economic and social effects, costs, and future needs.
5. **Research and Development** – The search for more complete knowledge of the characteristics of the highway system and the translation of the results of research into practice.

6. **Administrative Settlement Costs-Contract Claims** – Services related to the review and defense of claims against federal aid projects.
 7. **Miscellaneous Functions** – Costs incurred for other activities which are properly attributable to, and for the benefit of, federal aid projects but are not assignable to any of the previously defined functions.
 8. **Construction Costs Other Than Contractor Payments**
 - Royalty expenses for material furnished by the local agency that are used by the contractor.
 - Temporary signs, traffic control labor, traffic control devices, and temporary illumination furnished by the local agency. The initial basic cost of traffic control devices purchased for use on the project is an authorized participating cost.
 - Work performed by local forces.
- .52 **Standards for Selected Items of Costs** – The following are standards for determining the allowability of selected items of cost. In general, costs must be reasonable, necessary, and allocable to the specific project. The allowability of the selected items of cost is subject to the general policies and principles stated above.
1. **Salaries and Wages**
 - a. Subject to appropriate authorization requirements, federal funds may participate in the cost of salaries, wages, and related payroll expenses incurred for periods of time public employees are actively engaged, either directly or indirectly, in project-related activities. Timekeeping procedures need to provide for allocating employees' time to projects and/or other activities each day on an hourly basis. The timekeeping document, such as a time slip, time and attendance report, or time book, is the source document which must be available for examination by audit personnel to support direct labor costs claimed on any federal project. The document needs to be signed by both the employee and a responsible employee (supervisor) having knowledge that the time distribution is accurately reported.
 - b. Salaries, wages, and related payroll expenses of a local agency for maintenance, general administration, supervision and other overhead are not eligible for reimbursement.
 2. **Travel and Transportation**
 - a. Federal funds may participate in the cost of commercial transportation, privately owned automobiles, and per diem or subsistence essential to the completion of the project and is performed in accordance with prescribed procedures.
 - b. Reimbursement may be made for use of privately owned automobiles and per diem or subsistence incurred in conformance with the established reimbursement policy of the travel policy⁵.

⁵ [Appendix 23.84](#)

3. **Employee Leave and Holidays**
 - a. A local agency may claim reimbursement for the costs of leave, e.g., annual, sick, military, jury, that is earned, accounted for, and used in accordance with established procedures. The cost of such leave must be a liability of the local agency, must be equitably distributed to all activities, and the pro rata costs distributed to a federal aid project must be representative of the amount that is earned and accrued while working on the project.
 - b. Compensatory leave granted by a local agency in lieu of payment of overtime to eligible employees may be claimed for reimbursement if accrued and granted under established policies on a uniform basis. Such leave costs must meet the criteria discussed in paragraph (a) of this section.
 - c. Costs for other leave of a similar nature which may be peculiar to a specific local agency may also be reimbursed provided it meets the criteria set forth in paragraph (a) of this section.
4. **Social Security, Retirement, and Other Payroll Benefits**
 - a. Federal funds may participate in allocable costs incurred for social security, retirement, group insurance premiums, and similar items applicable to salaries and wages of public employees engaged in work in federal aid projects.
 - b. The costs for such benefits must be a liability of the local agency and must meet the criteria set forth in paragraph 1 of c above.
- .53 **Utility Relocations, Adjustments, and Reimbursement** – Federal participation is subject to the provisions of 23 CFR part 645, subpart A.
- .54 **Reimbursement for Railroad Work** – Costs must be incurred per 23 CFR part 646, subpart B and will be reimbursed in accordance with 23 CFR part 140, subpart I.
- .55 **Other Costs Allowable Subject to FHWA's Approval** – Although some categories of expenditures are not mentioned specifically in Part 140, Reimbursement, of 23 CFR as eligible for federal participation, should the local agency wish to seek federal participation it is allowed to request approval from the FHWA prior to billing. The expenditures that relate to the federal aid project should be well identified through proper documentation.
- .56 **Other Unallowable Costs** – Other unallowable costs include those costs identified in 2 CFR Part 200.

