Highway Safety Office Program Management Manual

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Section 1 – Background and Purpose

The purpose of this Manual is to establish consistent program and project management procedures for staff and contractors to guide the administration of the State's traffic safety program in compliance with U.S. Department of Transportation (DOT), National Highway Traffic Safety Administration (NHTSA) regulations. Best practice requires that the Nebraska Department of Transportation-Highway Safety Office (HSO) have in place a current Manual which documents standard operating procedures and the management of the traffic safety program. The Manual contains a written record of approved current administrative and financial procedures. It serves as a guide to assist staff and administrators in performing their assigned functions.

This Manual does not, however, specifically address all regulations which must be followed. Occasional references to other Department manuals and policies are necessary.

This Manual is intended for use by HSO personnel, Department employees, State and Local government officials, and anyone interested in the procedures which are followed by the HSO.

Section 2 – Updating the Manual

The HSO should review the contents of the Manual at least on an annual basis to ensure the procedures remain current and accurate. Program and regulatory revisions received from State and Federal sources shall be made and distributed immediately upon receipt of notification.

The HSO Administrator assigns the responsibility of updating the Manual, including the Table of Contents and Appendices, on at least an annual basis. Revisions requiring immediate attention may be initiated at any time. The Manual should be maintained on the HSO website for easy access by HSO staff and other interested persons. HSO staff should be notified by email of any updates made to the Manual. A group email list should be maintained of all HSO staff and other interested persons who should be notified of the Manual updates.

All members of the HSO staff are emailed information on location of where to obtain an electronic copy of this Manual and be held accountable for following the processes outlined in this Manual. Where applicable, HSO staff performance evaluations may be tied to compliance with this Manual.

Section 3 – Reference to State Department Policies and Procedures

The laws and regulations of the State of Nebraska and the Nebraska Department of Transportation (NDOT) also govern the HSO traffic safety program. The Department has created policies and procedures that may be pertinent to the administration of the traffic safety program. These policies should be reviewed periodically and serve as a guide to assist HSO staff and administrators in performing their assigned functions.

References:

State of Nebraska:

State Accounting Manual – Administrative Services State Accounting

Nebraska State Contracts Database - LB429

Nebraska Department of Transportation (NDOT):

Nebraska Department of Transportation Accounting Manual

Human Resources Policies & Procedures Manual

NDOT -Purchasing Card Program Book

NDOT Reporting Portal User Guide

Roads Payment System (RPS)

NDOT Highway Safety Office:

Grant Contract Proposal Application Guide and Policies and Procedures

Highway Safety Office Program Management Manual

Federal:

NHTSA Highway Safety Grants Program – Resources Guide

NHTSA Grant Tracking System (GTS)

Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS)

Uniform Administrative Requirements, Cost Principles, and Audit Requirements – 2 CFR 200 (NHTSA)

Federal Audit Clearinghouse (FAC)

Section 4 – Federal Laws and Regulations

Background

The United States Congress authorizes traffic safety funds to be appropriated to the United States Department of Transportation, National Highway Traffic Safety Administration (NHTSA). NHTSA apportions and distributes these funds to the States. NHTSA apportions and provides a limitation on obligations that indicates the amount of funds available for each State. The States liquidate these funds through the annual State Highway Safety Plan (HSP) that is subject to NHTSA review and approval.

Federal regulations govern the daily administration of traffic safety grants at the State level. Administrators of traffic safety grants shall be familiar with and follow each cited title and rule to effectively design and manage programs. Thorough knowledge of these regulations will reduce a majority of grant questions before they become problems.

The Highway Safety Act of 1966

The HSO traffic safety program operates under the provisions of the Federal Highway Safety Act of 1966, 23 USC 402, et seq., specifically 402(b)(1). The Act makes the State's Governor responsible for preparing and administering a statewide traffic safety program designed to reduce traffic crashes and the resulting injuries, fatalities and property damage. The Governor has named the Director of the Nebraska Department of Transportation to act as his or her representative for the State's traffic safety program. The HSO is located within the Nebraska Department of Transportation.

By regulation NHTSA prescribes the general, administrative and programmatic requirements for the grant program. On January 25, 2018. NHTSA issued a Final Rule (FR) at 23 CFR Part 1300 Uniform Procedures for State Highway Safety Grant Programs which became effective on February 26, 2018. There are other applicable Federal regulations and guidelines (See Appendix A. Federal Regulations, Documents and Guidelines).

The reauthorization of funding to support highway safety programs is separate. Most recently Congress enacted in 2015 the Fixing America's Surface Transportation (FAST) Act effective for most behavioral safety programs with the FY2017 year. The Act contains funding authorization for five years beginning with 2016.

OMB Uniform Guidance FY2016 Grants

Effective with FY2016 grants, the U.S. Department of Transportation adopted the Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200), referred to as the Uniform Guidance. This part supersedes and repeals the requirements of the DOT Common Rules (49 CFR part 18—Uniform Administrative Requirements for

Grants and Cooperative Agreements to State and Local Governments and 49 CFR part 19—Uniform Administrative Requirements—Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations), except that grants and cooperative agreements executed prior to December 26, 2014, shall continue to be subject to 49 CFR parts 18 and 19 as in effect on the date of such grants or agreements.

Lobbying Restrictions

Lobbying restrictions are contained in two Federal laws. The Anti-Lobbying Act, 18 U.S.C., Part 1913, prohibits the use of Federal funds for "grassroots" lobbying campaigns that encourage third parties, members of special interest groups or the general public to contact members of Congress; of a State or local legislature; or an official of any government in support of or in opposition to a legislative, policy or appropriations matter. It applies to activities both before and after the introduction of legislation. These prohibitions apply to all DOT funds, including NHTSA funds awarded to States under grants, cooperative agreements and contracts. These prohibitions apply to State officials whose salaries are supported, in whole or in part, by NHTSA funds and to recipients of NHTSA funds awarded under contracts, grants, cooperative agreements and sub awards.

The Transportation Equity Act for the 21st Century (TEA-21), which is unchanged by subsequent reauthorization acts (SAFETEA-LU, MAP-21 and the FAST Act), prohibits the use of NHTSA funds for "any activity specifically designed to urge a State or local legislator to favor or oppose the adoption of any specific legislative proposal pending before any State or local legislative body". These restrictions do not apply to State officials engaged in State-sanctioned communications with their legislatures, even if their salaries are supported, in whole or in part, with NHTSA funds. Any direct communications between State executive officials and State or local legislators are governed by the State laws, regulations and customary practices.

State and local officials and legislative bodies are authorized to invite Federal officials to testify before legislative bodies on pending legislation. Such invitations should be documented in writing.

These restrictions apply to contractors as well. Contractor certifications must include a prohibition from using federal grant funds in violation of the lobbying restrictions. If any funds other than federal funds have been paid for by lobbying, the provisions of the federal Lobbying Disclosure Act of 1995, as amended (2 U.S.C. Part 1601) must be followed. For additional federal guidance, see NHTSA Guidance on Lobbying Restrictions.

State officials and contractors may engage in advocacy activities as distinguished from lobbying. Such advocacy may include but not be limited to: holding periodic briefings for elected officials, developing general materials about legislation such as fact sheets, sharing research reports with legislative staff, giving testimony upon request (unless prohibited by State restrictions) and involving elected officials in programs, meetings and press events.

Internal Management Controls

The HSO has policies and procedures to reasonably ensure that: (a) programs achieve their intended results; (b) resources are consistent with agency mission; (c) programs and resources are protected from waste, fraud and mismanagement; (d) Federal laws and regulations are followed; and (e) reliable and timely information is obtained, maintained, reported and used for decision making; and (f) reasonable measures are taken to safeguard protected personally identifiable information and other information designated as sensitive, see 2 CFR Part 200.303.

Other Applicable Office of Management and Budget Circulars

Beginning with the FY2016 highway safety grants, the Federal regulations at 2 CFR Parts 200 and 1201 supersede requirements from OMB Circulars A-21, A-50, A-87, A-89, A-102, A-110, A-122 and A-133.

NHTSA grantees are responsible for following all standards in 2 CFR Part 200 as modified by 2 CFR Part 1202. (See Appendix B. OMB Circulars).

Documents Available on the Internet

Most of the referenced Federal regulations and other cited procedural documents are available in the NHTSA Highway Safety Grants Program - Resources Guide which is available on the Internet.

Section 5 – State Laws and Regulations

The laws and regulations of the State of Nebraska and the Nebraska Department of Transportation (NDOT) also govern the HSO traffic safety program.

Nebraska Department of Transportation Highway Safety Office: Establishment via Enabling Legislation

Governor Norbert Tiemann established the Nebraska Safety Program within the Governor's Office, agency #7, in 1967 in accordance with the 1966 Highway Safety Act.

David McLaughlin was designated by Governor Tiemann as the State's first Governor's Highway Safety Representative. The Highway Safety program remained in the Governor's Office until 1969, when Legislative Bill 1398, introduced on behalf of the Governor, was passed and approved on August 4, 1969. LB 1398, created a new cabinet level state agency, under the authority of the Governor. The agency, Office of Planning and Programming (#79), was given the review and approval authority over any federal grant application by any state agency.

The Office of Planning and Programming was also authorized to be the applicant for the State of Nebraska for additional federal grants and loans. The Office of Planning and Programming was also given authority over a number of existing federal grant programs, including the Nebraska Highway Safety Program. The Highway Safety Program, later identified in the budget as program 644, remained in the Planning and Programming agency until 1971.

LB 1027 and LB 1025, both State appropriation bills, were introduced on behalf of then Governor J. James Exon. With LB 1027 and LB 1025 Governor Exon moved the Highway Safety Program, along with the authorized budget and appropriation, program 644, to another cabinet level agency, the Department of Motor Vehicles, agency #24. In addition, Governor Exon established that the Governor's appointed Director of the Department Motor Vehicles would also carry the additional responsibility of the designated Governor's Highway Safety Representative in accordance with the federal requirements.

LB 219 was introduced on behalf of Governor Heineman. With LB 219 Governor Heineman moved the Highway Safety Program, along with the authorized budget and appropriation to another cabinet level agency, the Nebraska Department of Roads, agency #27. Effective July 1, 2009, the Highway Safety Program transferred to the NDOT to be a section of the Traffic Engineering Division. Effective July 1, 2017, the Nebraska Department of Roads changed its name to Nebraska Department of Transportation. The Governor's appointed Director of the NDOT is the designated Governor's Highway Safety Representative.

Mission Statement and Program Target

The program's overall performance target, as well as the mission of the HSO, is to reduce the State's traffic crashes, fatalities, and injuries on the roads through leadership, innovation, facilitation, and program support in partnership with other public and private organizations.

HSO strives to accomplish this mission by identifying traffic safety problems and then enabling state and community leaders to develop and conduct effective programs and activities to address them.

Accomplishing this mission is dependent on developing and maintaining partnerships and working cooperatively with partners interested in achieving the same targets.

Section 6 – Definitions and Acronyms

This manual uses the following terms and acronyms to designate individuals, offices and processes involved in Nebraska's Traffic Safety program.

ACH - Electronic Transfer of Funds

Accrued Expenditures - The charges incurred by the sub-grantee during a given period requiring the provision of funds for: (1) Goods and other tangible property received; (2) services performed by employees, contractors, sub-grantees, sub-contractors, and other payees; and (3) other amounts becoming owed under programs for which no current services or performance is required, such as annuities, insurance claims, and other benefit payments. Accrued income means the sum of: (1) Earnings during a given period from services performed by the grantee and goods and other tangible property delivered to purchasers, and (2) amounts becoming owed to the grantee for which no current services or performance is required by the grantee.

Acquisition Cost - The net invoice unit price of purchased equipment including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the property usable for the purpose for which it was acquired. Other charges such as the cost of installation, transportation, taxes, duty, or protective in-transit insurance, shall be included or excluded from the unit acquisition cost in accordance with the contractor's regular accounting practices.

Administrative Requirements - Those matters common to grants in general, such as financial management, kinds and frequency of reports, and retention of records. These are distinguished from "programmatic" requirements, which concern matters that can be treated only on a program-by-program or grant-by-grant basis, such as kinds of activities that can be supported by grants under a particular program.

AR - Annual Report

ARIDE - Advanced Roadside Impaired Driving Enforcement

Audit - A review of programmatic and financial records conducted by a certified public accountant, which is the basis of an organization's legally required audit report.

Awarding Agency - (1) With respect to a grant, the Federal agency; and (2) with respect to a sub-grant, the party that awarded the sub-grant.

BAC - Blood Alcohol Content

CAGE - Commercial and Government Entity (CAGE) Code

Cash Contributions - The contractor's cash outlay, including the outlay of money contributed to the contractor by other public agencies, institutions, private organizations and individuals. When authorized by Federal legislation, Federal funds received from other assistance agreements may be considered as sub-grantee cash contributions.

CFDA - Catalog of Federal Domestic Assistance

CFR - Code of Federal Regulations

CODES – Crash Outcome Data Evaluation System

Contract - The written document outlining the contractor's project and activities. The submitted Grant Contract Proposal Application, after negotiated revisions, becomes the Contract.

Contract Award - See Grant Contract Award.

Contractor - The recipient of a HSO Contract Award. In this manual, "Contractor" refers to the organization that has been awarded funds by the Nebraska Department of Transportation Highway Safety Office (HSO).

Cost Sharing or Matching - The value of the third-party in-kind contributions and the portion of the costs of a federally assisted project or program not borne by the Federal Government. Cost-type contract means, a contract or subcontract under a grant in which the contractor or subcontractor is paid on the basis of the costs it incurs, with or without a fee.

CPS – Child Passenger Safety

CR - Claim for Reimbursement

DAL - Daily Activity Log

Designee - A person or legal entity authorized by contract to perform certain duties on behalf of the HSO.

DMV - Department of Motor Vehicles

DOT - Department of Transportation

DRE - Drug Recognition Expert

DUNS - Data Universal Numbering System (DUNS) Number

DWI – Driving While Impaired

Equipment - Tangible, non-expendable, personal property having a useful life of more than one year and an acquisition cost of ($5,000) or more per unit. A contractor may use its own definition of equipment provided that such definition would at least include all equipment defined above.

EMS – Emergency Medical Services

F&A - Facilities and Administration – indirect cost rates

FAIN - Federal Award Identification Number

FARS - Fatality Analysis Reporting System

FAST Act - Fixing America's Surface Transportation Act

FFATA - Federal Funding Accountability and Transparency Act

FHWA - Federal Highway Administration

FSRS - Federal Funding Accountability and Transparency Act Sub award Reporting System

GDL - Graduated Driver Licensing

GHSA - Governors Highway Safety Association

GL - General Ledger

GMSS - Grants Management System Software

Government - A state or local government or a federally recognized Indian tribal government.

GR – Governor's Highway Safety Representative

Grant - An award of financial assistance, including cooperative agreements, in the form of money, or property in lieu of money, by the Federal Government to an eligible grantee. The term does not include technical assistance which provides services instead of money, or other assistance in the form of revenue sharing, loans, loan guarantees, interest subsidies, insurance, or direct appropriations. Also, the term does not include assistance, such as a fellowship or other lump sum award, which the grantee is not required to account for.

Grant Contract Award - The written agreement between the HSO and the contractor under which the HSO agrees to provide funds in exchange for the contractor's performance of one or more projects supporting the HSO targets.

Grantee (NHTSA Definition) - The government to which a grant is awarded, and which is accountable for the use of the funds provided. The grantee is the entire legal entity even if only a particular component of the entity is designated in the grant award document.

GTS - Grant Tracking System

Guide - The "Grant Contract Proposal Guide and Policies and Procedures" which outlines the procedures when applying for HSO funding.

HCS - Highway Cost Summary

HSIP - Highway Safety Improvement Program

HSO - Highway Safety Office

HSP - Nebraska's Performance Based Strategic Traffic Safety Plan

HSPP - Highway Safety Strategic Performance Plan

HVE - High Visibility Enforcement

IDCR - Indirect Cost Rates

IFR - Interim Final Rule

Local Government - A county, municipality, city, town, township, local public authority (including any public and Indian housing agency under the United States Housing Act of 1937) school district, special district, intrastate district, council of governments (whether or not incorporated as a nonprofit corporation under state law), any other regional or interstate government entity, or any agency or instrumentality of local government.

MAP-21 - Moving Ahead for Progress in the 21st Century Act

MCR - Mini-Grant Contract Claim for Reimbursement

MOE – Maintenance of Effort

Monitoring - A process whereby the HSO assesses program progress and compliance by reviewing project related reports and files, financial records, and interviews contractors.

MMUCC - Model Minimum Uniform Crash Criteria

NDOT - Nebraska Department of Transportation

NHTSA - National Highway Traffic Safety Administration

NTP - Notice to Proceed

OB - Official Billing

Obligations - The amounts of orders placed, contracts and sub-contracts awarded, goods and services received, and similar transactions during a given period that will require payment or reimbursement by the grantee during the same or a future period.

