

Project End Date – Q & A

1. What is a Project End Date (PED)?

Project End Date (PED), is the final date when the recipient may perform work to be allowable for reimbursement on a federally funded project. The project end date should be selected based upon the schedule of the scope of work under agreement, not the completion of the entire “project” if it will be authorized in multiple, time and action controlled steps (e.g., PE, ROW, or construction phases, or a project carried out under multiple contracts).

2. What is the Period of Performance?

The period of performance is the period when the recipient may create obligations (e.g., enter into contracts) and allowable costs may be incurred (e.g., work performed) as provided in 2 CFR 200.71, 200.77, and 200.309. The start date of the period of performance is the date when FHWA authorizes the project agreement to begin incurring costs for the identified phase and scope of work and the end date of the Period of Performance is the PED.

3. What does the revised closeout requirement imply?

The Revised 2 CFR 200.344 Closeout Requirements apply to new or modified project agreements executed on or after Nov 12, 2020. Per the revised requirements, the recipient must provide written justification within 120 days after project end date that all reporting requirements will be completed, and obligations liquidated within the extended period. Further, FHWA will have the authority to unilaterally close projects and de-obligate funds if agencies are non-responsive.

4. What is a legacy project?

Project agreements executed prior to Nov 12, 2020 and that have not been modified after Nov 12, 2020 will be considered legacy projects with reference to the Revised 2 CFR 200.344 Closeout Requirements. For legacy projects, final voucher should occur within 90 days after the project end date unless an extension is granted by FHWA. FHWA has been allowing processing of final voucher outside the 90-day window through the Final Voucher Close Date (FVCD) adjustment process.

5. Should the PED be extended to process final voucher?

The project end date should be modified or extended only if there is a documented change in the project that affects the completion schedule of the project. Examples include change orders, contractually allowable delays, delays in award or re-advertisement, litigation delays, etc. If the reimbursable work was completed prior to the PED, final voucher can be processed after the PED through final voucher close date (FVCD) adjustment without extending the PED.

6. What is the relationship between the project end date and “final voucher”?

Final voucher is the last billing for allowable cost based on consolidated final project documents, liquidating all remaining obligations. For legacy project final voucher should

occur within 90 days after the project end date unless an extension is granted by FHWA. Cost adjustments identified through audits, stewardship or oversight reviews, or litigation may be identified after the final voucher and require adjustment to the project agreement. These costs should be adjustments based on the properly incurred costs during the period of performance. If actual work was done after the period of performance, then those costs are not allowable for reimbursement.

7. If the final invoice is submitted more than 90 days after PED for legacy projects, is a PED extension required?

If the reimbursable work is completed prior to PED, the final invoice can be processed through a final voucher close date adjustment and a PED extension is not required.

8. If the final invoice is submitted more than 120 days after PED for non-legacy projects, is a PED extension required?

A PED extension is not required if the reimbursable work occurred before the PED. But, as per the revised closeout requirements, the recipient must provide written justification within 120 days after project end date that all reporting requirements will be completed, and obligations liquidated within the extended period. If a justification is not provided and the agency is non-responsive, FHWA will have the authority to unilaterally close projects and de-obligate funds.

9. What activities may occur after the project end date?

After the project end date, all project documentation is collected and prepared for final records, potentially a project audit, and project closeout. (Note if the agency plans to seek reimbursement as direct costs to prepare these documents, the project end date must be set to occur after those activities.) Necessary final reports based on stewardship and oversight agreements should be submitted to FHWA along with any final requests for reimbursement of allowable costs that were incurred prior to the project end date (i.e., final voucher). The billing (liquidation of obligations) for eligible costs incurred during the performance period may occur up to 90 days after the PED for legacy projects and no later than 120 days after PED for non-legacy projects. This is not a change in the actual project end date, and no additional project costs can be incurred.

10. Why is it important to close projects promptly?

Project closeout is important because it facilitates sound internal and funds control. It provides FHWA reasonable assurance that the recipient has timely met Federal requirements for the project and charges to the Federal government are accurate and timely. It is necessary to comply with the government-wide cost principles which state that, "The Federal awarding agency or pass through entity will close out the Federal award when it determines that all applicable administrative actions and all required work of the Federal award have been completed by the non-Federal entity". Not doing so leaves the potential for ineligible or unauthorized costs to be billed to projects, and Federal requirements to go unmet and unnoticed.

11. Does Local Programs Accounting (LPA) or Final Voucher Unit process the final invoice if PED is expired?

- If the reimbursable work occurred prior to PED
LPA process the request and forwards the project file to the final voucher unit. The final voucher unit processes the final invoice and extends the FVCD if the final voucher is being processed greater than 90/120 days after PED. Neither LPA nor the final voucher unit adjust the PED.
- If part of the reimbursable work occurred after PED
LPA rejects the final voucher and asks the district to contact implementation to extend PED. District submits E-76 to HQ implementation with adequate justification to extend PED. After PED extension, district resubmits final voucher to accounting for processing. If there is a lapse in the PED, then expenses incurred during the lapsed period are not reimbursable. Neither LPA nor the final voucher unit adjust the PED.

12. Will the finance letter be modified to indicate the new PED after PED extensions?

Yes, an updated FL will be generated after PED extension E-76 is approved and sent to the Local Agency and district inbox.