23.6 Billing Reviews

Each year construction projects are selected for Billing Reviews. These reviews are conducted at the agency and include representatives of FHWA, WSDOT Local Programs, and the local agency. One or more progress bills for the selected project will be reviewed for compliance with documentation standards established in this manual, the *Construction Manual*, requirements of the contract documents, and as defined by FHWA. During a billing review, the agency must have all the required backup documentation necessary to support the invoice. The documentation must be available and filed in a way that is easy for the reviewers to locate.

At the conclusion of the review, a report is generated by FHWA and issued to WSDOT Local Programs. The report will include descriptions of the items reviewed, the backup documentation located in the files to support the payments, and a Supported or Unsupported finding for each item. Any unsupported payment findings are considered improper payments which may require corrective action and possible repayment of federal funds. Local Programs provides a copy of the report to the agency and identifies any findings.

23.7 Financial Management

When agencies implement new financial systems, they must notify Local Programs so it can assured that the required documentation is readily available and complies with the federal regulations detailed in 2 CFR 200.302.

23.8 Appendices

- [23.81](#) Local Programs Progress Billing – Instructions
- [23.82](#) Inactive Justification Example
- [23.83](#) Local Programs Final Project Summary – Instructions
- [23.84](#) Local Programs Quick Reference Travel Guide

23.9 Forms

- [140-020](#) Progress Billing Checklist
- [140-554](#) Certificate of Indirect Costs
- [140-575](#) Local Programs Final Project Summary
- [140-576](#) Local Programs Federal Progress Billing
- [140-576](#) Local Programs State Progress Billing

Appendix 23.81 Local Programs Progress Billing – Instructions

Progress Billing Form – After the Fund Authorization letter is received by the agency, a Local Programs Progress Billing form must be completed⁶ and filled out properly to be processed for payment.

Note: State funds only projects must use the State Aid Progress Billing form.

Funding Set Up – The amount of federal funding set up for a project is based on the local agency agreement. Column (8) should be compared with column (7) to ensure that the amounts requested are within the funding amount set up by the local agency agreement. Payments will not be made in excess of the amount in column (8). If the amount in column (7) exceeds the amount shown in column (8), a supplement to the local agency agreement must be submitted to reflect the revised cost before payment can be made.

Exception: Following the final settlement and closure of the agreement, a final payment may be made in excess of the amount authorized per agreement in column (8) up to, but not to exceed the total project Fund Authorization Amount. Consult your Region Local Programs Engineer for specific project information.

Coding Instructions – The Local Programs Progress Billing is arranged in the same manner as the local agency agreement though not all lines from the local agency agreement are shown on the Local Programs Progress Billing. The lines for state services are not included because state costs are billed separately. Since the state services are not shown, the totals for PE, RW, and Construction shown on the Local Programs Progress Billing will not agree with those shown on the local agency agreement. The Local Programs Progress Billing totals (column 8) will reflect the total amount available to the local agency based on the local agency agreement.

Data Required to Request Payment – As a minimum, only those line items for which payment is being requested need to be coded. The other lines can be left blank. The top portion of the form must include the following:

- **Agency Information: Agency Name, Address and Federal Tax ID or Statewide Vendor Number and Agency Use** – This space provided is for the agency's records and is not required to receive payment.
- **Project Information** – Federal Aid Project Number, LA Agreement Number, Last Supplement, Project Title, Project End Date.
- **Progress Billing Information** – Progress Bill No., Final Progress bill (yes/no), Billing periods, CN Award Date. The first progress billing must include the first date expenditures were actually incurred on the project after funds were authorized by the FHWA. Thereafter, the billing period needs to be consecutive and if requested, documentation needs to support dates within that billing period. Crosscheck the billing period dates against prior bills(s). If dates overlap, please provide a statement confirming that costs are new and have not been claimed on prior bills.