OIG – Office of the Inspector General

OMB - United States Office of Management and Budget

Outlays (Expenditures) - Charges made to the project or program. They may be reported on a cash or accrual basis. For reports prepared on a cash basis, outlays are the sum of actual cash disbursement for direct charges for goods and services, the amount of indirect expense incurred, the value of in-kind contributions applied, and the amount of cash advances and payments made

to contractors and sub-grantees. For reports prepared on an accrued expenditure basis, outlays are the sum of actual cash disbursements, the amount of indirect expense incurred, the value of in-kind contributions applied, and the new increase (or decrease) in the amounts owed by the grantee for goods and other property received, for services performed by employees, contractors, sub-grantees, subcontractors, and other payees, and other amounts becoming owed under programs for which no current services or performance are required, such as annuities, insurance claims, and other benefit payments.

PAR - Personnel Activity Report

P&A - Planning and Administration

PI&E - Public Information and Education

PM - Project Manager

Prior Approval - Documentation evidencing consent prior to incurring specific costs.

Program Area - An area within a highway safety program eligible for traffic safety funding. Examples include: Alcohol (AL), Occupant Protection (OP), Traffic Records (TR), Police Traffic Services (PT), Planning & Administration (PA), etc.

Program Manager - The staff person at the HSO assigned to monitor and oversee project activities.

Project - Activities proposed or implemented by the HSO to address highway safety problems falling within one or more program areas.

Project Agreement - (See Grant Contract Award)

Project Director - The person assigned by the contractor to assume direct responsibility for administering all phases of the project agreement.

Project Manager/Traffic Safety Specialist - The staff person at the HSO assigned to monitor and oversee project activities.

PSR - Project Status Report

RA - Regional Administrator

Real Property - Land, including land improvements, structures and appurtenances thereto, excluding movable machinery and equipment.

RFP - Request for Proposal

RPS - Roads Payment System

SAFETEA-LU - Safe, Accountable, Flexible, Efficient, Transportation Equity Act – A Legacy for Users, Public Law 109-59

Scope of Work - The objectives and activities noted in the contract, which the contractor agrees to perform in compliance with instruction provided by the HSO. The contractor shall provide and charge only for those services requested by the HSO.

SFST - Standardized Field Sobriety Test

Share - When referring to the awarding agency's portion of real property, equipment or supplies, means the same percentage as the awarding agency's portion of the acquiring party's total costs under the grant to which the acquisition costs under the grant to which the acquisition cost of the property was charged. Only costs are to be counted--not the value of third-party in-kind contributions.

SHSP - Strategic Highway Safety Plan

STEP – Selective Traffic Safety Enforcement

Sub-grant - An award of financial assistance in the form of money, or property in lieu of money, made under a grant by a grantee to an eligible sub-grantee. The term includes financial assistance when provided by contractual legal agreement, but does not include procurement purchases, nor does it include any form of assistance which is excluded from the definition of "grant" in this part.

Subrecipient - a non-Federal entity that receives a sub award from a pass-through entity to carry out part of a Federal program; but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency (previously referred to as a sub grantee/contractor/subrecipient).

Sub-grantee - The government or other legal entity to which a sub-grant is awarded, and which is accountable to the grantee for the use of the funds provided. (Same as Subrecipient)

Supplies - All tangible personal property other than "equipment" as defined in this part.

Suspension - Depending on the context, either (1) temporary withdrawal of the authority to obligate grant funds pending corrective action by the grantee or sub-grantee or a decision to terminate the grant, or (2) an action taken by a suspending official in accordance with agency regulations implementing E.O. 12549 to immediately exclude a person from participating in grant transactions for a period, pending completion of an investigation and such legal or debarment proceedings as may ensue.

Target - The anticipated long-term results of the project must impact one or more of the specific emphasis areas.

TEA-21 - Transportation Equity Act for the 21st Century, Public Law 105-178

Termination - Permanent withdrawal of the authority to obligate.

TSEP - Traffic Safety Enforcement Program

TSRP - Traffic Safety Resource Prosecutor, grant program created to provide local law enforcement and prosecutors within the State with a veteran prosecutor, specializing in traffic safety issues with an emphasis in impaired driving, who supports their efforts through training, education, legal research and technical assistance.

Uniform Guidance - Effective December 26, 2014, the Federal Office of Management and Budget (OMB) issued Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Agencies which supersedes requirements from OMB Circulars A-21, A-87, A-110, and A-122 (which have been placed in 2 C.F.R. Parts 220, 225, 215, and 230); Circulars A-89, A-102, and A-133; and the guidance in Circular A-50 on Single Audit Act follow-up. AKA Super Circular.

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Section 1 – Overview and Eligible Fund Uses

This chapter describes the HSO planning process for traffic safety-related projects at the State and Local levels.

Each Federal fiscal year (October 1 – September 30) the HSO shall develop an HSP to qualify for Federal highway safety funding. The HSP is prepared and submitted by the supervisor to the Administrator for review and comment. After all Department approvals have been obtained, the HSO forwards the HSP to the National Highway Traffic Safety Administration (NHTSA) for approval.

The HSP and the Annual Report are submitted electronically to the NHTSA Regional Office. NHTSA posts each State's HSP and Annual Report on their website.

Federal approval of the HSP is in the form of a letter acknowledging the State's submission of the performance plan, Highway Safety Plan, Certificates and Assurances, and cost summary that complies with all Federal requirements. The HSP is due on July 1 annually and is submitted to NHTSA. The NHTSA Regional Office provides submittal instructions. A consolidated application process for the Section 402 program and seven National Priority Safety Programs is codified into a single section as the Section 405 program. A newest Section 405 program, Nonmotorized Safety, was established by the Fixing America's Surface Transportation (FAST) Act effective with FY2017.

At the beginning of the HSP development process, the HSO considers a number of factors in determining project priorities and areas of emphasis. These factors are as follows:

- Federal legislation and regulations
- State statutes
- Federal and national priorities and targets
- State and local problems
- Crash, driver, vehicle, population, and public health data

Other influences can be Federal and State legislative bodies, community-based organizations, local and national interest groups, State and local traffic safety related non-profit organizations and local governments. Planned activities and projects can be proposed by members of any of these organizations, directly or indirectly. The key target is to assure that all planned activities and projects in the HSP are data driven as required by Federal law.

From time to time, Congress designates or earmarks Federal highway safety funds for specific purposes and uses. Planned activities developed in response to these earmarked funds must be data driven as well, with the earmarked funds dedicated to the areas of the State with the greatest threat to public safety.

Uniform Guidelines promulgated by the U.S. DOT Secretary list the eligible program uses:

- Speeding
- Occupant protection
- Alcohol or drug impaired driving
- Motorcycle
- School bus safety

- Aggressive, fatigued and distracted driving
- Law enforcement services
- Driver awareness of commercial motor vehicles (FY2017)
- Driver performance
- Bicycle and pedestrian safety
- Traffic records
- Emergency medical services (EMS)

The NHTSA interim regulations under MAP-21 eliminated the national priority areas. States may use grant funds more broadly in accordance with an HSP approved by NHTSA to address their traffic safety problems. These program areas then form the framework for providing detailed descriptions of the selected traffic safety planned activities and projects**.**

For FY2017 and beyond the FAST Act allows-States to use Section 402 funds for research projects.

Section 2 – Nebraska Performance-Based Strategic Traffic Safety Plan (HSP)

The HSP is required by the U.S. Department of Transportation (U.S. DOT) and NHTSA regulations. The federal regulations outline the required contents of the HSP: planning process, performance plan, performance report, program area problem identification, strategies and planned activities, certifications and assurances, and Section 405 and Section 1906 grant application.

The HSP describes the processes used to identify Nebraska's traffic safety problems, establish performance measures and propose the planned activities the HSO plans to implement to reach its performance targets. Performance measures for each target track progress from a baseline toward meeting the target by the specified date.

The HSP development process consists of the following number of stages:

- Problem identification
- Planning to select and prioritize targets and countermeasure strategies
- Identification of performance measures
- Participation from traffic safety-related partners
- Development of funding priorities and planned activities
- Issuance of requests for contract
- Review, negotiation, and preliminary approval of contracts
- Submission of project agreements and HSP amendments to the Regional Administrator
- Implementation

The HSO's HSP is produced annually and is developed through discussions and meetings coordinated by the HSO. The HSO works with inter-agency groups, State and local government agencies, community coalitions, and many others to develop the annual HSP. The initial planning meetings are attended by HSO staff only. These initial meetings allow for the review of prior year's comments on prior activities, (by Federal, State and local Partners), the assignment of staff to draft the HSP program areas, the development of an initial budget and the production of rough drafts for each program area. Once an initial draft is produced, the HSP development meetings may be expanded to include other HSO traffic safety partners for solicitation of comments and input on potential strategies.

NHTSA Review, Approval and Appeal Procedures

The HSO is required to submit the HSP electronically to NHTSA no later than **July** 1 proceeding the fiscal year to which the HSP applies. The deadline is **FIRM.** NHTSA must approve or disapprove the HSP within 45 days. NHTSA may need to request additional information from the HSO regarding the contents of the HSP to determine whether the statutory requirements have been met. To ensure that the HSP is approved or disapproved, the HSO must respond promptly to any requests from NHTSA.

NHTSA will issue a letter of approval/disapproval to the State's GR and may specify conditions. If the HSP is disapproved, the reasons will be specified. The HSO is then required to resubmit the HSP with the necessary modifications. NHTSA will notify the HSO within 30 days of receipt of the revised HSP, via a letter, whether the HSP is approved or disapproved. The decision of the Regional Administrator (RA) may be appealed by submitting a letter. The letter will be forwarded by the RA for consideration by the Associate Administrator, Regional Operations and Program Delivery, at NHTSA Headquarters. If the HSP is not approved, NHTSA shall reduce the Section 402 funds by 20% of the amount that would otherwise be apportioned. The funds can either later be apportioned to the State when the HSP is approved, or, if not approved, the funds will be apportioned to the other States.

The Section 405 grant application is consolidated with the HSP. NHTSA notifies States in writing, and will specify any conditions or limitations, of Section 405 grant qualification before the start of the fiscal year of the grant and to notify States of grant award amounts early in the fiscal year. The decision of the NHTSA Administrator is final – there is no appeal process. Because the calculation depends on the number of States meeting the qualifications, States must respond promptly to NHTSA's requests for additional information. Failure to provide requested information may delay approval and funding of the State's Section 402 grant or **disqualification from receiving Section 405** or racial profiling data collection grants, see 23 CFR 1300.12.

Nebraska Performance-Based Strategic Traffic Safety Plan Development Process Calendar

Month	**Activity**
January	Debrief the previous year's programs, crash data, State and national priorities, update problem identification, review annual attitudes survey results and set performance targets with HSO staff. Coordinate data and problem identification with the State's SHSP. Review the NHTSA Regional Office Priority Letter to help set State targets.
January – February	Review most current calendar year standard summaries from NDOT. Conduct problem identification process including review of State traffic crash data and other related data sources. Complete the "Nebraska Motor Vehicle Crash Data by County" chart. Post on website. Complete the "Nebraska Youth Crash Data (Age 16-20)" chart. Post on website. Select priority counties based on crash data and create tables using rates. Post on website. Review and update Grant Contract Proposal Guide and Policies and Procedures (Guide). Post on website. Conduct an internal planning session to guide funding distribution and overall direction of the traffic safety program. Convene program area sessions to assist with current and prospective contractors/subrecipients to create specific plans and planned activities within each program area. Meet with NDOT to set performance measures common to the State's HSP and the State Highway Safety Improvement Program (HSIP) (fatalities, fatality rate and serious injuries) which are required to be defined identically, as coordinated through the State's SHSP.
March 31	Notify current year contractors of their eligibility for continuation and/or end of funding.

Month	Activity
	Solicit grant contract proposal applications from priority counties. Post solicitations on website. Determine revenue estimates and draft an initial HSP budget. Application deadline for external project proposals. * *Application Deadline and project approve dates may be adjusted as necessary.
April - May	Acknowledge receipt of project proposals. Distribute contract proposals to HSO staff for review and rating. Review project proposals, evaluate, make selections, and prioritize by program area. Final funding decisions made, and selection completed. Draft the HSP for internal review. Review draft HSP with HSO staff. Involve NHTSA Regional Office Representative in discussion/review of external contract proposals. Draft the HSP with the Section 405 and racial profiling data collection grant application for review by appropriate officials, NHTSA and program area experts. Develop HSO internal contracts. *Application Deadline and project approve dates may be adjusted as necessary.
June	Grant Contract preparation by HSO Staff. Conduct HSO final internal review of the HSP for compliance with Federal requirements, completeness and accuracy. Provide external project contract budget to Accountant. Finalize HSP budget. Schedule pre-award conference with **new** contractors.
July 1	Submit the final HSP to NHTSA Regional Office for formal review. Notify successful applicants and develop final grant agreements. Send final report reminder to current fiscal year's contractors. Issue Notice To Proceed (NTP) to selected grantees.
August	Contract Awards reviewed and mailed to Applicants Notify successful applicants, conduct pre-award risk assessments and develop final grant agreements.
September 1	Finalize HSO internal contracts. Submit HSO internal grants for Administrator approval.
October 1	Implement HSP, grants and contracts. Establish and implement monitoring schedule for the year. Obligate funds to GTS.
November November 30	Begin work of the Annual Report. Annual reports due from contractors by the second Thursday in November. Final CR due from contractors.
December	Internal Annual Reports due on second Thursday in December.
December 31	Closeout fiscal year and prepare final cost summary.

Month	Activity
	Submit Annual Report to NHTSA Regional Office.

Section 3 – Coordination with the State Strategic Highway Safety Plan (SHSP)

The HSO is structurally located within the Nebraska Department of Transportation. The Nebraska Department of Motor Vehicles (DMV), Nebraska Department of Transportation (NDOT) and the Nebraska State Patrol (NSP) are responsible for the development of the State's SHSP.

The HSO coordinates closely with the NDOT staff responsible for development of the SHSP to maximize integration and utilization of data analysis resources, fully represent driver behavior issues and strategies, and utilize any statewide safety committees to obtain input from State and local traffic safety partners for the HSO's HSP. The HSO shall ensure the targets and objectives contained in the SHSP are considered in the annual development of the HSP and incorporated to the fullest extent possible. The HSO shall review the SHSP and HSP to identify any gaps in addressing driver behavior issues and eliminate any redundancy to ensure the maximum use of resources. A link to the State's SHSP is included in the HSP.

The HSO is required to include in the HSP a description of the efforts made by the HSO to coordinate the HSP, and the outcomes of the coordination, data collection and information systems with the State SHSP. Examples of outcomes might include the joint use of the same databases, common targets in the HSP as derived from the SHSP or the creation of joint teams to collaboratively develop countermeasure strategies.
See 23 CFR Part 1300.4 (c) (11).

The HSP performance targets are required to be identical to the State DOT targets for the three common performance measures (fatalities, fatality rate and serious injuries) reported in the State Highway Safety Improvement Program (HSIP) annual report, as coordinated through the State's SHSP. These performance measures are based upon a 5-year rolling average. See 23 CFR Part 1300.11 (c) (2) (iii).

The SHSP is required to be updated at least every five years.

Section 4 – Governors Highway Safety Association (GHSA) Guidance

To assist the States, the GHSA has developed guidance, see GHSA Guidance for Development Highway Safety Plans. The Guidance describes the required elements of the HSP as well as providing suggested processes for problem identification, data analysis, setting performance targets and developing and selecting performance measures.

The GHSA HSP Guidance is located on the GHSA web site in the Resources/Planning page. This page on the site also contains the GHSA Annual Report Guidance .

DISCLAIMER: The GHSA HSP Guidance does not contain any information regarding the current NHTSA requirements for HSP submittals. This information should be obtained by the State directly from the Q&As and Waiver recently issued by NHTSA Headquarters and their applicable NHTSA Regional Office.

DISCLAIMER: This HSP Guidance is based upon the most current understanding of the applicable Federal regulations (3-26-20) and may change prior to the revised deadline of August 3, 2020, for submission of the FY2021 HSP. GHSA will continue to update the membership should new information become available. States should contact their Regional Office for assistance on specific issues.

The Governors Highway Safety Association (GHSA) represents agencies in each of the States and territories responsible for developing and managing statewide and local highway safety programs designed to reduce the human and economic consequences of crashes, injuries and fatalities experienced by the nation's road users.

Section 5 – Identification of State and Local Problems (Data Analysis Procedure)

A description of the data sources and processes used by Nebraska to identify its highway safety problems is required in the HSP. Nebraska is also required to identify the participants involved (committees, stakeholders, constituent groups, etc.). The information and all data sources utilized in these processes must be listed. The Core required performance measures should be examined as part of this initial problem identification process.

The purpose of the HSP's problem identification and assessment process is to:

- Understand the scope of Nebraska's traffic crash problem and causation factors.
- Develop effective countermeasures to reduce or eliminate the problems.
- Design evaluation mechanisms to measure changes in problem severity.
- Manage influencing factors by using statistical crash data to highlight a particular problem in order to obtain the necessary support for instituting an effective countermeasure.

The problem identification process used by the HSO includes analysis of traffic safety data from established statewide sources. The process is completed by HSO staff by January 31 annually and provided to all HSO staff for review. The statistics analyzed are historical data collected over time through a uniform process. These statistics include the following:

- State traffic crash database - crash, vehicle, location, and person data.
- Data on average daily traffic counts and vehicle miles traveled.
- The Federal Fatality Analysis Reporting System (FARS).
- Vehicle and Driver Information - the State's driver license, vehicle registration, and citation/conviction files.
- Trauma Registry, injury data, Crash Outcome Data Evaluation System (CODES), Emergency Medical System (EMS), and hospital data.
- Census and demographic data from the United States Census Bureau.

