



COMMONWEALTH of VIRGINIA

DEPARTMENT OF TRANSPORTATION
1401 EAST BROAD STREET
RICHMOND, VIRGINIA 23219-2000

David S. Ekern, P.E.
COMMISSIONER

March 5, 2007

To: County Administrators, City/Town Managers, Federal Project Sponsors

Subject: Required Billing for Federal Reimbursement

The Federal Highway Administration (FHWA) has enacted regulations requiring all recipients of federal highway funds to bill for reimbursement at least every 90 days. If such billing does not occur, the Virginia Department of Transportation (VDOT) and FHWA have the authority to remove federal funding from the project. As you know, VDOT is the processor for all reimbursement requests and shares responsibility with FHWA for ensuring all regulations are met.

VDOT has been working with FHWA to monitor inactive projects in order to adjust projects costs and potentially release funds for new projects. In order to take a proactive approach and avoid the release of funds, eligible for reimbursement, we are requiring all localities to submit billings at least once every 90 days.

Additionally, FHWA requires that within 90 days of completion of a project, a final reimbursement request must be submitted. Again, if such submission does not occur, VDOT and FHWA have the authority to remove federal funding from the project and withhold reimbursement. Title 49 of the Code of Federal Regulations, section 18, provides FHWA, and VDOT as their conduit, the legal authority to withhold payment if these terms are not met. We urge you to familiarize yourselves with this regulation. If federal reimbursement is lost, VDOT is not in a position to recover that cost or to reimburse the locality.

It is critical that we work together to meet these Federal requirements. Should you have any questions regarding your current project status and billing history, please contact your local VDOT project coordinator or program manager.

Sincerely,

Handwritten signature of Michael A. Estes in black ink.

Michael A. Estes, P.E.
Director, Local Assistance Division
Virginia Department of Transportation

Handwritten signature of Michael Canavan in black ink.

Michael Canavan, P.E.
Field Operations Team Leader
Federal Highway Administration