⁶ [Form 140-576](#)

Details for Completing Local Programs Progress Billing Form

This form only reflects the amounts claimed and authorized for payment to the local agency. It does not include costs for state services. Only include participating eligible expenditures on the progress billing form.

To ensure correct calculations, enter amounts in column 4 and column 8 from the local agency agreement prior to entering the other columns. *The progress billing form contains formulas that auto calculate the amounts for columns 3, 5, 7, and 9, while the other columns must be manually entered and/or calculated.

- Column (1)** Total Eligible This Period: Record the total eligible costs incurred for federal participation this period for each item of work. **(Agency must claim all eligible costs even if there is no authorized funding available).**
- Column (2)** Amount Eligible Prior Period: Record the total amount previously claimed in column (3). (This cell does not auto calculate).
- Column (3)*** Total Eligible to Date: The form calculates this amount from adding column (1) and column (2). (This column is locked)
- Column (4)** Participation Rate: Enter the current participation percentage in the local agency agreement.
- Column (5)** Amount Claimed This Period: The form calculates this amount from column (1) multiplied by column (4). For manual calculation (Multiply column (1) by column (4) and enter in column (5). This represents the amount of funds claimed on the progress bill. Column (5) can never exceed column (1) and must be equal to the participation rate up to the authorized agreement amount.
- Column (6)** Amount Claimed Prior Period: Record the total amount previously claimed in column (7) (This cell does not auto calculate)
- Column (7)*** Total Claimed to Date: The form calculates this amount from adding column (5) and column (6) This column has been locked. The total claimed to date for PE, R/W, and Construction cannot exceed the amount authorized shown in column (8). Refer to funding setup section.
- Column (8)** Amount Authorized Per Agreement: This is the total amount of funds authorized for each line item per the latest version of the Local Agency Agreement. Enter the amount from the Local Agency Agreement listed as the Estimated Federal Funds. Do not include funds setup for state services.
- Column (9)** Remaining Federal Funds: The form calculates this amount by subtracting column (7) from column (8). This column is locked. **This column cannot be a negative value.** If negative, a supplement to the Local Agency Agreement must be prepared to receive full payment. Refer to funding setup section.

Preliminary Engineering

- Line a** Agency Work for PE: Eligible PE cost incurred by the local agency.
- Line b-d** Other PE: As shown on Local Agency Agreement, usually consultant cost.
- Line e** State Service: As shown on Local Agency Agreement, is not included on the progress billing.
- Line f** Total PE Cost: This is the total amount claimed and authorized for payment to the local agency within the PE phase. Column (8) on this line shows the total amount of federal funds set up for the local agency based on the latest version of the Local Agency Agreement.

Right of Way

- Line g** Agency Work for RW: Eligible RW cost incurred by local agency.
- Line h-l** Other RW: As shown on Local Agency Agreement, usually consultant cost.
- Line m** State Service: As shown on Local Agency Agreement, is not included on the progress billing.
- Line n** Total RW Cost: This is the total amount claimed and authorized for payment to the local agency within the RW phase. Column (8) on this line shows the total amount of federal funds set up for the local agency based on the latest version of the Local Agency Agreement.

Construction

- Line o** Contract: Eligible payments made to contractor. Contract Award date must be submitted before payment will be made.
- Lines p-t** Other CN: Other costs incurred by the local agency as indicated on the Local Agency Agreement, such as Day Labor, Agency Supplied Materials, etc.
- Line u** Agency Work for CN: Eligible cost incurred by the local agency. Construction costs are not eligible for reimbursement until after the contract has been awarded. See exceptions in [Section 23.2](#).
- Line v** State Service: As shown on Local Agency Agreement, is not included on the progress billing.
- Line w** Total CN Cost: This is the total amount claimed and authorized for payment to the local agency within the Construction phase. Column (8) on this line shows the total amount of federal funds set up for the local agency based on the latest version of the Local Agency Agreement.