The result of the HSO problem identification process is the establishment of the major traffic safety program areas in which to focus efforts.

Data elements fall into three general categories: people, vehicles, and roadways. These categories may be broken down into subgroups and assigned relevant characteristics, as shown in the following table.

Categories of Traffic Safety Data

Data Category	Subgroups	Notes:
People	Drivers, occupants, pedestrians	Age, gender, blood alcohol level, driver's education, experience and training.
Vehicles	Passenger cars, trucks, buses, motorcycles, bicycles, etc.	Sedans, SUVs, convertibles, airbags, anti-lock brakes, electronic stability control.
Roadway	Interstate, primary, secondary	Political subdivisions, lighting conditions, surface conditions.

Data subgroups should be reviewed to determine over-representation. Such over-represented subgroups indicate traffic safety problems. A good example is the high percentage of crashes among teenage drivers compared to the lower percentage of crashes among all drivers. Further analysis should focus on identifying subgroup characteristics (for example, increased severity) or any other specific factors suggested by the data when asking the traditional "who, what, where, why, and how" questions.

Over-represented factors can be determined by comparing the rate of crashes for a subgroup or characteristic within the jurisdiction to the same rate in a comparable or larger jurisdiction. The rate may be expressed either as a percentage or a ratio.

> ***Percentage Example:*** If the percentage of adult vehicle occupants that do *not* use safety belts within a jurisdiction is greater than the statewide percentage, then that characteristic is over-represented.
>
> ***Ratio Example:*** Dividing nighttime (9 p.m. to 6 a.m.) crashes by the total number of crashes for the jurisdiction within a given time frame produces a ratio. If that ratio is higher than the statewide ratio, a driving while impaired (DWI) problem may be indicated since typically most nighttime crashes are DWI related.

Asking the following questions may help with data analysis and ultimately problem identification:

Questions to Help with Data Analysis and Program Identification

Question	Examples
Are high crash incidence locations identified?	Specific road sections, highways, streets, and intersections
What appears to be the major crash causation?	Alcohol, other drugs, speed, other traffic violations, weather, and/or road conditions
What characteristics are over-represented or occur more frequently than would be expected in the crash picture?	Number of crashes involving 16- to 19-year-olds versus other age groups, or number of alcohol crashes occurring on a particular roadway segment as compared with other segments
Are there factors that increase crash severity which are or should be addressed?	Non-use of occupant protection devices (seat belts, motorcycle helmets, etc.)

The following table shows an array of information that may be applied in the analysis of a crash problem:

Information That May Be Applied to Problem Analysis

Causal Factors:	Crash Characteristics:	Factors Affecting Severity:
• Driver Violations • Loss of Control • Weather • Alcohol Involvement • Roadway Design	• Time of Day • Day of Week • Age of Driver • Gender of Driver	• Occupant Protection Non-Use • Position in Vehicle • Roadway Elements (Markings, Guardrail, Shoulders, Surface, etc.) • Speed

HSO staff should be alert to the following factors that may impede effective problem identification and make appropriate adjustments when they appear:

- Data access restrictions.
- Inability to link automated files.
- Poor data quality.
- Reporting threshold fluctuations (variations among jurisdictions in the minimum damage or crash severity they routinely report).
- Insufficient data (property damage only, non-reportable crashes, near misses, bicycle crashes, etc.).

Section 6 – Key Program Areas, Targets, and Strategies

Using the data and information gathered through the problem identification process, the HSO then selects key program areas for emphasis. Then HSO coordinates the development of priority traffic safety performance targets, performance measures, countermeasure strategies and planned activities and strategies for each program area using a planning process documented in the HSP. See a list of the eligible program uses below:

Title
Speeding
Occupant Protection
Alcohol-Impaired and Drugged Driving
Aggressive, fatigued and distracted driving
Motorcycle
School bus safety
Law enforcement services
Young Drivers
Pedestrian and Bicycle Safety
Emergency Medical Services
Driver awareness of commercial motor vehicles (FY2017)
Driver Performance
Traffic Records

Description of Target Setting Processes

The HSP is required to include a brief description of the processes used by HSO to define its highway safety targets and develop planned activities to address its problems and achieve its targets. The description of the process followed should be thorough and complete. In describing these processes, the HSO lists all the information and identifies all data sources consulted. The HSO process for setting targets must be based on data trends and a resource allocation assessment. The HSP is required to identify all participants, agencies and organizations involved in the process and the manner in which they were involved must be described. Collaboration strategies should be included.

Performance Targets

The HSP includes a performance report, see Section 9. Performance Report. Then the performance plan, organized by program area, is required to list the performance measures and data-driven targets the State plans to implement in the new fiscal year. At least one performance measure and performance target that is data driven is required for each program area that enables the HSO to track progress, from a specific baseline, toward meeting the target (e.g., a target to increase seat belt use from X percent in Year 1 to Y percent in Year 2," using a performance measure of percent of restrained occupants in front outboard seating positions in passenger motor vehicles"). See Section 7. Performance Measures.

Targets should be data-driven, realistic and attainable and should guide program investments. Selected targets should, whenever reasonable, represent an improvement from the current status rather than a simple maintenance of the current number or rate.

For performance targets that are common across DOT agencies, the planned activities that will be deployed to achieve those targets may be a combination of those projects contained in the HSO's HSP and other State and local plans. If so, it is required that the funds used to carry out the program area strategies from those other sources, including Federal, State, local and private sector funds, be identified in the HSP.

The 12 Core outcome and behavior performance measures were developed by NHTSA in collaboration with GHSA and others. The initial process is described in Traffic Safety Performance Measures for States and Federal Agencies, (DOT HS 811 025) and are a minimum in developing the State's performance measures and targets. 23 CFR Part 1300.11 (c) (2) (iii) requires that the HSP performance targets for the three common performance measures (fatalities, serious injuries and fatality rate) with the State DOT HSIP annual report be based on 5-year rolling averages (only). Serious injury baselines should use 5 years of the latest *State* data. The method for calculating 5-year rolling averages is explained in the Federal Register. For the remaining core performance measures and any additional performance measures, the State may select the method for establishing performance measures: annual period, 3 year or 5 year rolling average. For the 3 core *activity* measures, States are not required to set targets but are required to report the measures annually. State crash data sources may also be used.

A template for developing clear and concise performance target statements was developed by GHSA in conjunction with NHTSA for the Core performance measures. All States are encouraged to use the template which lays out a target statement that is clear and concise. The template includes a sample target statement for the Core performance measures which must be used as a minimum in developing the State's performance measures and targets developed by NHTSA in collaboration with GHSA. The template includes the display of baselines which was eliminated as a requirement in the HSP by the Federal Register although baselines remain a critical element in setting targets.

The Uniform Guidelines for State Highway Safety Programs promulgated by NHTSA describe the guidelines areas that each State's program must comply. The overall State target is to reduce traffic safety-related crashes, deaths and injuries.

The most recent update of the HSP targets occur annually. Within the HSO, responsibility for development and review of the annual key program areas, targets, measures and strategies is assigned to the HSO Administrator.

Evidence-Based Countermeasure Strategies

This section of the HSP is typically organized by program area and can be organized in the same order that the performance measures and targets are listed in the performance plan. Although it is not necessary to restate the performance measures and targets, the HSO may choose to do so.

Each program area countermeasure strategy that will help the State complete its program and achieve their specific performance targets must be identified. At a minimum the description must include:

- an assessment of the overall projected traffic safety impacts of the strategies chosen and of the planned activities to be funded, and,
- a description of the linkage between program area problem identification data, performance targets, identified countermeasure strategies and allocation of funds

A description of each planned activity to support the countermeasure strategies to address its problems and reach the identified performance target(s) must also be provided, see 23 CFR Part 1300.11(d) (2) (ii). This must include at a minimum identification of a list and description (answering Who, What, Where and When) of the planned activities to support the chosen countermeasure strategy, and, for each planned activity (i.e. types of projects):

- A description including intended contractor/subrecipients (a list of specific subrecipients is not needed),
- Federal funding sources,
- Eligible use of funds
- Estimates of funding amounts,
- Amount for estimated match, (if applicable),
- Local benefit (if applicable),

The rationale for selecting the countermeasure strategy and the funding allocation for each planned activity must be provided. Information on the cost effectiveness of the proposed countermeasure strategy may be included if available, see 23 CFR Part 1300.11 (d) (3). If an innovative countermeasure is selected, the justification supporting the strategy must also be provided including research, evaluation and/or substantive anecdotal evidence that supports the potential of the proposed strategy, see 23 CFR Part 1300.11 (d) (4).

When aggregated, strategies should lead logically to overall statewide performance and be linked to the anticipated success of the countermeasures or strategies selected and funded in the HSP (23 CFR 1300.11(b)). In selecting the strategies and projects, HSOs should be guided by the data and data analysis supporting the effectiveness of the proposed countermeasures. All data and data analysis supporting the effectiveness of the proposed countermeasures are required to be included.

Evidence-Based Traffic Safety Enforcement Program

The HSP must include a description of the planned activities that collectively constitute an evidence-based (data driven) traffic safety enforcement program (TSEP) to prevent traffic violations, crashes, and crash fatalities and injuries in areas most at risk for such incidents. The requirements of the TSEP are, (i) an analysis of crashes, crash fatalities, and injuries in areas of highest risk; (ii) an explanation of the deployment of resources based on that analysis; and (iii) a description of how the State plans to monitor the effectiveness of enforcement activities, make ongoing adjustments *warranted by data*, and update the countermeasure strategies and planned activities in the HSP, as applicable. A cross-reference can be made to existing planned activities in the HSP. The HSO must specifically describe within this section(s) the HSO's planned process for ensuring that there will be continuous follow up and adjustment of the enforcement plan(s) by the HSO during the fiscal year.

National Mobilizations

The HSP is required to include a list and detailed description of the HSO's three planned high visibility enforcement (HVE) strategies to support each of the national mobilizations, see 23 CFR Part 1300.11 (d) (6). The FAST Act requires participation in not less than three HVE campaigns in each fiscal year to reduce alcohol-impaired or drug-impaired operation of motor vehicles and increase use of seatbelts by motor vehicle occupants. Beginning with FY2019, information regarding the national mobilization participation metrics (e.g. participating and reporting agencies, enforcement activity, citation information, paid and earned media information) is required to be provided to NHTSA in the Annual Report, see 23 CFR Part 1300.35. In addition to participating in national mobilizations, States may coordinate additional mobilizations that are driven by State-specific data.

Section 7 – Performance Measures

The performance plan of the HSP includes performance measures for each HSO target to track progress from a baseline toward meeting the target by the specified date using absolute numbers, percentages or rates. Performance measures are reviewed and updated each year. The purpose of measuring performance is to determine whether programs are working and to what extent.

In Nebraska's performance plan section of the HSP, each target is accompanied by at least one performance measure that enables Nebraska to track progress toward meeting the quantifiable annual target (e.g., a target to "increase seat belt use from XX percent in 20XX to YY percent in 20XX," using a performance measure of "percent of restrained occupants in front outboard seating positions in passenger motor vehicles"), see 23 CFR Part 1300.11 (c). The most recently released State and FARS

data shall be used by the State. For FY2018, see 23 CFR Part 1300 Uniform Procedures for State Highway Safety Grant Programs.)

Core Performance Measures

Beginning with MAP-21, 12 Core performance measures developed by NHTSA in collaboration with GHSA and others, described in Traffic Safety Performance Measures for States and Federal Agencies, (DOT HS 811 025), are required to be used as a minimum in developing the State's performance measures and targets. Therefore, it is essential to examine each of these measures as part of the initial problem identification process. There are also three activity measures which must be reported annually. The measures are:

OUTCOME AND BEHAVIOR MEASURES

1. Fatalities (actual-FARS
2. Number of serious injuries (State crash file)
3. Fatality rate per 100M VMT (FARS, FHWA)
4. Number of unrestrained passenger vehicle occupant fatalities, all seating positions (FARS)
5. Number of fatalities involving driver or motorcycle operator with .08 BAC or above (FARS)
6. Number of speeding-related fatalities (FARS)
7. Number of motorcyclist fatalities (FARS)
8. Number of unhelmeted motorcyclist fatalities (FARS)
9. Number of drivers age 20 or younger involved in fatal crashes (FARS)
10. Number of pedestrian fatalities (FARS)
11. Number of bicyclist fatalities (FARS) (FY2015)
12. Percent observed belt use for passenger vehicles – front seat outboard occupants (State survey)

ACTIVITY MEASURES

13. Number of seat belt citations issued during grant-funded enforcement activities (grant activity reports)
14. Number of impaired driving citations issued and arrests made during grant-funded enforcement activities (grant activity reports)
15. Number of speeding citations issued and arrests made during grant-funded enforcement activities (grant activity reports)

Program areas outside of the GHSA-NHTSA Core performance measures may be included if sufficient justification for addressing those issues has been established in the problem identification process.

Program areas outside of the GHSA-NHTSA Core performance measures may be included if sufficient justification for addressing those issues has been established in the problem identification process. Performance measures (and corresponding performance targets) are required to be developed for each program area that receives funding by the HSO. If the HSO intends to fund programs outside the Core measures, for each of these other programs, performance measures are required as well as: (i) documentation of current safety levels; (ii) quantifiable annual performance targets, and; (iii) justification for each performance target that explains why the target is appropriate and data driven.

A performance measure is an indicator to express the activity that will be used to establish a performance target and must be directly aligned to the target(s) of a project. Performance measures when combined with the performance target provide the basis for determining the degree of achievement of established targets. Acceptable activity levels or outputs shall be established as part of each grant agreement.

There are two common types of performance measures: direct and proxy. *Direct measures* are preferred. Examples of direct measures include: number of crashes, citations, people trained, units purchased, etc.

Sometimes it is impossible to obtain direct measures. If such is the case, a proxy measure might be used. *Proxy measures* are indicators that provide an indirect assessment of desired activity. An example is a self-reporting survey conducted among a statistically valid sample of the population to determine behavioral change (recognition of public service announcements on television or radio, seat belt usage, impaired driving issues, etc.).

The characteristics of a good performance measure are as follows:

- Quantifiable where possible
- Directly linked to objectives
- Accurate and clearly defined
- Understandable
- Objective
- Practical

States began conducting an annual attitudes survey in FY2010. The survey contains nine recommended (or equivalent) questions on occupant protection, impaired driving and speeding that States may use. See the following on the GHSA website, Projects page: Survey Recommendations for the NHTSA-GHSA Working Group. Additional related resources are available on this page. The results of the annual attitudes survey should be summarized in the data section of the following year's annual HSP and the complete findings reported in the following year's Annual Report.

The Performance Plan shall also include a brief description of the process used to define its performance measures. In describing this process, the HSO shall identify the participants in the process and list the information and data sources consulted.

Within the HSO, responsibility for development and review of the annual performance measures is assigned to the HSO staff as determined by the HSO Administrator.

Section 8 - Section 405 Application Information

There is a single application deadline for all highway safety grants including the traditional Section 402 program and incentive grant programs. The National Priority Safety Programs, or incentive grant programs, are codified in a single section, 23 CFR 405 and referred to as Section 405. These programs include: Occupant Protection; State Traffic Safety Information Systems (Traffic Records); Impaired Driving Countermeasures; Motorcyclist Safety; Distracted Driving; State Graduated Driver Licensing; and for FY2017 a new program, Nonmotorized Safety.

The specific qualification requirements are detailed in 23 CFR Part 1300.20 -.28 for States applying for any of the Section 405 or Section 1906 grant programs. Information is available from NHTSA for the requirements of Appendix B. As part of the Section 405 application, the State is required to provide specific information which varies depending on the National Priority Safety Program incentive grant(s) for which the State wishes to receive funding consideration. The form should be consulted for the required information which may be supplied as a reference to an HSP page.

The Section 402 application is reviewed by the NHTSA Regional Office. The program portion of the Section 405 application is reviewed by a NHTSA Team and the legal requirements are reviewed by the NHTSA legal counsel. The GMSS will provide opportunities during completion of the HSP to indicate if a planned strategy also addresses a Section 405 requirement.

Maintenance of Effort

MAP-21 mandated maintenance of effort (MOE) when States receive Section 405 funding for occupant protection, State traffic safety information systems and impaired driving countermeasures grant programs. Beginning with FY2018, the HSO shall certify in the HSP that the lead State agency designated by the GR as responsible for those traffic safety programs is maintaining aggregate expenditures at or above the average level of such expenditures in fiscal years 2014 and 2015. For FY2018 the HSO submitted to NHTSA for approval of the lead state agencies which cannot be changed for the duration of the reauthorization. By March 31 annually, the HSO shall have available the MOE comparison report for review by NHTSA. WAIVER: The FAST Act provides for a one-time exception for the HSO to request a MOE waiver for exceptional or uncontrollable circumstances which is typically fiscal or natural disasters. For additional information on MOE annual and HSP requirements, see the GHSA MOE Advisory.

Planning and Administration (P&A) Costs

No P&A costs are allowed from Section 405 grant funds.

