

APPENDIX A
Timely Use of Funds Policy

The timely use of funds requirements would be as follows: Projects Receiving RSTP

1. A funding cooperative agreement between CCOG and the sponsors of projects awarded RSTP funds in prior cycles must be in place by April 4, 2018 or the funds for those projects will lapse and the sponsor will not be eligible for RSTP funding for projects in the current cycle.
2. For all projects awarded RSTP funding in this call for projects, a funding cooperative agreement between CCOG and the project sponsor must be fully executed by December 31, 2018. This applies to projects awarded funding in all four years of the current programming cycle. Projects not covered by a cooperative agreement by December 31, 2018 will lapse funding awarded in this cycle.

Project Receiving RSTP or LTF

3. Preliminary Engineering, Environmental and Design Projects must begin in the fiscal year they are programmed and be fully invoiced by the end of the following fiscal year (ex., a project programmed in FY 18/19 must be fully invoiced by the end of FY 19/20). Project sponsors will have the opportunity to request one extension of up to 12 months that must be approved by the Council.
4. Construction Projects must begin in the fiscal year they are programmed and be fully invoiced by the end of the second fiscal year following the fiscal year in which the funds were programmed. (ex., a project programmed in FY 18/19 must be fully invoiced by the end of FY 20/21). Project sponsors will have the opportunity to request one extension of up to 18 months for construction projects that must be approved by the Council.
5. When a funded project enters its program fiscal year, the sponsor must submit invoices to CCOG for reimbursement within the first six months of the start of the fiscal year, and at least every six months thereafter. A project that fails to submit invoices for two successive six month periods (one year) will lapse its funds unless an extension is granted.
6. A project sponsor may request an extension of the timely use of funds deadlines. The Council may extend the deadlines for a project no more than one time and only if it finds that an unforeseen and extraordinary circumstance beyond the control of the responsible agency has occurred that justifies the extension. The extension will not exceed the period of delay directly attributed to the extraordinary circumstance and will in no event be for more than the duration of time listed above for each type of project or project phase.

Projects Receiving CMAQ Funding

7. Sponsoring agencies must request a field review from Caltrans Local Assistance within twelve months of approval of the project in the FTIP, but no less than twelve months prior to the obligation deadline of construction funds. The requirement does not apply to projects for which a field review would not be applicable, such as FTA transfers, or if a field review is otherwise not required by Caltrans. It is expected that Caltrans will conduct the review within 60 calendar days of the request. Failure for a project sponsor to make a good-faith effort in requesting and scheduling a field review could result in the funding being reallocated.
8. Project sponsors are required to submit a complete Preliminary Environmental Study (PES) form and attachments to Caltrans for all projects, twelve months prior to the obligation deadline for right of way or construction funds.
9. In order to ensure funds are obligated or transferred to FTA in a timely manner, the project sponsor is required to deliver a complete, funding obligation / FTA Transfer Request for Authorization (RFA) package to Caltrans Local Assistance by November 1 of the fiscal year the funds are programmed.
10. Funding not obligated (or transferred to FTA) by January 31 of the fiscal year the funds are programmed are subject to lapsing and will be reallocated.
11. If a Program Supplement Agreement is not executed between the sponsor and Caltrans within 6 months after funds are obligated, CCOG may request that the sponsor de-obligate project funds so that the funds can be reallocated to another project.
12. Caltrans requires administering agencies to submit invoices at least once every 6 months from the time of obligation (E-76 authorization). Projects that have not received a reimbursement of federal funds in the previous 12 months are considered inactive with the remaining un-reimbursed funds subject to de-obligation by FHWA with no guarantee the funds are available to the project sponsor. Agencies with projects that have not been invoiced against at least once in the previous 6 months or have not received a reimbursement within the previous 9 months have missed the invoicing/reimbursement deadlines and will not be eligible for future regional discretionary funds until the project receives a reimbursement. This applies to agencies that have received CMAQ funds for projects in prior cycles.

Reprogramming and Lapsed Funds

13. If a sponsor determines that a project awarded funding is infeasible, has a budget surplus, receives grant funds that supplant programmed funds, or is no longer a priority, the sponsor may request in writing to the Council that part or all of the project's funding be reallocated to another project or projects in the same program year with the same timely-use-of funds

requirements. This request must be made prior to the lapse deadline. If the sponsor doesn't have other projects in the same program year, or the request is denied by the Council, the funds will be reprogrammed in the same manner as lapsed funds under paragraph 14 below.

14. Funds that lapse will be reprogrammed by the CCOG Council. Lapsed funds may be reprogrammed to projects sponsored by either jurisdiction to close a shortfall on project(s) awarded funding in a previous cycle, to fund project(s) on the backup list of the current cycle, or for other project delivery purposes at the discretion of the CCOG board.