Total Project

- Line x** Total Project Cost: Add the Total PE, Total RW, and Total CN. This is the total amount claimed and authorized for payment to the local agency. Column (8) on this line shows the total amount of federal funds for all phases of work for the local agency based on the latest version of the Local Agency Agreement. It does not include state services.

Have the signature designee sign and date the progress billing and distribute according to the instructions located at the bottom of the form.

Appendix 23.82 *Inactive Justification Example*

Example 1

State: Washington

FMIS Project # 0000001

The project is for the acquisition of right of way and is considered valid remaining open for the settlement of one remaining parcel of land relative to the construction of the roadway improvement at Case Boulevard in the County. The parcel was successfully acquired through condemnation procedures, but final settlement of the last parcel remains to be adjudicated through the Superior Court. Although deposited the fair value of the property at time of taking, final cost is to be determined by the court. The balance of unexpended federal aid project funds is anticipated to be sufficient to cover the cost of the property. Final settlement date has not been established. Federal dollars may not be invoiced to FHWA until settlement has taken place; the costs remain in the file awaiting future release. We have initiated discussion with the right of way division to determine whether the cost of the final parcel should be reclassified as nonparticipating for federal aid to permit the project to progress to final acceptance and closure because of the inordinate and continuing delay in settlement.

Example 2

State: Washington

FMIS Project # 0000002

The project is valid because further expenditures are anticipated. The project is a Safe Routes to School sidewalk improvement administered by the local agency. The construction was completed and inspected by the state on April 24, 2012; however, the balance of the construction contract cost has not been billed under the agreement because of a contractual wage rate complaint filed on July 11, 2012. The complaint alleges the contractor failed to pay its workers the required prevailing rate of wages. There is no specified time frame for the resolution/adjudication of the complaint and payment to the contractor may be delayed for a substantial period of time. A copy of the complaint action is on file in the offices of FHWA. WSDOT will monitor the matter and update FHWA accordingly.

Appendix 23.83 Local Programs Final Project Summary – Instructions

The final progress bill must include a final project summary. The purpose of this summary is for the Agency to report total project costs including federal, state, local and other funds received⁷.

Exception – If a project is not completed and the Agency is billing remaining available funds with the possibility of incurring more eligible costs; do not mark the billing as a final bill. Upon completion of project, submit a final bill to report the eligible costs even if zero dollars are being claimed along with the final summary.

Required Data – This form is arranged in the same manner as the Local Agency Agreement.

The form must include the following:

- Agency Name, Project Title, Federal Aid Number and LA Agreement Number.
- Federal Participation Rate Authorized Amount, Authorized Dates, Project End Date. (Refer to the last supplement of the Local Agency Agreement).
- Type of work – Should align with Local Agency Agreement. (Add or remove lines on form as needed).
- Total Project Cost – Record all costs incurred on Project including Federal, State, Local other grants. (Add or remove lines from form as needed).
- Total Federal/State Claimed to date – Record the amount of funds reimbursed from WSDOT. This amount should mirror the amount on final progress billing column 6.
- Agency Funds – Record all costs (not reimbursed by WSDOT), that are considered Agency costs or that have been reimbursed from other Agencies, Grants, programs, etc.
- Endorsed statement by signature designee that all eligible costs have only been reimbursed by the Federal agreement and not by any other grant or funding source.

*Total Federal/State Claimed to date plus Agency Funds should equal Total Project Cost.

Have signature designee sign and date form and send to the WSDOT Headquarters Local Programs electronically via email to hq|pbillings@wsdot.wa.gov or submit to address on the form.