Eligible Uses of Section 405 Funds and Section 1906

The eligible uses of grant funds awarded under Section 405 and Section 1906, depends upon the program and fiscal year for which funds are awarded and shall be limited to the following, see 23 CFR§1300.21 - 27.

Section 405 Program	Eligible Uses and Limitations
Occupant Protection (OP) §1300.21 Lower Use States cannot use Section 405 funds for OP Assessments. High Use States can use Section 405(b) funds for Section 402 activities including OP Assessment costs.	• High Use States: Up to 75% prior to FY2017 and 100% for FY2017 and beyond for any project or activity eligible for funding under 23 USC 402 and the balance for the OP projects below. • Lower Use States – only the following: - High-visibility enforcement mobilizations including paid media that emphasizes publicity for the program and law enforcement - Training OP safety professionals, police, fire and EM personnel, educators and parents concerning all aspects of the use of child restraints and OP - Educating the public on the proper use and installation of child restraints including related equipment and information systems - Providing community CPS services including programs on proper seating positions for children and how to reduce the improper use of child restraints - Establishing and maintaining information systems containing data concerning OP including the collection and administration of CPS and OP surveys, and, - Purchasing and distributing child restraints to low-income families provided not more than 5% of the funds received in a fiscal year are used for such purpose
Traffic Records §1300.22 (no change for FY2017)	100% to make quantifiable, measurable progress improvements in the accuracy, completeness, timeliness, uniformity, accessibility or integration of data in a core highway safety database
Impaired Driving (AL) §1300.23 For formula grant States (identified as low, mid or high range) Section 405 funds	• Low Range State: (a) Up to 50% for any Section 402 eligible project, (b) Programs designed to reduce impaired driving based on problem ID, and for: (c) Programs identified in 23.CFR Part 1300.21 (j): - High-visibility enforcement (HVE) efforts

Section 405 Program	Eligible Uses and Limitations
cannot be used for AL Assessments. *Programs specific to alcohol impairment only unless using catchall problem ID category.	- Hiring a full-time or part-time coordinator to address driving while impaired by alcohol, drugs or the combination - Court support of HVE efforts, training and education of CJ professionals to assist in handling AL cases, hiring traffic safety resource prosecutors, hiring judicial outreach liaisons and establishing DWI courts - *Alcohol ignition interlock programs - *Improving BAC testing and reporting - Paid and earned media in support of HVE of impaired-driving laws and conducting SFST training, ARIDE training and DRE training for law enforcement, equipment and related expenses used in connection with impaired driving enforcement - Training on the use of alcohol and drug screening and brief intervention - Training for and implementation of impaired driving assessment programs for identifying recidivism or mental health/substance abuse treatment - Developing impaired driving information systems - Costs associated with 24/7 sobriety programs • Mid-Range State: Programs identified in 23 CFR Part 1300.21 (j) and programs designed to reduce impaired driving based on problem ID ***if*** advance approval is received from NHTSA • High Range State: only for HVE and programs identified in 23 CFR Part 1300.21 (j) or programs designed to reduce impaired driving based on problem ID ***if*** all proposed uses are described in a statewide impaired driving plan submitted to and approved by NHTSA
Ignition Interlock §1300.23 (g)	• For any eligible project or activity under Section 402 including Impaired Driving Assessments and drug-impaired driving programs
24/7 Program §1300.23 (h)	• For any eligible project or activity under Section 402 including Impaired Driving Assessments and drug-impaired driving programs
Comprehensive Distracted Driving (DD) §1300.24	• At least 50% to educate the public through advertising concerning information about the dangers of texting or using a cell phone while driving, for traffic signs that notify drivers about the DD State law or for law enforcement costs related to DD law enforcement • Not more than 50% for any eligible project/activity under Section 402, and, not more than 75% for any eligible project or activity under Section 402 if the State has conformed its distracted driving data to the most current MMUCC
Motorcyclist Safety (MC) §1300.25 Note: A State that receives a MC grant may sub allocate funds to a nonprofit organization incorporated in that State to carry out grant activities under this section.	• Improvements to MC training curricula • Improvements in program delivery of motorcycle training to both urban and rural areas including (A) purchase or repair of practice motorcycles; (B) instructional materials; (C) mobile training units; (D) leasing or purchasing facilities for closed-course motorcycle skill training • Measures designed to increase recruitment or retention of MC training instructors, and, • Public awareness, PSAs and other outreach programs to enhance driver awareness of motorcyclists

Section 405 Program	Eligible Uses and Limitations
	• ***If*** the State qualifies under *low fatality performance criteria,* up to 50% for any eligible project or activity under Section 402
Graduated Driver Licensing (GDL) §1300.26	• Enforce the GDL process • Provide training for law enforcement and other relevant State agency personnel relating to enforcement of the GDL process • publish relevant educational materials that pertain to the State's GDL law directly or indirectly • carry out administrative duties to implement the GDL process; or, • carry out a teen traffic safety program described in 23 USC 402 (m) • Not more than 75% may be used for any eligible project or activity under Section 402 ***If*** the State qualifies under *low fatality performance criteria,* up to 100% for any eligible project or activity under Section 402
Nonmotorized Safety §1300.27	• Training of law enforcement officials on State laws applicable to pedestrians and bicycle safety • Enforcement mobilizations and campaigns designed to enforce State traffic laws applicable to pedestrians and bicycle safety, or, • Public education and awareness programs designed to inform motorists, pedestrians and bicyclists of State traffic laws applicable to pedestrians and bicycle safety
Racial Profiling Data Collection §1300.28	• Collecting and maintaining data on traffic stops, or, • Evaluating the results of the data

NHTSA Section 405 Award Determinations and Appeals

After reviewing applications and making award determinations, NHTSA shall, in writing, distribute funds available for obligation to qualifying States and specify any conditions or limitations imposed by law on the use of the funds. Effective FY2017 NHTSA will transfer unallocated Section 405 funds to Section 402. NHTSA is required, within 60 days after the date of the Section 405 awards, to make publicly available on the U.S. DOT website an identification of the States awarded grants, the States that applied and were not awarded grants, the States that did not apply for a grant and a list of the deficiencies that made a State ineligible for a grant.

Grant awards are subject to the availability of funds. Except as provided in 23 CFR Part 1300.26 (h), the amount of a grant awarded to a State in a fiscal year under Section 405 or Section 1906 shall be in proportion to the amount each such State received under Section 402 for fiscal year 2009. If there are insufficient funds to award full grant amounts to qualifying States, NHTSA may release interim amounts and release the remainder, up to the State's proportionate share of available funds, when it becomes available in the fiscal year. See 23 CFR §1300.20 (e) (3). If all Section 405 funds available will not be distributed, the funds are transferred to Section 402 and distributed in proportion to the amount each State received under Section 402 for FY2009, see 23 CFR §1300.20 (e).

Racial Profiling Data Collection Grants

Section 4011 of the FAST Act revised several aspects of the Section 1906 incentive grant program created under SAFETEA-LU. The purpose is to encourage States to maintain and allow public inspection of statistical information on the race and ethnicity of the driver for all motor vehicle stops made on all public roads except those classified as local or minor rural roads. Under the FAST Act, States have two ways to qualify and certain documentation and assurances are required to be submitted with the HSP, see 23 CFR Part 1300.28.

Section 9 - Performance Report

For FY2019 and beyond, within the HSP, the HSO is required to provide a program-area level report on the State's success in meeting its performance targets by performance measure for each performance measure identified in the previous fiscal year's HSP, see 23 CFR 1300.11 (b). The State should use the most recent data available including State-level fatal data as well as additional non-fatality data.

NOTE: This is NOT the same level of information which is required of the States to provide in the comprehensive Annual Report (AR) under 23 CFR 1300.35. This is a much briefer status report focusing mainly on the prior year's results for the State's Core performance measures. It is an in-process assessment at the program level on the State's progress and thus differs from the Annual Report.

Section 10 – Public Outreach

NHTSA regulations require that HSO provide a brief description in the HSP of the processes used to identify its highway safety problems, define its highway safety targets and performance measures, and develop strategies and activities to address its problems and achieve its targets. In describing these processes, the HSO shall identify the participants in the processes (e.g., highway safety committees, community, and constituent groups), discuss the strategies for project or activity selection (e.g., constituent outreach, public meetings, solicitation of proposals), and list the information and data sources consulted.

To the extent possible, the HSO should summarize information that shows an understanding of the major highway safety activities of other agencies and organizations and how the HSO is collaborating with other agencies and partners. One method used by many States to reach their constituency groups is a pre-proposal application conference or meeting.

The HSO strives to prevent the loss of life, personal injury, and property damage caused by traffic crashes and to reduce the resulting economic losses to the residents of Nebraska. The efforts necessary to reach these targets require partnering with public agencies and special interest groups to foster the sense of cooperation vital to accomplishing the mission. This includes:

- Community Coalitions: The HSO encourages the development of community-based coalitions in order to engage citizen involvement in the health and safety of communities by demonstrating local commitment and community support.

- Inter-Agency Working Groups: The HSO makes an effort to promote inter-agency cooperation relating to highway safety issues using the resources of various State departments and agencies to the best advantage possible.

- Internal Working Group: The HSO "Nebraska Advocates for Highway Safety" is one example that combines community coalitions, state and local agencies.

- Pedestrian, Motorcyclist and Bicycle Safety Groups: The HSO makes an effort to work with various safety groups, including representatives of pedestrian, motorcycle and bicycle groups to promote highway safety issues using the resources of various State departments and agencies to the best advantage possible.

Section 11 – Funding and Program Cost Summary

The U. S. Congress authorizes traffic safety funds to be appropriated to the U.S. DOT, NHTSA. NHTSA apportions and distributes these funds to the States. The States obligate these funds through the annual State Highway Safety Plan (HSP) that is subject to NHTSA review. Any earmarked or special purpose funds shall be used only in that particular program area and cannot be transferred to any other program area. When developing the HSP, new revenue estimates for each funding source are obtained annually from the NHTSA Regional Office by the HSO typically in the first quarter of the calendar year for the following fiscal year. This information along with estimated prior year unexpended funds is used to develop the "estimated" total highway safety funding available for the upcoming fiscal year.

The HSO Administrator is responsible for annually allocating the estimated amount of revenue by program area for the HSP budget based on the information gathered in the problem identification, performance targets and strategy processes. This assures the greatest potential impact on Nebraska's overall target of reducing traffic safety-related crashes, deaths, and injuries. The process for making the budget allocation decision should be documented in the HSP.

Beginning in FY2014, Nebraska submits a consolidated application for Section 402 funds and Section 405 and Section 1906 funds for the National Priority Safety Program Grant programs. The HSO may also receive penalty transfer funds. Planned funds are subject to revision depending on the actual amount of funding received by the State.

Program Cost Summary Form (HS 217)

The Program Cost Summary Form (HS 217) or its electronic equivalent was required for FY2017. For FY2018 and beyond, the HSO has the option of completing a HS 217 or equivalent.

The Summary provided the State's proposed allocations of funds (including carry-forward funds) by program area based on the targets and activities identified in the HSP and the projects and activities. The funding level used is an estimate of available funding for the upcoming fiscal year.

Highway Safety Improvement Program Funds and Other Funding Sources

Beginning with FY2017, and new obligations of HSIP carryforward beginning on the effective date of the FAST Act, Highway Safety Improvement Program (HSIP) funds may **not** be used for behavioral safety programs.

The HSO is also required to identify funding from other sources (Federal, State, local and private sector) for planned activities that the HSO considers necessary to reach the performance targets identified in the HSP, see 23 CFR 1300.11 (d) (2). This is especially true of State designated funds and major planned activities where the HSO is directly partnering with agencies to achieve a target included in the HSP. However, it is not necessary for the HSO to search out every activity of that type within the State which may possibly be taking place.

Planning and Administration Costs

The tasks and related costs for Planning and Administration (P&A) are required to be included in a P&A program area within the HSP, or, another format where the activities are described. There are definitions of P&A eligible costs, limitations on the federal share of total P&A costs and sources of funds, and, limits on the amount of funds that can be spent on P&A programs. If the State is using HSO indirect costs as P&A match, such costs can only be applied to P&A expenditures. See Chapter 4. Grant Selection and Execution, Section 8. Development of HSO Internal Contracts for additional information.

Automated Traffic Enforcement Systems Prohibition

The HSO may not expend funds apportioned under Section 402 to carry out a program to purchase, operate or maintain an automated traffic enforcement system with the exception of school zones. The prohibition includes any camera which captures an image of a vehicle for the purposes only of red light and speed enforcement. NOTE: This does not include hand-held radar and other devices operated by law enforcement to make an on-the-scene traffic stop, issue a traffic citation or other enforcement action at the time of the violation. See also Chapter 6. Fiscal Procedures, Section 4. Allowable Costs. Beginning with FY2018, States with automated traffic enforcement systems are required to either certify that no systems are used on public roads, or, conduct and submit a biennial survey to the NHTSA Regional Office no later than March 1 of the fiscal year. For the survey requirements, see 23 CFR Part 1300.12 (d).

Motorcycle Checkpoint Funding Prohibition

For FY2017 and beyond, the FAST Act prohibits the HSO from expending NHTSA grant funds for any program to check motorcycle helmet usage or to create check points that specifically target motorcycle operators or motorcycle passengers. In April 2017 NHTSA interpreted this section to include a prohibition of federal funding for motorcycle helmet usage observation surveys.

Apportionment and Obligation of Federal Funds

The funds distributed are available for expenditure by the State to satisfy the Federal share of expenses under the approved traffic safety program and shall constitute a contractual obligation of the Federal Government, subject to any conditions or limitations identified in the distributing documentation. Vouchers that request payment for projects whose project agreement numbers or amounts claimed do not match project agreements (submitted by the HSO) or exceed the estimated amount of Federal funds provided under 23 CFR §1300.11 (e) shall be rejected, in whole or in part, until an amendment is submitted to and approved by the NHTSA Regional Office in accordance with 23 CFR §1300.14 and .32.

In the event that authorizations exist but no applicable appropriation act has been enacted by Congress by October 1 of a fiscal year the NHTSA Administrator shall, in writing, distribute a part of the funds authorized under 23 USC Chapter 4 contract authority to ensure program continuity and shall specify any conditions or limitations imposed by law on the use of the funds. Upon appropriation of Section 402 funds, the NHTSA Administrator shall, in writing, promptly adjust the obligation limitation and specify any conditions or limitations imposed by law on the use of the funds. See 23 CFR § 1300.15 (b).

Within the HSO, responsibility for development of the estimated annual HSP budget is assigned to the HSO Administrator. The required planned activities and any necessary revisions are prepared by the HSO Administrator for approval by the HSO Administrator and inclusion in the HSP submitted annually to NHTSA including project agreements and revisions submitted to the Regional Administrator after the HSP has been approved by NHTSA.

Section 12 – Benefit to Locals

States are required to ensure that at least 40 percent of all (new) Federal funds apportioned under Section 402 for any fiscal year is **expended*** by the political (local) subdivisions of the State, including Indian tribal governments, in carrying out local highway safety programs. A State may request a waiver. These local highway safety programs must be approved by the Governor and operated in accordance with the minimum standards established by the Secretary under Section 402. See 23 USC Chapter 4, Section 402(b) and , 23 CFR Part 1300 Appendix C - Participation by Political Subdivisions.

When sub-grants are directed to State agencies and local benefit is claimed, the HSO shall ensure that local benefit source documentation is readily available on-site including evidence of an active local voice in the initiation, development and implementation of the programs. There are exceptions for a political

subdivision which has not had an active voice but agrees in advance of implementation to accept or requests the benefits of the program. Evidence of the acceptance or request must be established in writing and maintained on file until all such funds are expended.

When the State proposes to use the salary and benefits of a State employee toward meeting the 40 percent requirement, the State should ensure that the required documentation is in place before any work is carried out and that it evidences that the local government consented and accepted the work of the State employee on its behalf. Refer to the Local Benefit guidance issued by NHTSA on December 1, 2011, for a description of the type of activities that may be considered. (23 CFR Part 1300 Appendix C - Participation by Political Subdivisions)

With regard to State expenditures, such as Nebraska State Patrol and law enforcement or statewide paid media, the State may designate such expenditures as benefiting local government to meet the 40 percent requirement. The HSO may credit such expenditures only where the political subdivision has had either an active voice or agreed in advance of implementation to accept the benefits of the program. And, the active voice or pre-agreement must be documented annually in writing from the local government and kept in the project file.

***NOTE:** The HSO is required not only to obligate 40 percent of the Section 402 funds to the benefit of locals but must also ensure that the required percentage of funds is actually expended to the benefit of locals. This requires the HSO to periodically monitor local grant expenditure rates during the fiscal year. Each voucher entered into the Federal Grant Tracking System (GTS) shall provide the dollar amount of Federal funds for each program area which was allocated to local benefit at least at mid-year (by March 31) and with the final voucher at fiscal year closeout. If at March 31 the percentage of local benefit reported appears to be significantly low, further research should be done to determine the cause including slow vouchering by contractors or an insufficient number or dollar amount of local sub grants.