⁷ Form 140-575

Appendix 23.84 Local Programs Quick Reference Travel Guide

Meals

Must be in travel status during the entire department determined meal period

Same Day Travel

- Traveler must be in travel status for 11 hours
- Meals will be reimbursed at the rate in effect for the location of the traveler's last temporary duty station of the day
- Meals will be reported as taxable income to the traveler

Overnight Travel

- Meals will be reimbursed at the rate in effect for the area where the traveler stops for sleep. The rate for the last day of travel (return day) is the rate for the location where the traveler last stopped for sleep.
- Meals are not reported as taxable income

Meal Periods

- Breakfast: the hour and a half immediately prior to the start of the regularly scheduled shift
- Lunch: the time the employee normally eats or, if eating times vary, halfway through the regularly scheduled shift
- Dinner: the hour and a half immediately following the end of the regularly scheduled shift

Note: Meal periods on scheduled day off and flex day is the same as the predominant work schedule for the week or pay period. For example, an employee works 4-9's and 1- 4 hour schedule. Meal periods on day off and the 4 hour day are based on the 9 hour shift.

Per Diem Rates

Washington State Per Diem Map⁸

Continental USA Per Diem Rates⁹

⁸ www.ofm.wa.gov/resources/travel.asp

⁹ www.gsa.gov/portal/content/104877

Lodging

- Eligible when the temporary duty station is more than fifty miles (most direct route) from the traveler's official residence and official station (50 mile rule)
- Limited to the basic government room rate plus any applicable sales taxes and/or hotel taxes
- Lodging tips or gratuities will not be reimbursed
- Travelers are reimbursed actual cost, as evidenced by receipt, for a single basic room up to the maximum lodging rate (state government room rate. See per Diem rate links pg. 1).

Exceptions-50 Mile Rule

- Approvers may approve exception to the fifty mile rule in the following situations:
- When the amount of time between the close of business on the first day and the start of business on the second is 11 hours or less (based on 3 hours personal time and 8 hours of sleep)
- When health and safety of the traveler is of concern. This requires written approval attached to the Travel Expense Voucher

Exceptions-150% Rule

- Requires written pre-approval
 - Approvers may approve exception to the 150% rule in the following situations:
 - The costs in the area have escalated for a brief period of time during special events or disasters
 - Accommodations are not available at or below the maximum lodging amount, and the savings achieved from occupying less expensive lodging at a more distant site are consumed by an increase in transportation and other costs. Note a cost analysis must accompany this condition
 - The traveler attends a meeting, conference, convention, or training session where the traveler is expected to have business interaction with other participants in addition to scheduled events. Further, it is anticipated that maximum benefit will be achieved by authorizing the traveler to stay at the lodging facility where the meeting, conference, convention, or training session is held
- 150% Rule Calculation for Lodging Meals + Lodging = Total Per Diem x 1.5 = 150% Amount for lodging

Transportation

Privately Owned Vehicle (POV)

- Use of POV for personal reasons is reimbursable at the elective POV rate.
- The traveler's private insurance policy provides primary liability coverage when using POV for business travel -- Proof of insurance must be maintained for POVs used for state business
- Transporting unauthorized passengers in a POV is considered a personal decision. The State of Washington assumes NO responsibility for such unauthorized passengers under any circumstances

Common Non-Reimbursable Travel Costs

- Alcoholic Beverages
- Cost of the daily commute between the traveler's regular place of work, permanent duty station (or telework site) and home. This includes travel to work on day off.
- Tolls associated with the use of high occupancy toll (HOT) lanes
- Parking tickets or moving violations
- Meal costs incurred at the traveler's official duty station or official residence
- Meal costs when the traveler does not incur expenses for meals because they are furnished. This excludes continental breakfasts and airline meals.
- Lodging expenses incurred at a lodging facility located at either the traveler's official duty station or official residence.
- Lodging incurred at a lodging facility or temporary duty station located within 50 miles of either the official residence or official station.
- Lodging expenses when a traveler stays at a non-commercial lodging facility such as a private/family residence or state provided facility.
- Lodging expenses for family members accompanying the traveler
- Valet Services
- Entertainment expenses
- Out of pocket charges for vehicle service calls due to the negligence of the traveler
- Personal trip insurance
- Personal telephone calls
- Taxi fares, motor vehicle rental, and other transportation costs to or from places of entertainment and other non-state business.
- Any tips or gratuities associated with personal expenses.

Chapter 24 Environmental Processes

24.1 General Discussion

This chapter summarizes the regulations and federal coordination requirements that local agencies must follow on projects that receive funding from the Federal Highway Administration (FHWA). Detailed guidance for complying with the federal requirements is provided in the publication entitled *NEPA Categorical Exclusions - A Guidebook for Local Agencies*.

Projects involving federal funds, permits, or land are governed by a number of environmental requirements, including but not limited to:

- National Environmental Policy Act (NEPA) of 1969, 42 USC 4321, et. seq.
- Council on Environmental Quality Regulations for Implementing NEPA, 40 CFR Part 1500, et. seq.
- Federal Highway Administration and Federal Transit Administration Implementing Regulations, 23 CFR Parts 771, 772, and 774
- Environmental Impact and Related Procedures, 49 CFR Part 622
- Section 7 of the Endangered Species Act (ESA), 50 CFR Part 402
- Section 106 of the National Historic Preservation Act, 36 CFR Part 800
- Presidential Executive Order 12898 - Environmental Justice
- Presidential Executive Order 14096- Revitalizing Our Nation's Commitment to Environmental Justice for All
- Section 4(f) of the U.S. Department of Transportation Act of 1966, 23 CFR 774

Prior to approval of final NEPA documents, FHWA regulations require that a subsequent phase of a project be programmed into the current State Transportation Improvement Plan (STIP). Eligible phases include Right of Way and Construction. In cases where no federal Right of Way or Construction funding is available for a subsequent phase, projects may be listed in the STIP by allocating local agency money for the subsequent project phase.

Approval of NEPA, in particular the final signature on the Categorical Exclusion Documentation Form, does not signify an approval of the State Environmental Policy Act (SEPA), nor any applicable local, state, and federal permits. Local agencies are responsible for ensuring compliance with SEPA and obtaining all applicable local, state, and federal permits. While the local agency may utilize the analysis completed in the NEPA process to assist in the completion of SEPA and applicable permits, NEPA approval must not be misconstrued as a guaranteed approval of any other local, state, or federal requirement. The local agency must work with other agencies, as appropriate, to provide the required analysis to complete their responsibilities under SEPA and other local, state, and federal permit and process requirements.

24.2 NEPA Classification

Projects subject to NEPA fall into one of the three following classifications:

- Class I Projects require preparation of an Environmental Impact Statement (EIS) because the action is likely to have significant adverse environmental impacts.
 - Class II Projects are Categorical Exclusions (CE). These actions are not likely to cause significant adverse environmental impacts. They meet the definitions contained in 40 CFR 1508.4 and 23 CFR 771.117.
- .21 Class III Projects require preparation of an Environmental Assessment (EA) because the project's impact on the environment is not clearly understood.
- .22 **NEPA Class I Projects (EIS)** – Actions that are likely to have significant impact on the environment because of their effects on land use, planned growth, development patterns, traffic volumes, travel patterns, transportation services, natural resources, or because they could create substantial public controversy. See Appendix B in the *NEPA Categorical Exclusions – A Guidebook for Local Agencies* for guidance on preparing an EIS. Projects that usually require an EIS, as defined in 23 CFR 771.115, are:
- New controlled-access freeway.
 - Highway project of four or more lanes in a new location.
 - New construction or extension of a fixed rail transit facility (e.g., rapid rail, light rail, commuter rail, bus rapid transit) that will not be located primarily within an existing transportation right-of-way.
 - New construction or extension of a separate roadway for buses not located primarily within and existing transportation right-of-way.