Section 13 – Advertising

The NHTSA "Guidance for States Using Section 402 Funds for Purchasing Advertising for Highway Safety Messages" updated in May 2013 to provide information on using highway safety funds to purchase advertising for highway safety messages. The HSO has had the authority to use funds to purchase advertising in a variety of mediums including television and radio, cinema, internet, print, outdoor (billboard space) and sports marketing for highway safety messages. States are still required to report on the purchase of media with Federal funds and its effectiveness in their Annual Report. NHTSA advocates the use of a sustained high visibility enforcement model that focuses on strategically deploying enforcement and communications resources at targeted times and locations throughout the year based on State problem identification. The objective is to influence and sustain year-round behavioral change while getting higher returns on investment and further improvements in traffic safety.

When Nebraska plans to use funds for this purpose, the HSO shall document in their annual HSP information describing the following:

- what program/policy the advertising is supporting,
- how the advertising will be implemented to support an operational enforcement program whether it be a periodic crackdown/mobilization or an on-going saturation or roving patrol;
- the amount allocated for paid advertising, and
- the measures that will be used to assess message recognition and penetration of target audience.

If a sub-grantee is granted advertising funds the sub-grantee should likewise be required to report this information to the State so that the information can be included in their Annual Report.

As with other activities, paid advertising must be part of a comprehensive program to address specific highway safety targets identified in the HSO Performance Plan. Advertising should not be a standalone program or activity. For example, the communications plan should be preceded by the enforcement plan.

Federal funds are to be used only for certain specified **advertising** and **public relations** costs. *See* 2 CFR Part 200.421. Federal grant funds are *never* available to cover the costs of **promotional items** and **memorabilia**.

Television public service announcements and advertising created with the aid of Federal funds must contain closed captioning of the verbal content. See NHTSA Highway Safety Grants Program - Resources Guide-Advertising.

See also Chapter 5. Grant Administration and Management, Section 5. Public Information and Education (PI&E).

Sports Marketing: If the State enters into a sports marketing sponsorship agreement, with a team, stadium or arena, it must further the achievement of the program's performance targets. In conjunction with the purchase of paid advertising, attendance at sporting and entertainment events that charge admission may occur which could be deemed an unallowable cost. See Chapter 5, Section 5. Public Information and Education (PI&E) for guidance on applicable tests for such expenditures and examples of possible circumstances and their appropriate resolution.

Section 14 – Certifications and Assurances

Each fiscal year, the HSO sign Certifications and Assurances with the submission of the Plan that Nebraska complies with all applicable Federal statutes, regulations, and directives in effect with respect to the period for which it is receiving grant funding. The HSO grant application form requires compliance by sub-grantees with the NHTSA Certifications and Assurances.

A Certification Statement for the Section 402 program, which can be signed only by the State's Governor's Representative for Highway Safety, is required in the Plan. The statement provides assurances that the State will comply with applicable laws and regulations, financial and programmatic requirements, and the special funding conditions of the programs. The State must use only the exact format and language specified in Appendix A (make no changes in the required language) and include every certification. NOTE: NHTSA will provide an electronic Certification and Assurances document for use by the States. An electronic signature will not be accepted.

Sub-grantees (contractors/subrecipient) Certifications and Assurances: The HSO must also be aware that Federal regulations require that the HSO ensure that every sub-grant and contract (i.e. purchase orders) include any clauses required by Federal statute and Executive Order and their implementing regulations and that the sub-recipient or contractor is aware of the requirements imposed upon them. See 2 CFR Part 200.331(a)(2).

Under the FAST Act, 23 CFR Part 1300 Appendix A Certifications and Assurances identifies for the HSO the following certifications and assurances that are required to be imposed upon sub-grantees (subrecipients). They are:

- Nondiscrimination
- Buy America Act
- Political Activity (Hatch Act)
- Certification Regarding Federal Lobbying

- Restriction on State Lobbying
- Certification Regarding Debarment and Suspension
- Prohibition on Using Grant Funds to Check for Helmet Usage

Although discouraged, the HSO may at their option require additional sub recipient State certifications and assurances, such as, seat belt use policies or training requirements for law enforcement officers.

Failure to comply with applicable Federal statutes, regulations, and directives may subject State officials to civil or criminal penalties in accordance with 2 CFR Part 200 Remedies for Noncompliance Part 338 - 342.

Section 15 – Three Years Plus One Federal Expenditure Restriction

23 CFR Chapter 1, Subchapter I, Part 118(2) it states, "Except as otherwise specifically provided, funds apportioned or allocated pursuant to this title (other than for Interstate construction) in a State shall remain available for obligation in that State for a period of 3 years after the last day of the fiscal year for which the funds are authorized. Any amounts so apportioned or allocated that remain unobligated at the end of that period shall lapse."

The HSO shall monitor the obligation of Federal highway safety funds by year and by funding source.

Section 402, and Section 405 grant funds are authorized for apportionment or allocation each fiscal year. States should, to the fullest extent possible, expend these funds during the fiscal year. When developing the annual HSP funding plan, the HSO is aware of the limitations placed upon the length of time that the funds are available. Grant funds are available for expenditure for three years after the last day of the fiscal year of apportionment or allocation (referred to as "three years plus one).

NOTE: Beginning with MAP-21 and continuing under the FAST Act, during the last year of availability of funds, NHTSA will notify States of unexpended grant funds subject to this requirement not later than 180 days before the end of the period of availability. In this situation only, the HSO must upload to GMSS the project agreement for NHTSA approval. The State may then commit the unexpended grant funds to a specific project before the end of the period of the availability. The funds committed to a specific project must then be expended before the end of the succeeding fiscal year and only on that project. At the end of that time period, unexpended grant funds will lapse and NHTSA will de-obligate unexpended balances, see 23 CFR Part 1300.41 (b).

Effective with FY2017, there are new requirements pertaining to the State receiving credit for carry-forward funds and making them immediately available for use. The State's Highway Safety Plan including any amendments shall have been approved by the NHTSA Regional Administrator as provided by 23 CFR Part 1300.14 including any amendments to the HSP as provided by 23 CFR Part 1300.32. See 23 CFR Part 1300.41 (a).

Section 16 – Fund Liquidation

The HSO shall promptly obligate and expend Federal highway safety grant funds and track fund liquidation including transfer and incentive funds by funding year and source. The oldest funds should be expended first whenever possible.

The HSO Accountant shall be responsible for periodically examining the current liquidation of each funding source by year, looking back at least five years, and shall promptly notify the HSO Administrator of any unreasonably large amounts of unliquidated funds. This examination shall include a prompt review of the GTS Grant Fund Balances Report and other reports and reconciliation of all categories with the HSO records. The HSO shall monitor closely the spending rates of all contractor/subrecipients and make

periodic projections to assure the prompt start of project agreements and determine if there are impediments to full expenditure of funds by the project end. The HSO shall **de-obligate** unspent funds in a timely manner to allow carryover into the next fiscal year.

The HSO should receive a quarterly report from the NHTSA Regional Office of the amount of carryover and current fiscal year funds from the GTS. The HSO should review the report to ensure that funds are obligated expeditiously and older funds are expended first.

Section 17 – Delegation of Authority

NHTSA regulations require a formalized process be established by the State as to who can act on behalf of the HSO Administrator in his or her absence. The HSO is required to establish a written Delegation of Authority.

The following table lists signature authority related to the HSO traffic safety grant program.

Delegation of Signature Authority

Document	**Signature Authority**
Highway Safety Performance Plan	Governor's Highway Safety Representative or HSO Administrator
Certifications and Assurances of the Highway Safety Performance Plan Appendix A	Governor's Highway Safety Representative
Highway Safety Program Cost Summary for FY2017 only	Governor's Highway Safety Representative or HSO Administrator
Federal Cooperative Agreements	Governor's Highway Safety Representative or HSO Administrator
Certifications and Assurances for National Priority Safety Program Grants (Section 405) Appendix D	Governor's Highway Safety Representative
National Highway Traffic Safety Administration Agreements	Governor's Highway Safety Representative or HSO Administrator
Federal Grant Applications	Governor's Highway Safety Representative or HSO Administrator
Internal HSO Planning and Administration and Program Management grants	HSO Administrator
Reimbursable Service Agreements	Governor's Highway Safety Representative or HSO Administrator
Traffic Safety Program Grant Agreements and Amendments (any amount)	Governor's Highway Safety Representative or HSO Administrator
State Vouchers for Federal Reimbursement	HSO Administrator or HSO Accountant
Requests to NHTSA to purchase equipment ($5,000 or more) with Federal funds	Governor's Highway Safety Representative or HSO Administrator

In the absence of the HSO Administrator, HSO signature authority is delegated to the Governor's Highway Safety Representative.

The NHTSA Regional Office shall be notified in writing of the name and type of authorization and provided with the signature of each person currently assigned signature authority on behalf of the HSO. Whenever a temporary or permanent change occurs in the authorization assignment or the person assigned to the named authorized position, the NHTSA Regional Office shall immediately be notified in writing and provided the new information.

Section 18 – Buy America Act

Appendix A of Part 1300 identifies for the HSO all of the certifications and assurances that are required, see Chapter 2, Planning, Section 14. Certifications and Assurances. One of the required certifications is compliance with the Buy America Act, 23 U.S.C. Section 313. The Act prohibits States from using highway grant funds under 23 U.S.C. Chapter 4 to purchase products unless they are produced in the United States. The prohibition applies to steel, iron and all manufactured products unless a waiver has been requested from the Secretary of Transportation. The Secretary may waive the requirement if: it would be inconsistent with the public interest; the products are not produced in the United States in sufficient and reasonably available quantities and of satisfactory quality; or, use of the products produced in the United States would increase the overall cost by more than 25 percent.

NHTSA has determined that for compliance purposes American-made covers any product that is manufactured **OR assembled** in the United States. This requirement applies to all items purchased with Federal funds including office supplies. There are no waivers for classes of items. The waiver process generally takes 60 days. The waiver goes into effect at the time of its publication in the Federal Register. The waiver determination will state if the waiver applies only to the requestor or to others wishing to purchase the same item. The duration of the waiver will be stated in the Federal Register publication.

A public interest waiver issued by NHTSA became effective July 30, 2015. The waiver allows States to purchase any manufactured product with a purchase price of $5,000 or less, excluding a motor vehicle defined in 49 USC 30102(a)(6), when the product is purchased using Federal grant funds administered under Chapter 4 of Title 23 of the U.S. Code. The purchase of foreign-made cars, motorcycles, trailers and other similar conveyances must be made with using a waiver regardless of price. Effective July 30, 2015, any pending waiver requests for an item with a purchase price of $5,000 or less were no longer necessary.

NHTSA has issued Guidance dated January 23, 2014, which details the waiver criteria and the process for submitting a written waiver request to the applicable NHTSA Regional Administrator, see NHTSA Highway Safety Grants Program – Resources Guide. NHTSA and GHSA conducted a webinar on January 29, 2014, "NHTSA Highway Safety Grant Program Updated GHSA-NHTSA Webinar" which included additional information on the Buy America Act requirements and the waiver process, see the GHSA website/Members Only/Webinar for a complete copy of the presentation. Caution is advised when considering purchases or waivers outside of the federal Buy America initiative.

Beginning with calendar year 2017, caution is advised when considering purchases or waivers outside of the federal Buy America initiative.

Chapter 3

Project Development

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Section 1 – Overview

In alignment with the problem identification performance targets and key strategies identified in the annual Highway Safety Plan (HSP), the HSO solicits proposals and awards grants to fund projects designed to reduce the number of deaths and serious injuries resulting from traffic crashes.

Traffic safety projects are initiated as a result of several types of "needs" including:

- Statewide and local problem identification
- State agency initiative
- Community initiative
- Key events

The development of final grant agreements is a two-step process. Grant contract proposals are submitted to the HSO by potential contractors following a prescribed process and deadlines. For successful applicants, the grant contract proposal becomes the final project. This chapter describes the proposal process.

Grant contract proposals must include the most current data available to identify a traffic safety problem, a workable solution linked to the identified problem, performance targets, detailed action plans, budgets that demonstrate an understanding of the various issues to be resolved, and a reasonable approach to resolving the identified problem. Proposed projects must be data driven and the HSO must be able to show that the strategies chosen are evidence-based.

The HSO contract award is a legally binding document when fully executed by both parties. It has as attachments other documents such as terms and conditions, detailed project descriptions, the approved budget, and certain required certifications and assurances.

Section 2 – Request for Grant Contract Proposal

Annually the HSO develops and distributes the Grant Contract Proposal Guide and Policies and Procedures (Guide) to solicit contract proposals from interested applicants. The Guide contains the information needed by applicants to submit a grant contract proposal. All proposals remain confidential until the grant agreement is signed by the applicant and the HSO Administrator. After both parties have signed, the

grant agreements are public records as defined in the State's "Public Records Act". The Guide is revised as annually and posted on the website.

Section 3 – Grant Contract Proposal Guide

The purpose of the Guide is to establish program and grant management procedures and provide guidance to contractors for the development and administration of grant contracts. The guidance should assist contractors in understanding grant development requirements including an outline of the specific objectives of the project, budget, performance measures, and commitment of responsibility by the HSO and the contractor.

The Guide shall contain the following:

- Grant Contract Proposal Cover
- Key Elements of the Grant Application
- Grant Review and Approval Process
- Reimbursement Procedures
- Grant Revision Instructions
- Certifications and Assurances
- Policies and Procedures
- Other Information

Revisions will be made as soon as possible to accommodate any changes in State or Federal laws or regulations. Periodic training may be provided for HSO staff when revisions are made to the Guide.

The Guide is available online at the website or a printed Guide may be requested from the HSO.

Section 4 – Grant Contract Proposal Development Calendar

The HSO grant contract proposal application process is comprised of three steps.

During the month of February, grant contract proposal application solicitation notices containing the issues to be addressed including identified problems and targets are published on the website by HSO and sent to public and non-profit organizations/agencies that will best be able to help attain the HSO targets.

Potential contractors/subrecipient are asked to submit to HSO a grant contract proposal application form containing a problem statement, a description of proposed activities, and a complete budget. It is emphasized that to be funded, projects must have a direct link to the HSO identified problems and targets.

The HSO staff reviews each application to verify that it addresses the identified problems and meets all of the application requirements and reviews the budget component of each proposal. If necessary, the HSO staff works with the potential contractors to resolve any questions and develop a fully detailed and complete grant contract proposal application. The HSO staff scores the proposals and resolves any remaining questions. The HSO Administrator then makes the final grant selection, determination, and approval.

Grant Development Calendar

Month	Activity
February	Post Grant Contract Proposal Guide on website.
April	Receive and review the grant contract proposal applications and contact applicants for clarification or missing information.

May	Develop HSO internal grants. Review of grant contract proposal applications by HSO staff and identify applications for potential funding.
June	Complete grant negotiations and make final selection.
July 1	Submit the HSP to the National Highway Traffic Safety Administration (NHTSA) Regional Office via the required transmission method.
September 1	Notify successful applicants, complete pre-award risk assessment, and finalize grant agreements. Issue Notice to Proceed to selected contractors. Obtain approval for grants and contracts from the Highway Safety Administrator. Finalize HSO internal grants.
October 1	Ensure that all grant contract proposal applications have been submitted to the Regional Administrator for approval as amendments to the HSP Implement grant agreements.

Section 5 – Grant Contract Proposal Preparation Process

Grant contract proposal application must support the targets and strategies established for the emphasis program areas in the HSO Plan. Grant projects implement the Plan.

The purposes for developing the grant contract proposal applications are to:

- Produce a clearly defined problem statement.
- Produce a clearly specified work statement.
- Clearly define targets, objectives and performances measures.
- Clearly define respective roles and responsibilities.
- Achieve understanding among all parties.
- Reach consensus.
- Ensure accountability.

The key elements of a proposed grant application are:

- Problem Identification
- Objectives and Targets (applicable targets are listed in the HSP)
- Performance Measures
- Tasks and Activities
- Milestones or Action Plan
- Training needs
- Evaluation Plan
- Budget
- Reporting Requirements
- Financial Planning
- Contractor's Certifications and Assurances (general and special terms and conditions).

The grant contract proposal application development process begins with the submission of proposals to the HSO by applicants. The Grant Contract Proposal Cover of the grant application is the Authorization cover page which requires the applicant to identify the primary emphasis area described by their proposal and provide their agency name, address, and authorizing official signature.

The Grant Contract Proposal Guide includes the following nine elements in narrative form:

- Project Title and Summary

- Organizational Background
- Problem Identification
- Targets and Objectives
- Strategies/Activities
- Evaluation
- Budget Proposal
- Budget Narrative
- Cost Assumption

Grant contract proposal applications should include the most current data available to identify a traffic safety problem, a workable solution linked to the identified problem, a performance target and detailed action plans, and budgets that demonstrate an understanding of the various issues to be resolved and a reasonable approach to resolving the identified problem.

Proposals should be closely related to the HSO problem identification results, which are provided in the current year's HSO Plan. The HSO review of grant contract proposal applications will be conducted on the basis of the issues identified including problem identification, the reasonableness of the problem solution, and other factors pertinent to the resolution of the identified problem.

Additional guidance is provided in the HSO Guide on reporting and reimbursement requirements, funding (allowable and unallowable costs), lobbying restrictions, and certifications and assurances.