Although examples are given, it is important to remember that the quantity and significance of the potential impacts determine the need for an EIS, not the size of the project.

- .23 **NEPA Class II Projects (CE)** – Actions that meet descriptions contained in NEPA rules (40 CFR 1508.4, 23 CFR 771.117) and do not individually or cumulatively involve significant environmental impacts. Unless specifically requested by other agencies or due to either unusual circumstances or public controversy, these actions do not require an EIS or an EA. Class II projects typically:
- Do not induce significant impacts to planned growth or land use.
 - Do not require the relocation of significant numbers of people.
 - Do not have a significant impact on any natural, cultural, recreational, historic, or other resource.
 - Do not involve significant air, noise, or water quality impacts.
 - Do not have significant impacts on travel patterns.
 - Do not otherwise, either individually or cumulatively, have any significant environmental impacts.

Class II Projects are subdivided into two subcategories, which determine the documentation and approval requirements. The CE Guidebook Appendix A has a list of federal actions meeting the CEQ and FHWA criteria for CEs per FHWA regulations.

1. **C-list Categorical Exclusions (c-list CE)** – Class II Projects that FHWA has delegated approval to WSDOT. These projects can be approved by Local Programs without signature by FHWA. These are generally 23 CFR 771.117 (c)1 through (c)30.
2. **D-list Categorical Exclusions (d-list CE)** – Class II Projects that typically require additional documentation and may require FHWA approval. The second part of CFR (23 CFR 771.117 (d)) is known as the “d-list”. Examples of d-list projects identified in 23 CFR 771.117 (d)1 through (d)13. Project situations that can require this level of review include:
 - Hardship or protective early ROW acquisition.
 - Displacements, or more than minor amounts of ROW acquisition.
 - Bridge permit from the US Coast Guard, or an Individual Permit (not Nationwide Permit) from the US Army Corps of Engineers.
 - Adverse effects to historic properties under the National Historic Preservation Act.
 - The use of a resource protected under 23 U.S.C. 138 or 49 U.S.C 303 (Section 4(f)), except for actions resulting in a *de minimis* finding.
 - “Likely to adversely affect” determination for threatened or endangered species, or for designated critical habitats listed under the Endangered Species Act.
 - Major traffic disruptions, including temporary or permanent road closures or changes in access control,
 - Floodplain encroachment other than bridges or trails.
 - Construction activities in, across or adjacent to a river component designated or proposed for inclusion in the National System of Wild and Scenic Rivers.
- .24 **NEPA Class III Projects (EA)** – Actions that have uncertain or poorly understood impacts on the environment. The EA determines the extent and level of environmental impact. An EA may support a Finding of No Significant Impact (FONSI) or indicate that an EIS is warranted. The content and complexity of an EA will vary depending on the project. See Appendix C of the *NEPA Categorical Exclusions – A Guidebook for Local Agencies* for details on EA procedures and documentation requirements.

24.3 Early Project Coordination & Environmental Mitigation

Many projects require early coordination with a range of federal, state, local agencies and tribal governments to ensure there are a minimum of delays to permitting and construction. Local agencies are encouraged to coordinate and communicate with federal, state and local agencies and tribal governments to discuss technical issues. However, discussions related to environmental mitigation require the advance participation by the FHWA Area Engineer and/or the designated Local Programs Environmental Engineer to assure that all parties understand whether potential environmental mitigation measures will be eligible for federal reimbursement prior to a commitment being made.

Note that all elements of Emergency Repair (ER) project work require advance coordination and approval by FHWA to ensure that Federal participation is allowable.

When there are multiple federal lead agencies, early coordination between those agencies is crucial to ensure that all agencies’ NEPA requirements are met.

24.4 Project Re-Evaluation

Whenever single or cumulative conditions have occurred that might cause new or more severe environmental impacts, the local agency shall re-evaluate an environmental document.

A written re-evaluation is required when any one of the following conditions exists:

1. There is a change to the project scope. This requires a re-evaluation even if the NEPA approval is less than three years old. (Some kinds of scope changes, such as those that include work outside of the previous study areas, are likely to result in a determination that a supplemental NEPA document is needed.)
2. An acceptable Final EIS has not been submitted to FHWA within three years from the date of the Draft EIS circulation.
3. Federal approvals of major steps to advance the project (such as FHWA approval to acquire right-of-way or approval of PS&E) have not occurred within three years of NEPA approval (that is, FHWA's approval of the NEPA CE Documentation Form, or issuance of a FONSI or ROD).
4. There is a law change that is relevant to the information provided in the original document (i.e., a new species is listed as threatened or endangered under ESA). This is required even if the NEPA approval is less than three years old.
5. New information or circumstances relevant to environmental concerns and bearing on the proposed action or its impacts would result in environmental impacts not evaluated in the NEPA document. (This is likely to result in a determination that a supplemental NEPA document is needed.)

The re-evaluation needs to indicate whether any new information is known that alters the previous analysis and findings. If so, the local agency needs to conduct appropriate environmental studies to support the updated conclusions.

The re-evaluation is submitted in written form to the Region LPE. The Region LPE will transmit a copy of the re-evaluation to Local Programs for review and coordination with FHWA. Based on the findings of the re-evaluation, FHWA will determine if additional documentation is appropriate (for example, a supplemental EIS, updated EA or NEPA CE Documentation Form, depending on the original NEPA classification).

24.5 Supplemental Document

If a project re-evaluation results in a determination that the NEPA document must be supplemented, the supplement should follow the same procedures as those used for the original document. The scope of the supplement can be limited to the changes to the project. FHWA should be consulted regarding the scope and disciplines that must be analyzed.

24.6 Other Federal Requirements

The NEPA document must include information on how the project complies with other federal regulations and requirements. These include but are not limited to cultural resources (Section 106 of the National Historic Preservation Act), federally listed threatened and endangered species and their critical habitat (Section 7 of ESA), parklands and historic properties (Section 4(f) of the Department of Transportation Act), and environmental justice (Executive Order 12898 and 14096, Title VI of the Civil Rights Act of 1964).

The *NEPA Categorical Exclusions – A Guidebook for Local Agencies* provides guidance on meeting the federal regulations and requirements that must be considered under NEPA.

24.7 Tribal Consultation

In addition to the Section 106 process, FHWA and local agencies must consult with the affected tribes on projects that potentially affect tribal treaty rights, real estate holdings, transportation, employment, or other impacts. Local Programs process for sharing discipline reports with tribes is described in the *NEPA Categorical Exclusions – A Guidebook for Local Agencies* (Appendix O).

24.8 Environmental Permitting

The local agency is responsible for ensuring that all required permits and approvals are obtained prior to initiating construction. [Chapter 500](#) the *Environmental Manual* provides an overview of environmental permits that commonly apply to transportation projects.

The Governor's Office of Regulatory Assistance has developed a web-based tool to assist users to identify the permits that are required for different types of projects.

This tool can be accessed at:

www.oria.wa.gov/site/aliasoria/347/Permitting.aspx

24.9 NEPA Categorical Exclusion Documentation Forms

<https://wsdot.wa.gov/business-wsdot/support-local-programs/technical-assistance/environmental-services>

24.10 NEPA Categorical Exclusions – A Guidebook for Local Agencies

<https://wsdot.wa.gov/sites/default/files/2022-10/LP-CE-Guidebook-Secure.pdf>

24.11 Plain Talk Toolkit

https://wsdot.wa.gov/sites/default/files/2021-10/ENV-NSEPA_RdrFrlyFolio.pdf

24.12 Reader-Friendly Tool Kit

https://wsdot.wa.gov/sites/default/files/2021-10/ENV-NSEPA_RFToolKit.pdf

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