Grant Contract Period

The grant contract period is the time during which the contractor may incur reimbursable costs to carry out the project. The typical grant contract period is October 1 through September 30. Funding assistance is intended to be used as "startup" or "seed money" to implement a project. Project activity that is successful is expected to continue after the HSO funding assistance ends. Projects may be considered for funding assistance for multiple years with annual grant contracts between the HSO and the funded project. In the first year, the HSO typically provides funding assistance to projects at 90% or 100% (but HSO may establish any other appropriate funding/matching formulas). If a second year is applied for, it is considered for less than the first year's project cost. In the event a third year is applied for, the applicant must show continued need and project activities that will continue to meet HSO targets. The applicant must provide the remaining funding. The HSO only issues one-year grant contracts. Agencies interested in submitting multiple year proposals must resubmit their grant agreement on an annual basis.

Project Title and Summary

Select a name for the proposed project. The summary should provide a **clear and concise** overview of the request. It should appear at the beginning of the proposal, although it will be the last item completed during preparation. The summary should include:

- Identification of the applicant/organization.
- The reason for the project, the issue, problem or need to be met.
- The target of the project.
- The objectives to be achieved.
- The kinds of activities to be conducted to accomplish the objectives.
- The total cost of the project, funds already committed, and the amount requested in the proposal.

Organizational Background

This section is one or two short paragraphs of background information and history about the applicant's organization providing credibility.

The HSO must determine if the applicant agency is qualified to receive Federal highway safety grant funds and is the appropriate agency to conduct the proposed project activity based on past experience, education, skills, and/or community or statewide leadership authority. The applicant must provide information in the proposed grant contract application regarding the agency's background, such as, prior

funds managed, relevant project experience, etc. This is especially important if the HSO has no past experience working with the applicant.

Eligible agencies must be able to perform the following:

- Deliver services promptly.
- Manage public funds efficiently.
- Collaborate with other community, governmental, and private organizations.
- Develop data-driven, problem-solving plans.
- Adequately evaluate the success of a project.

Problem Identification

Problem identification is the most critical part of the proposed project. It represents the justification for the proposal and focuses on the conditions the applicant wishes to change. The problem identification section of the proposed grant application should include a problem statement, which is supported by crash data analysis, program and community needs assessment information, or other relevant data. The HSO may assist potential applicants with obtaining the necessary data.

Applicants should review the key funding priorities and problem areas identified in the HSO Grant Contract Proposal Guide for the upcoming grant year. All grant contract proposal applications must support the primary target of reducing the number of injuries and fatalities resulting from traffic crashes. The problem identification section must focus on one of the primary targets and emphasis areas described in the HSO Guide.

Targets

Grant contract proposal applications must address one or more of the HSO targets stated in the HSO Guide in order to receive consideration. The anticipated long-term results of the project must impact one or more of the following emphasis areas:

- Overall Target: Fatal, A and B injury crashes.
- Alcohol-related fatal and serious (*A & B type) injury crashes.
- Occupant restraint use.
- Speed-related fatal and serious (*A & B type) injury crashes.
- Youth (ages 16-20) involved fatal and serious (*A & B type) injury crashes.
  (*Injury type: A - disabling; B - visible but not disabling)

Objectives

In order for any project to be successful, it must contain measurable end results. The most useful objectives tell **who** is going to be doing **what, when, how much,** and **how** it will be measured.

- Describe objective(s) to address the problem.
- Use actual numbers (baseline data) to support percentages.
- Do not describe strategies.

Strategies (Activities)

The next step is to identify the strategies (activities) used to achieve the objectives. Strategies must be identified in the grant contract proposal application and must clearly explain in detail the anticipated activities that will be funded. This explanation should show a logical sequence of events that will take place to accomplish the objectives. The strategies should flow naturally from the problems and implement the objectives. The proposed activity must be an evidence-based countermeasure. In selecting the strategies and projects, the sub-grantee should be guided by the data and data analysis supporting the effectiveness of the proposed countermeasures. Innovative countermeasures that may not be scientifically proven to work but that contain promise based on limited practical applications are encouraged when a clear data-driven safety need has been identified. Justification of new countermeasures can also be based on the prior success of specific elements from other effective evidence-based countermeasures.

- Clearly describe the activities.
- List activities in sequence.
- Present reasonable activities that can be accomplished within the time allotted for the project and include completion dates.

In selecting countermeasure activities, the project proposal should clearly identify both the target audience and the target area.

Target Audiences and Target Areas

Target Audiences:	**Target Areas:**
• Impaired drivers	• A specific segment of roadway during nighttime, on weekends, or during daylight hours
• Speeding motorists	• Northeast quadrant of city
• Unbuckled vehicle occupants	• Jurisdiction wide during daylight hours

The selected countermeasures must relate directly to the proposal's project objectives and to the performance targets and emphasis areas provided in the HSO Plan.

Evaluation

Comprehensive evaluation involves an analysis of whether the project has achieved its stated objectives. It also involves an analysis of the role project activities have played in the accomplishment of those objectives. Contractors should detail how they will evaluate and measure the effectiveness of their project toward achieving its targets. Evaluation should be expressed in terms of what they intend to measure (numbers, attitudes, knowledge, etc.), what they plan to accomplish, or a measure of what will change. These measures and standards provide guidelines to determine the efficiency and effectiveness of the project. A well-thought-out project evaluation process is critical.

- List final products.
- Each objective must be evaluated to determine success.
- Describe data gathering methods.
- Describe the process of data analysis.
- Show how evaluation will be used for project improvements.
- Describe evaluation reports to be produced.

Budget Proposal/Budget Narrative

The proposed budget for the project is an estimate but should be as specific as possible in identifying cost items. Examples of estimated costs for a project proposal include: costs of materials acquired and consumed specifically for the purpose of the contract, printing, postage, costs of office space, and special equipment added as part of the project. Avoid using the terms "miscellaneous" or "etc." Include a Budget Narrative which includes explanation of each item listed in the budget proposal.

- Estimate the costs of the project as accurately as possible.
- Include reasonable, necessary, and appropriate costs.
- Justify the costs to anticipated results.
- Provide a budget narrative for each cost listed including out-of-state travel.

The HSO Guide provides applicants with a Budget Proposal format which must be completed and submitted with the grant contract proposal application. A detailed cost breakdown must be provided to justify proposed costs. The approved project budget should be as detailed as appropriate for fiscal control.

The Budget Proposal may include the following line items:

- Salaries and Wages
- Fringe Benefits
- Travel and Lodging

- Contractual Services
- Equipment (Each individual piece of equipment valued at $5,000 or more must be identified.)
- Other Direct Costs

For each line item the applicant is required to identify both the HSO share requested and the Applicant's matching share (if applicable). Local or applicant resources used and in-kind contributions such as personnel costs, etc., should be itemized and added in the total budget.

Costs incurred before the grant agreement is signed by the HSO are not eligible for reimbursement. Costs incurred after the grant agreement expires are also not eligible for reimbursement. No reimbursement is allowed before work has been performed or costs have been incurred.

The following deviations by the contractor/subrecipient from the approved budget require the PRIOR approval of the HSO:

a. A specific item of cost not included in the approved budget.
b. An increase in the number of a specific item over and above the total authorized.
c. A transfer between major budget categories in excess of a total of 10 percent of the category being increased. (For transfers of less than a total of 10 percent of the category being increased, an email notification describing the action being taken shall be sent to the HSO by the contractor/subrecipient.

Actual Cost: Actual cost agreements authorize the HSO to reimburse the contractor/subgrantee for all costs incurred under the project, subject to cost principles included in 2 CFR Part 200, Subpart E. This is the most common type of agreement.

Traffic safety grants are limited to the amounts and items authorized in the budget. Adjustments within the budget are allowed with prior written approval from the HSO.

Overtime Rate: The majority of grants involving increased enforcement of traffic laws rely on the payment of overtime hours for patrol officers. The overtime pay rate for officers is based on actual cost per employee in accordance with the contractor's policy for payroll and salary rate. When a project includes overtime salary or wages, traffic safety funds can pay for the additional cost of fringe benefits directly associated with the overtime hours not covered by the employee's basic benefit package (an example of an eligible fringe benefit cost associated with overtime would be an employer's contribution to a retirement plan). The costs of fringe benefits are allowable to the extent that the benefits are reasonable and are required by law, employee agreement, or an established policy.

Allowable Costs: Reference should be made to Chapter 6, Fiscal Procedures, Section 4. Allowable Costs for discussion of contractors' allowable costs.

Proportionate Funding for Equipment: For all activities and equipment to be funded, which have components both related and unrelated to a highway safety grant, the Federal share shall be based proportionately on the projected utilization for the National Highway Traffic Safety Administration's (NHTSA) grant purposes. For example, the NHTSA participation in the cost of Gas Chromatograph Mass Spectrometers for quantitative testing of drug evidential samples shall be on a pro-rata basis. If a police department plans to use this equipment 20 percent of the time to identify drugged driving evidence and 80 percent of the time to identify evidence for the narcotics squad, the Federal participation must not exceed 20 percent of the total cost of the equipment. See Chapter 6, Section 4, Allowable Costs.

Contractual services are services of individual consultants or consulting firms engaged in performing a special service pertinent to traffic safety. All contractors awarding subcontracts shall comply with the terms and conditions of 2 CFR Part 200.317. The HSO shall monitor periodically all contractors/subrecipient contracts and professional service agreements to verify compliance with the established State and/or local procurement procedures.

A contractor/subrecipient shall not enter into any subcontract without prior written concurrence by the HSO. The costs of such services are identified under the category of "contractual services" in the Chapter 3, Project Development – Section 5 of the grant application. Subcontracts shall contain all required provisions of the subrecipient's grant agreement terms and conditions. No subcontract will relieve the

subrecipient of its responsibilities under the grant agreement. Subcontracts can be between governmental agencies as well as with non-government entities for professional services.

Per the NHTSA Highway Safety Grant Funding Guidance: – "Costs are allowable for highway safety consultant services from universities, public agencies, non-government organizations, and individuals for State or local highway safety support services or products consistent with the applicable Cost Principles, provided applicable State procurement procedures are followed." It is recommended that the State's official contract and procurement manual is maintained in the State's Highway Safety Office.

Travel and Lodging

Travel directly related to traffic safety and linked to the grant objective(s) is allowable at prevailing State rates and subject to State travel regulations provided the expenses are for specific services benefiting the HSO's highway safety program, see NHTSA Highway Safety Grants Program - Resources Guide Part III.B and for FY2016 and beyond 2 CFR Part 200.474.

The Department's reimbursement for airfare, lodging, and other travel costs will be based on the contractor's travel policy, but reimbursement of travel costs cannot exceed established State rates unless negotiated in the grant contract and is for actual cost only.

Grant Extensions

If both the HSO and the contractor agree that the project has demonstrated great merit and has potential long-range benefit, or if the project scope is modified or expanded, the contractor may apply for continued funding assistance. The HSO Administrator should explain this requirement to the potential contractor during project negotiations.

Like any grant contract proposal contract, multi-year projects may be stopped or cancelled for cause or convenience, including termination for poor or non-performance. A letter to the contractor/sub-recipient is required if funds are not available to continue the project.

Section 6 – State Agency Grant Contract Agreements

Grant contract proposals may be submitted by state agencies within the State of Nebraska. All previously outlined application requirements apply to state agencies submitting proposals.

The cost of services provided by one agency to another within the governmental unit may include allowable direct costs of the service plus a pro-rated share of indirect costs. A standard indirect cost allowance equal to ten percent of the direct salary and wage cost of providing the service (excluding overtime, shift premiums, and fringe benefits) may be used in lieu of determining the actual indirect costs of the service.

Section 7 – Multiple Funding Sources

If a single applicant is requesting a grant to be funded under multiple Federal program funding sections, the applicant is required to submit a separate grant application, which includes specific dollar amounts, to the HSO for each Federal program funding source.

Chapter 4

Grant Selection and Execution

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Section 1 – Grant Contract Proposal Application Process

Grant contract selection procedures will fully comply with the State and Federal regulations. High priority shall be given to proposed grant contract applications that address the traffic safety issues identified through the HSO problem identification process. The grant selection procedure shall be reviewed and updated annually. The Grant Contract Proposal Guide shall be posted on the website to ensure adequate and uniform notice to all prospective contractors of the prescribed requirements and deadlines.

The following are eligible to submit applications for HSO traffic safety grants:

- State Agencies
- Cities, Counties, and Local Subdivisions
- Non-profit Organizations with existing IRS 501(c)(3) status

Proposals must be either:

- An evidence-based countermeasure or strategy, or,
- A demonstration project supported with a strong evaluation plan that will allow the HSO to assess the effectiveness of the project at its conclusion.

Proposal Submission Instructions:

1. The grant contract proposal application original should be submitted with original signatures to the HSO. Email or other electronic transmission is accepted.
2. Late applications will not be accepted.
3. Applications received by the HSO will be directed to the HSO Administrator.
4. Applicants mailing applications will be instructed to allow normal mail delivery time to ensure timely receipt. Applicants assume the risk of non-delivery or late arrival associated with the method of delivery selected. The HSO assumes no responsibility for delays caused by external delivery systems.
5. The HSO will notify applicants by email of receipt of their applications.
6. Applicants who do not receive a notice within fifteen days of submitting their application should contact the HSO to confirm their application has been received.
7. Organizations claiming non-profit or not-for-profit status must submit with their application a letter showing their current 501(c) (3) status~~,~~ has been granted by the IRS.

Section 2 – Grant Contract Proposal Application/Distribution Log

The HSO Grant Contract Proposal Application Distribution Log is created to track the receipt and handling of all grant contract proposal applications received by the HSO annually. The purpose of the log is to assure that all required actions are completed in a timely manner.

The designated HSO staff is responsible for making the initial entries and periodically updating the HSO Grant Contract Proposal Application Distribution Log to reflect the current status of the applications.

Section 3 – Grant Selection Process

HSO Initial Review

Grant contract proposal applications are first reviewed internally by the designated HSO staff to:

- Ensure the application meets the required criteria.
- Check for budget availability and available resources.
- Compare the application with current activities.
- Determine whether the proposed grant activity will impact traffic safety; will work towards established targets by ensuring the problem is adequately described; and that objectives, performance measures, and resources requested will address the problem.
- Determine the potential contractor is the appropriate entity to perform the activities.

A Grant Contract Proposal Application Review Form will be completed by the HSO reviewing staff to record all comments, questions, and additional information obtained from the applicant. After the first

review of each proposed grant application within the HSO, the designated HSO staff will request any additional information needed by contacting the applicant.

The determination of whether the application has the potential to impact traffic safety targets will be based on its ability to be innovative, implement proven strategies, show a commitment to sustain and contribute to success, have measurable outcomes, and address the greatest demonstrable need/problem. Proposals that target high-risk populations, high-risk behaviors, and high-crash locations will receive additional consideration. The proposed strategy must be either an evidence-based strategy supported by research, or, a demonstration project if a clear data-driven safety need has been identified or the project is supported with a strong evaluation plan that will allow the HSO to assess the effectiveness of the activity at its conclusion.

The following are some guiding questions for HSO staff conducting a technical analysis of a proposed grant application:

- Has a traffic safety-related problem been adequately identified and appropriately described in the problem statement?
- Do the objectives, targets and performance measures directly address the identified problem?
- Are the objectives clearly stated and achievable?
  - Is a completion date indicated for each objective?
  - Is sufficient time allocated to achieve each objective?
- Will performance measures provide adequate evidence of project activity and accomplishment of objectives?
- Are personnel needs accurately identified? For example:
  - If an objective involves public information and education activity, does the contractor have the resources available to perform and complete the activity? Is the contractor aware of the HSO's traffic safety public information and education policies and are they able to meet the requirements?
  - If the objectives involve law enforcement agencies, a sufficient number of appropriately trained officers must be available.
- Will any special equipment be needed? If so, will it be available for grant implementation or does the applicant require funding to acquire the equipment?
- Are there other considerations that might affect the contractor's performance? If so, are they adequately addressed?

Grant Review Team

Grant contract proposal applications are reviewed and rated by the Grant Review Team comprised of all HSO staff members. The Grant Review Team reviews and scores proposals to establish a fair process for selecting grants.

Grant Proposal Evaluation Procedure

- When the grant reviewer has received an application, they read through each one completely at least one time with no points awarded. This method ensures a full understanding of each proposal before awarding points.
- Each grant reviewer will be supplied with a scoring sheet. When scoring, only whole numbers are used (not 3.5 or 4.76).
- Comments should be added as needed for clarification on the reason(s) points were awarded. The application reviewer may "insert comment" directly onto the scoring sheet or supply comments on separate documentation. Grant reviewers are not responsible for determining the actual award of the proposal; they are only scoring the proposal.
- Any questions identified will be resolved by the HSO before a final selection is made.
- Final selections are made only with the approval of the HSO Administrator.

Pre-Award Risk Assessment

Beginning with FY2016 grants, the HSO developed and follow a procedure to conduct a risk evaluation for each sub-grantee (not contractors) receiving NHTSA funds prior to making the grant award. The HSO, as a pass-through entity, is required to evaluate each sub-grantee's risk of noncompliance with Federal statutes, regulations and the terms and conditions of the sub-grant for purposes of determining the appropriate sub-grantee monitoring. The HSO has developed, implement and document the outcome of a risk assessment process containing the four factors listed in 2 CFR Part 200.331(b):

- The sub-grantee's prior experience with the same or similar sub-grants;
- The results of previous audits including whether or not the sub-grantee receives a Single Audit in accordance with Subpart F—Audit Requirements of Part 200.331(b), and the extent to which the same or similar sub-grant has been audited as a major program;
- Whether the sub-grantee has new personnel or new or substantially changed systems; and
- The extent and results of Federal awarding agency monitoring (e.g., if the sub-grantee also receives Federal awards directly from a Federal awarding agency).

If a sub-grantee of the HSO passes on Federal grant funds via a sub-grant, the sub-grantee has the same obligation as a pass-through entity for all requirements of 2 CFR Part 200.331 including conducting a pre-award risk assessment of their sub-grantee.

The HSO shall consider imposing specific sub-grant conditions upon a sub-grantee if appropriate as described in 2 CFR Part 200.207 Specific conditions. See also Chapter 5, Section 14 - Monitoring.

Grant Negotiations

After a successful applicant has been notified their grant contract proposal application has been accepted, the applicant completes any final development issues through negotiations and discussions with the HSO. The grant contract proposal application outlines the specific components of the project, the final authorized budget, the specific performance measures and objectives, and the commitment of responsibilities by the HSO and the contractor.

Final grant contract proposal application development typically involves some level of negotiation to ensure the final contract meets all of the HSO requirements, expectations, and conditions. The HSO Administrator negotiates on behalf of the HSO. Negotiations allow the HSO and the applicant to arrive at an understanding on the specific details of the grant contract proposal (such as; budget detail amounts, enforcement activity locations, evaluation criteria, etc.). Negotiations may involve discussion, clarification, or modifications to the proposed grant application. Items to be discussed during the negotiation phase include, but are not limited to, the following:

- Problem Identification
- Project Description
- Anticipated Outcome
- Time Period
- Location and Frequency of Activity
- Acquisition of Equipment or Other Items
- Frequency of Reporting and Invoice Submissions
- Budget Content
- Performance Measures

The following table lists the steps a typical proposed grant contract proposal application follows from initial development to final execution (also shown are the parties responsible for each step).

Project Proposal and Grant Agreement Preparation Process Overview

Step	Action	Responsible Parties
1	Project development and grant contract proposal application submission.	Applicant

2	Receive grant contract proposal application and log in.	HSO Staff (Grant Distribution Log)
3	Grant contract proposal application review and clarification with applicant.	HSO Staff and Applicant
4	Scoring the grant application.	Grant Review Team
5	Final Grant Contract Proposal Application negotiations.	HSO Staff and Applicant
6	Pre-Award Risk Assessment	HSO Staff
7	HSO formal approval.	HSO Administrator
8.	Amendment to HSP	HSO Administrator
9	Notice to Proceed (NTP) is processed	HSO Administrator

Award

When possible, all applicants will be notified in writing of their official award status by August 31. Following successful completion of negotiations and receipt of all required documentation, the HSO issues a Notice To Proceed (NTP) to each successful applicant by October 1 of the new grant year. Each NTP shall be signed by the HSO Administrator.

Debriefing Conference

Upon request, a debriefing conference may be scheduled for an unsuccessful applicant by contacting the HSO Administrator after receiving notice the application was not accepted. The HSO will schedule the debriefing conference upon receipt of the request. The HSO may conduct debriefing conferences in person, virtually, or by telephone. Discussion will be limited to a critique of the grant contract proposal application. Comparisons between other applications or evaluations of other applications are not permitted.

Section 4 – Final Grant Contract Award Preparation

Federal Requirements (Uniform Guidance)

Every subgrant must be clearly identified to the contractor as a subgrant and include the following information (including action if any changes are made in subsequent subgrant modifications):

- Federal Award Identification,
- contractor name,
- contractor's unique entity identifier;
- Federal Award Identification Number (FAIN)*;
- Federal award date; subgrant performance start and end date;
- amount of Federal funds obligated by the action;
- total amount of Federal funds obligated to the contractor;
- total amount of Federal award;
- award project description (FFATA),
- name of Federal awarding agency,
- pass-through entity and contact information for awarding official;
- CFDA number and name;
- whether the award is Research and Development;
- indirect cost rate (if any) including if de minimis rate is charged;
- requirements imposed by Federal statutes, regulations and terms and conditions of the award; any additional requirements;
- an approved federally recognized indirect cost rate (if any) negotiated with the Federal government or the pass-through entity or the 10 percent de minimis rate;

- requirement for access by auditors to records and financial statements and appropriate terms and conditions concerning closeout of the award.

*When more than one funding source is used and needs to be split across multiple FAINs, only a single dollar amount, indicating the total cost of the project, is needed. There is no need to state how much funding is allocated to each FAIN/funding source. See 2 CFR Part 200.331(a) (1-6)

Special Conditions

In addition to the general required terms and conditions which apply to every traffic safety grant agreement, the HSO may determine that special conditions should be imposed upon a specific contractor. Some reasons for the special conditions may be the results of the pre-award risk assessment, nature of the specific strategy being addressed, past experience with the contractor, or a special requirement that is not otherwise addressed in the general terms and conditions. If a special condition is imposed upon a contractor, the special condition shall be documented in the HSO Notice To Proceed (NTP). Following are some examples of a special condition:

- The contractor is allowed to charge costs to the grant for activity which takes place within a stated timeframe before the official start date of the grant (this is typically a rare occasion which may occur when preparatory activity is necessary in order to assure that the primary grant activity can begin on the start date of the new fiscal year).
- The contractor is required to share equipment purchased under the grant with other agencies in their geographic region.
- The contractor is limited to using specific personnel to complete grant activity.

Signatures

HSO requirements - When the HSO Administrator executes a Grant Contract Award by signing it, he or she is certifying the agreement:

- Is legal and payable.
- Includes all required and applicable provisions.
- Complies with all applicable Federal and State regulations and laws.
- Has received Federal approval when such approval is required.
- Has been budgeted with available funds.
- Has been authorized by the HSO as part of the Plan or as an amendment to the HSP.

Before approval, all Grant Contract Awards will be reviewed for form and content, applicable provisions, eligibility of costs, consistency, and accuracy.

Contractor requirements – A final Grant Contract Award submitted to the HSO must be signed by the authorizing official (person with contracting authority) for the applicant's agency or organization. The authorizing official, and in some cases the Project Director, must also certify and ensure all of the conditions contained in the Contractor Certifications and Assurances, Reporting Requirements and Invoicing Requirements will be met including any special conditions.

For local grants, the agreement must be made with the unit of local government or political subdivision of the State, not with an operating division or function of the local governmental unit or political subdivision of the State. Likewise, for statewide grants the grant contract award must be made with the parent agency, not a bureau or division.

A Grant Contract Award must be approved and executed in accordance with contractor's procedures as well. This may involve placement on the agenda for a city council meeting, the county commissioners, or a State agency's director, board, or commission. Scheduling time frames vary from agency to agency. Scheduling requirements must be considered in the approval process to ensure the grant can be activated on time.

Educational Institutions and Hospitals - 2 CFR Part 200 Appendix III requires that educational institutions and hospitals provide a "Certificate of Indirect Costs (F&A) Costs" for federally funded

projects. The certificate must be signed on behalf of the institution by the chief financial officer or an individual designated by an individual at a level no lower than vice president or chief financial officer. An indirect (F&A) cost rate is not binding upon the Federal Government if the most recent required proposal from the institution has not been certified. Appendix IX of 2 CFR Part 200 states that the existing OMB principles located at 45 CFR Part 75 Appendix E, entitled "Principles for Determining Cost Applicable to Research and Development Under Grants and Contracts with Hospitals," remain in effect until such time as revised OMB guidance is proposed and implemented for hospitals.

Contractor Certifications and Assurances

The HSO Grant Contract Award form must contain required Terms and Conditions as well as requiring compliance with the NHTSA Certifications and Assurances which pertain to contractor. These sections provide the terms and conditions governing the grant or contract and certifies that a contractor will comply with the applicable regulations, policies, guidelines, and requirements as they relate to the application, acceptance, and use of Federal or State funds for the project.

Contractors are required to become familiar with the contents of the Grant Contract Award form and are notified that failure to do so will not excuse nonperformance or noncompliance.

The contractor must be aware of the requirements imposed upon them, see 23 CFR Part 1300 Appendix A Certifications and Assurances and 2 CFR Part 200.331(a)(2). The following certifications and assurances that are required to be imposed upon contractors. They are:

- Nondiscrimination
- Buy America Act
- Political Activity (Hatch Act)
- Certification Regarding Federal Lobbying
- Restriction on State Lobbying
- Certification Regarding Debarment and Suspension
- Prohibition on Using Grant Funds to Check for Helmet Usage

The HSO may at their option require additional contractor State certifications and assurances, such as, seat belt use, drug free policy or training requirements for law enforcement officers.

The HSO shall have a *written* procedure to ensure contractors are not suspended or debarred and that there is *written* documentation that the HSO is complying with the procedure. The HSO shall ensure annually that each contractor is checked on the Federal Debarment and Suspension List by State to ensure they are not suspended or debarred.

Sub-grantees are required to become familiar with the contents of the final grant agreement form and be on notice that failure to do so will not excuse nonperformance or noncompliance.

If non-Federal entity fails to comply with applicable Federal statutes, regulations, or the terms and conditions of a Federal award, the Federal awarding agency or pass-through entity may impose additional conditions, as described in 2 CFR Part 200.207 Specific conditions, or terminate the award in whole or part as provided in 2 CFR Part 200.337 and 338.

Each fiscal year the HSO signs Certifications and Assurances with the submission of Appendix A of the HSP that the State complies with all applicable Federal statutes, regulations, and directives in effect with respect to the period for which it is receiving grant funding.

The State Certifications and Assurances are explained in the NHTSA Highway Safety Grants Program - Resources Guide which is available on line and should be referenced to ensure the most current requirements have been incorporated.

Section 5 – NHTSA Equipment Purchase Approval of $5,000.00 or More

For all major equipment purchases and replacement purchases with a useful life of more than one year and an item acquisition cost of $5,000.00 or more in value, the HSO shall receive prior written approval from the NHTSA Regional Administrator. This procedure is required by 23 CFR Part 1300.31 and the NHTSA Highway Safety Grants Program - Resources Guide Part III A**.** The regulations look to the cost of the equipment regardless of the portion of funding supported by Federal or other funds if the total cost was $5,000 or more. See also 2 CFR Part 200.439 on capital equipment.

The HSO shall include a "contractor's procedure" in the Guide for purchases of major equipment of $5,000.00 or more in value in accordance with the applicable State and NHTSA regulations. The Guide will also describe allowable and unallowable equipment purchases as specified by the Federal regulations. The unit cost for equipment is the unit's purchase price **plus** any accessories necessary to make the equipment operational for its intended purpose.

During the review of proposed grant applications, the HSO staff shall identify all equipment purchase requests by contractors which meet the above criteria. The HSO staff shall ensure the equipment has been identified within the HSO's Plan and written approval from NHTSA has been obtained by preparing a letter to be signed by the HSO Administrator and then submitted to the NHTSA Regional Administrator for specific approval. The letter request shall describe the type, a complete description of the equipment, contractor's organization name, total cost, useful life, and how the equipment would support the State's highway safety program.

If approved, the HSO shall inform the contractor to proceed with the equipment purchase by sending a written communication and providing specific instructions for the purchase of the equipment.

Before initiating the purchase of new and replacement equipment with a useful life of more than one year and an acquisition cost of $5,000.00 or more, a contractor must obtain written notice from the HSO Administrator stating that both HSO and the NHTSA Regional Administrator have formally approved the equipment purchase. When making the equipment purchase, the purchaser should also obtain the expected service life and warranty of the equipment from the vendor or the manufacturer.

The NHTSA Highway Safety Grants Program - Resource Guide, Part IV. A. States costs for purchase of office furnishings and fixtures are **unallowable**. The following are some examples:

desk	credenza	storage cabinet
chair	bookcase	portable partition
table	filing cabinet	picture or wall clock
shelving	floor covering	draperies and hardware
coat rack	office planter	fixed lighting or lamp

The HSO, as part of its oversight responsibility, shall systematically monitor all contractors with grant-funded equipment in accordance with State laws and procedures to ensure that contractors are in compliance with all Federal and any State requirements for property management, inventory, and disposition.

Equipment shall be used by the contractor for the purpose for which it was acquired as long as needed, whether the program continues to be supported by HSO funds. When no longer needed for the original program, the equipment may be used in other traffic safety activities. If it is determined that the equipment is no longer needed for the purpose acquired or any other traffic safety purpose, the equipment shall be handled in accordance with HSO policy and Federal requirements.

Prior written approval must be received from the NHTSA Regional Office by the HSO for the disposition of equipment with a value of $5,000.00 or more unless the equipment has exceeded its useful life as determined under State law and procedures.

Section 6 – Reporting Requirements

The HSO requires three types of progress reports in conjunction with traffic safety grant projects: monthly reports during the life of a grant, an annual report at the conclusion of each grant year, and special reports as required.

Progress reports provide HSO with information that can be used to strengthen the overall traffic safety program. These reports keep the HSO informed of a grant's progress, explain any difficulties encountered, provide background information that can be shared with others, and suggest ways in which the HSO can assist and aid in the distribution of funds.

Monthly Report

All grant contractors must submit a monthly activity report to the HSO by the 15th of each month unless otherwise expressly approved by the HSO. The monthly report shall contain the same targets and objectives as in the Grant Contract Proposal. Each target/objective/strategy must be addressed in the monthly activity report in the same format as the proposal. Claims for reimbursement may be held if the grant contract recipient is delinquent in the submission of reports.

Items in the monthly report may or may not include copies of publications, training reports, and any statistical data generated in grant execution. Monthly reports should also include the following:

- Completed studies should be included.
- Equipment purchased must be identified.
- Any unanticipated issues that affected the project.
- Third party performance if applicable.
- A copy of any consultant reports should be included.

Annual Report

Annual reports are due from grant contractors to the HSO no later than the second Thursday in November. The Annual Report must contain the following:

- All accomplishments and activities utilized to meet the target/objectives outlined in the Grant Contract Proposal Application.
- Each objective must be addressed.
- Equipment purchased should be identified.
- Funding and costs for completion of the grant in relationship to the original estimates.
- The project's measurable impact on traffic safety must be included.
- A budget clearly identifying remaining budgetary balances.
- The Annual Report should be no longer than two pages in length.

*The Annual Report Format Form sample is available on the HSO website at

http://dot.nebraska.gov/media/6202/hsannrep.pdf

Special Reporting

Special reporting may be required. If so, reporting frequency and requirements will be detailed by HSO.

Section 7 – Contract Revisions

Grant contract proposal applications may be altered or amended prior to or after signing. The alterations or amendments are not binding unless they are in writing and signed by persons authorized to bind each of the parties. The signature of the HSO Administrator is necessary to authorize the revision.

Proposal alterations or amendments that extend the period of performance without the expenditure of funds in the new fiscal year (a no-cost time extension) are permitted with the prior approval of the HSO.

If additional tasks or costs are authorized in the amendment, the contractor must not begin work on the additional tasks or incur the additional costs until the amendment is fully executed. An amendment cannot be used to authorize new or different work not related to the scope of the grant being amended.

Contractors must have any amendments to a grant executed not less than 60 days prior to the end of the applicable grant year.

The HSO procedure for review and approval of grant contract proposal application revisions are:

- Contractor submits in writing the request for a grant contract revision(s).
- HSO Project Manager reviews the revision request and makes a recommendation for approval or denial.
- If recommended for approval, an HSP amendment is submitted to the NHTSA Regional Administrator for approval.
- Upon NHTSA approval, the HSO Administrator notifies the contractor and issues a written approval.
- If the contract revision results in additional funds to the original contract award, the HSO Accountant will revise the Contract Award and the Grant Tracking Spreadsheet.
- If the contractor is a State agency, an amended Grant Contract Award shall also be prepared by the HSO Project Manager. The letter should include the name of contract, project number, contract award amount prior to increase, contract award amount after increase, and justification for the increase in the project. Provide a copy of NHTSA letter to Accountant.
- If recommended for denial, the HSO Project Manager prepares an explanation for the denial and notifies the contractor in writing.
- All related paperwork is retained in the project file.

For FY2018: Submission of changes must include project information. The changes are subject to the approval of the NHTSA Regional Administrator (RA). The RA must approve changes in the HSP before reimbursement of vouchers related to the charges. See 23 CFR Part 1300.32.

For FY2019 forward: The HSO shall "amend" the HSP prior to beginning project performance to provide the following information about each project agreement in which it enters:

1. Project agreement number
2. Contractor
3. Amount of Federal funds, and,
4. Eligible use of funds.

Amendments and changes to the HSP are subject to the approval of the NHTSA Regional Administrator (RA). The RA must approve any changes to the HSP before approval of vouchers for payment. The RA will disapprove changes and projects that are inconsistent with the HSP or that do not constitute an appropriate use of Federal funds. See 23 CFR Part 1300. See 23 CFR Part 1300.32.

Section 8 – Development of HSO Internal Contracts

In anticipation of the beginning of each new fiscal year, the HSO Administrator and HSO Accountant will estimate how much funding is needed for Planning and Administration (P&A) and Program Management costs to support the operation of the HSO Highway Safety Program. Estimates will take into consideration any anticipated increases in costs as well as recurring costs. A proposed internal contract will be completed and approved for each program operated by the HSO. The contract will describe the problem identification, targets, objectives, activities, performance measures, and a budget narrative for the upcoming year. HSO internal contract awards will be approved by the Project Manager and the HSO Administrator. The HSO shall ensure that the internal contracts are developed and approved by September 30 of each fiscal year.

Definition of P&A Costs: P&A costs are those direct and indirect expenses that are attributable to the overall management of the State's Highway Safety Plan. Costs include salaries and related personnel benefits for the HSO Administrator and for other technical, administrative, and clerical staff for the HSO. P&A costs also include other costs such as travel, equipment, supplies, rent, and utility expenses necessary to carry out the functions of the HSO. See 23 CFR Part 1300 Appendix D - Planning and Administration Costs

Definition of Program Management Costs: Program management costs are those direct and indirect expenses that are attributable to the highway safety program area. Costs include salaries and related personnel benefits and other related costs such as travel, equipment, materials, and supplies. See 23 CFR Part 1300 Appendix D - Planning and Administration Costs.

All costs related to internal operation of the HSO program will be charged only to the HSO internal grants.

P&A Match Requirements

The HSO Administrator shall ensure the internal P&A grant complies with applicable Federal regulations including the provision of a match of State funds in the amount of 50 percent of the costs claimed for eligible P&A functions. These requirements are contained in the NHTSA Highway Safety Grants Program – Resources Guide.

Match is defined as the direct expenditure of actual State funds or State or local funds that are expended in support of other qualifying traffic safety programs (such as, the salaries of highway safety related, State-funded employees) and have not been utilized by another Federal, State or local agency as matching funds for a separate Federal project. The State must have documentation to support an audit.

Unexpended balances of funds obligated to planning and administration may be carried forward into the succeeding FY as planning and administration if they were programmed in GTS by September 30.

The Federal P&A share shall not exceed 50 percent of total P&A costs, except for select States using the sliding scale for match (See NHTSA Order 462-6C Matching Rates for State and Community Highway Safety Program at NHTSA Highway Safety Grants Program – Resources Guide). From its annual State appropriations, the Department shall ensure the availability of the funds needed by the HSO to support the program match for the State's P&A share. If the State is using any HSO indirect costs as a P&A match, the costs shall only be applied to P&A expenditures.

The HSO shall limit Federal participation in P&A funding to not exceed 50 percent of the total cost of such activities. The HSO shall ensure that the Federal contribution does not exceed 15 percent (increased from 13 percent beginning FY2019) of the total new funds the State receives annually under Section 402. See NHTSA Highway Safety Grant Funding Guidance Part I.A. and B. at NHTSA Highway Safety Grants Program – Resources Guide.

If a HSO is found by NHTSA to have miscalculated or not provided sufficient P&A match, the correct amount will be determined by NHTSA and the HSO will be required to take the appropriate corrective action.

HSO Employee Time Allocation and Certification Requirement

As provided by 2 CFR Part 200.430, charges to Federal awards for salaries and wages, whether treated as direct or indirect costs, will be based on payrolls documented in accordance with the generally accepted practice of the governmental unit and approved by a responsible official(s) of the governmental unit.

2 CFR Part 200.430 requires the HSO to rely on strong internal control standards and allows more flexibility on how to meet those standards. Biannual certifications and personnel activity reports (PAR) are no longer required although the HSO is encouraged to choose to use them. Charges to Federal awards for salaries and wages must be based on records that accurately reflect work performed. Part 430 (i)

establishes, *Standards for Documentation of Personnel Expenses*. Part 430 (8) states that where the records of the contractors does not meet these standards, the Federal agency may require PARs including certifications that support the records as required by this section.

For HSO employees working on P&A functions, the HSO shall ensure that only direct and indirect expenses for salaries and other costs that are attributable to the overall management of the State's HSP and necessary to carry out its functions are charged to P&A. The HSO shall ensure that employees who process grant claims or perform other P&A type duties are working on P&A for only the applicable fund program type e.g. an employee charging 100% to 410 or 154AL P&A must work on P&A only for alcohol programs. See 23 CFR Part 1300 Appendix D - Planning and Administration Costs which states that if the HSO elects to allocate costs based on actual time spent, the recordkeeping system must keep accurate time records and show the work activities for each employee.

The HSO shall periodically examine the process and the cost data used to determine employee time allocation and certification methods to ensure continued accuracy and amend the data when significant changes occur. The HSO shall ensure that documentation for costs vouchered to P&A and program management are charged as described in the HSP.

The HSO shall periodically determine compliance through review of the HSO employee timesheets to verify the time distribution and costs by employee position and specific program to ensure that P&A and program funds are being appropriately charged.

Personnel Activity Report (PAR)/Daily Activity Log (DAL)/Bi-Weekly Time Report is a timesheet or log maintained by the employee which contemporaneously accounts for 100 percent of their time. The objective is to identify effort spent on multiple programs/Federal funds. Where a PAR/DAL is required per the NHTSA Timekeeping Matrix, the PAR/DAL shall meet the following standards:

- Reflect an after-the-fact distribution of time of each employee by program/Federal fund.
- Account for the total activity by program/Federal fund for which each employee is compensated (whether grant related or not).
- Must be prepared at least monthly and must coincide with one or more pay periods.
- Must be signed by the employee.

The HSO shall periodically examine the process and the cost data used to determine employee time allocation and certification methods to ensure continued accuracy and amend the data when significant changes occur. The HSO shall ensure that documentation for costs vouchered to P&A and program management are charged as described in the HSP.

For HSO employees working on P&A functions, the HSO shall ensure that only direct and indirect expenses for salaries and other costs that are attributable to the overall management of the State's Plan and necessary to carry out its functions are charged to P&A. A HSO employee who works solely on P&A and is funded from a single P&A account does not have to complete a PAR/DAL. The HSO shall ensure that employees who process grant claims or perform other P&A type duties are working on P&A for only the applicable fund program type.

The HSO shall periodically determine compliance through review of the HSO employee timesheets to verify the time distribution and costs by employee position and specific program to ensure that P&A and program funds are being appropriately charged. See NHTSA Highway Safety Funding Policy for Field Administered Grants, Part 1, A, 23 CFR Part 1252.2 and 1252.5

Time and Attendance Records

All employee time and attendance records shall be signed by the appropriate supervisor or timekeeper as required by State law, regulation, rule, policy or guideline. The attendance record of salaried employees should also be accurately documented whether federally funded or funded by State match.

LEAVE TIME: When an employee is charging time to more than one award (e.g. 402) the allocation of leave time must be equitably and reasonably charged to the funds. The HSO may choose at the beginning of the year to cost allocate leave time throughout the year based on proportional work,

number of projects and/or funds managed. The cost of fringe benefits in the form of regular compensation paid to employees during periods of authorized absences, such as annual leave, sick leave, holidays, etc., are allowable if: they are provided under established written leave policies, the costs are equitably allocated to all related activities including Federal awards, and, the accounting basis (cash or accrual) selected for costing each type of leave is consistently followed by the governmental unit, see 2 CFR Part 200.431 for FY2016 and forward.

Contractor Timekeeping Requirements

Contractors are subject to the same requirements for time allocation and certification as the primary award recipients. The HSO shall ensure that contractors are informed of the applicable Federal time allocation and certification requirements and are operating in compliance by periodically examining their records to verify full compliance with these provisions.

The HSO employee shall document the time worked in writing as provided above and their supervisor shall certify their time accordingly. The HSO shall allocate the proportionate salary and related costs to the appropriate funding source or contract based only on the record of the actual time worked.

HSO Invoicing and Reporting

The HSO shall complete and submit at least quarterly invoices to NHTSA to request Federal reimbursement for allowable costs and prepare periodic progress reports for documenting the activities completed for the internal grants. If the HSO receives or expends more that $1 million annually, then the invoice shall be submitted monthly and within 15 working days of the end of each month.

Chapter 5

Grant Administration and Management

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Section 1 – Overview

This chapter contains sections on a wide range of procedures most of which are administrative in nature for specific methods involved in the administration and management of the Nebraska's traffic safety program.

Some of the sections contained in this chapter pertain to contractors, some only to the specific staff within the HSO, and some to all involved in the traffic safety program.

Section 2 – Grant Management

The HSO employee responsible for the day-to-day oversight of a grant is called the Project Manager. The Project Manager is responsible for tasks associated with their assigned projects. Failure to perform these tasks correctly can result in significant grant management and payment problems.

The Project Manager will monitor and evaluate the performance and will expedite invoice processing without unnecessary delays of all assigned projects.

Assigned contracts may include "external" projects and/or "internal" projects.

External Projects – Grant Contract Proposal Application awarded to external contractors who implement and carryout all aspects of the project.

Internal Projects – Projects awarded internally to the HSO to provide funding for project management, public information and education, law enforcement overtime, law enforcement equipment, etc. Internal projects are written, implemented, and monitored by the project manager. All aspects of internal projects are the responsibility of the Project Manager.

The Project Manager will *not*:

- Impose any task upon the contractor or permit any substitute activity not specifically provided for in the grant agreement.
- Approve expenses for activities that do not meet performance specifications contained in the contract.
- Authorize expenditure of funds except in accordance with the specific terms of the contract.
- Offer advice to the contractor that may adversely affect performance, compromise HSO's rights, or provide the basis of a claim against the HSO that may affect any pending or future determination of fault or negligence.
- Authorize or agree to any change in the contract, standard provisions, certifications, project period, and delivery schedule, maximum amount eligible for reimbursement, or other terms and conditions of the contract, unless such change is specifically authorized in the contract.

- Allow "supplanting" now defined as the general costs of government in 2 CFR Part 200.444 (e.g. replacing routine and/or existing State or local expenditures with the use of Federal grant funds and/or using Federal grant funds for costs of activities that constitute general expenses required to carry out the overall responsibilities of State, local, or Federally-recognized Indian tribal governments.) (See Section 12)
- Promise that a future grant or extension of a grant for another year is approved prior to the HSO Administrator's approval.

Section 3 – Fraud Prevention

Investigations by the federal Office of the Inspector General (OIG) and NHTSA have detected more cases of fraud involving contractors receiving federal highway safety grant funds. A comprehensive monitoring program is one of the most effective ways to prevent fraud. Also essential is sufficient management oversight to ensure that the monitoring program is fully implemented. On-site monitoring of grants which include personnel services is essential. The following information has been compiled to assist the HSO in communicating with contractors, implementing safeguards, monitoring and taking action when fraud is detected.

NOTE: Personnel services grants – including law enforcement overtime typically associated with Selective Traffic Enforcement program (STEP) grants and grants containing subcontracts – have been identified as high risk for fraud. Such grants should require strong internal supervision by the sub-grantee and extra attention by the HSO.

Special Attention for High Risk Grants and Activities

- Identify law enforcement and other types of grants which contain claims for personnel services as requiring special attention to detect fraud.
- Closely examine and compare personnel log sheets to actual activity documentation (such as date and time worked as recorded on paper tickets and time reports) to ensure that only actual time worked on grant-funded, approved activities is submitted for reimbursement.
- Ensure that only approved hourly rates for contractors and vendors are charged to the grant and that legitimate original invoices from contractors and vendors for actual work completed are available for examination.

Recognition of Risk Factors for Personnel Services Grants

- Lack of communication of specific clear benchmarks, targets and deliverables for enforcement and other contracts.
- Lack of training for supervisors and officers to emphasize unique conditions of grant programs.
- Lack of supervision of grant procedures during overtime patrols, time and attendance quality checks and use of paper forms.

Incorporation of Prevention Strategies into HSO Policies and Monitoring Practices

- Provide specific pre-award guidance to contractors to explain the federal requirements and discuss the need for their own internal control systems.
- Require contractors to submit their policy/internal controls to the HSO to certify compliance with generally accepted practices.
  - ✓ Do supervisors sign off on completed work?
  - ✓ Do officers check in and out of shifts with a supervisor or dispatch?
  - ✓ Do supervisors conduct reviews and spot checks of officer records?
  - ✓ Are work schedules prepared in advance?

- ✓ Do managers have access to global positioning system (GPS) records or other location records for patrol vehicles?

- Review original documents (not copies) at the contractors or third-party sub-contract level.
  - ✓ Could an officer falsify elements like date and time of the violation?
  - ✓ Are records retained for review?
- When conducting onsite monitoring, over sample vouchers.
- Establish clear performance benchmarks and expectations.
- Develop an action plan to follow when possible fraud is detected.
- Use State auditors to randomly audit selected sub-grantees and to follow up fraud allegations for the HSO.
- Document and disseminate information on identified cases of fraud and the consequences to law enforcement officers, project personnel and their departments as a deterrent.

Preventive Oversight for Law Enforcement Agencies

- Build supervision into the grant project.
- Develop and implement an enforcement or project action plan based on the data.
- Utilize GPS units on patrol vehicles.
- Use log sheets or personal activity reports (PARs) to verify actual hours worked on shifts
- Providing training including refresher roll call reviews of expectations
  - ✓ Are officers informed about requirements and expectations?
  - ✓ Are veteran officers asked to complete refresher training?
  - ✓ Do managers have adequate training on grant administration?
  - ✓ Is there any emphasis placed on detecting fraud or conducting periodic reviews?
  - ✓ Are training records maintained?
- Review the type of ticketing system – automated systems are less likely to be subject to fraudulent activities than handwritten paper citations.

Utilization of Federal and Other Training Resources

- Identify and incorporate into HSO procedures the "risk level decision tree" available from NHTSA Regional Offices.

Section 4 – Processing External Claim for Reimbursements and Internal Invoices

Processing External Grant Contract Claim for Reimbursement (CR)

Reimbursement of eligible costs is contingent upon the following conditions:

- The availability of appropriated funds.
- Actual costs having been incurred (services provided, hours worked, etc.) in accordance with the approved project budget.
- Compliance with the cost principles established in the Office of Management and Budget (OMB) circulars referenced in the grant contract award.

Advances are not allowed. Reimbursement will be made only for costs incurred during the grant period.

External Grant Contract Claim Reimbursement Procedures/Documentation:

All eligible costs associated with the grant contract will be reimbursed **after** the expenses have been incurred, submitted for reimbursement, and approved by HSO. The External Claim for Reimbursement

(CR) (CR) form is used to request a monthly reimbursement. The most current CR template is found on the HSO website at http://dot.nebraska.gov/media/6203/cr_grant.pdf. The following instructions are for completing and submitting the CR:

- The contractor must submit a **monthly** CR.
- On the CR, enter the following information as listed on the HSO grant award letter:
  - a) Contractor IBT/Invoice#: Assigned by the agency or contractor;
  - b) Date Submitted: Date CR is sent to HSO;
  - c) Contractor – The agency's name as submitted on the Grant Contract Proposal Cover;
  - d) Telephone – Phone number HSO can call if questions on CR;
  - e) Contract # - located on the grant award;
  - f) Contract Title - as submitted on the Grant Contract Proposal Cover;
  - g) Month of Expenditures; Month expenditures incurred submitted;
  - h) if applicable, indicate Final Claim by checking box provided.
- Within the table below "Project Financial Summary," complete the following:
  - a) Enter the current month's claimed expenditures in the "Current Month" box.
  - b) Complete the "Previous Months" and "Total to Date" columns (utilize previously submitted CRs for this information).
  - c) If applicable, enter the "Current Month" income generated by the grant contract in the corresponding box.
  - d) Complete the "Previous Months" and "Total to Date" columns of income generated (utilize previously submitted CRs for this information).
  - e) Reconcile and record the "Net Amounts" for "Current Month," "Previous Months," and "Total to Date" columns (utilize previously submitted CRs for this information).
- Please read "Certification" statement.
- In blue or black INK - The Project Director and Authorized Official must sign, type or print name and title, (in ink) and date the CR form where applicable.
- Reimbursement will not be considered if not accompanied by appropriate, itemized supporting documentation - such as the following:
  - a) Weekly time reports.
  - b) Itemized personal services breakdown (available on HSO website http://dot.nebraska.gov/media/6212/hspsb.pdf).
  - c) Invoices/statements.
  - d) Itemized receipts.
  - e) Canceled checks or credit card statements.
  - d) Equipment inventory log (available on HSO website http://dot.nebraska.gov/media/6205/hsinvlog.pdf).
  - g) Competitive bids if required.
- Submit the signed, completed CR and all supporting documentation to the HSO.
- A final claim for each grant contract must be submitted by the second Thursday in November following the final grant date – September 30.
- On the fiscal-year-end CR the **"Final Claim"** box must be marked**.**

Upon HSO's receipt of the CR, it is routed to the accountant to "date stamp" and check the claim/invoice in and enter into the "Account Payable Tracking" sheet. Then the accountant will route to the appropriate Project Manager.

The assigned Project Manager reviews all submitted documentation to ensure accuracy, completeness, compliance, and all reimbursement requests are eligible as authorized expenditures contained in the HSO approved project's budget.

If upon review by the Project Manager an issue becomes apparent, the Project Manager will contact the Project Director for additional clarification and/or documentation.

After reviewing the CR, the Project Manager initials and dates approving the CR. The CR is then forwarded to the HSO Supervisor and Administrator or his/her designee for approval and then routed to the HSO Accountant for reimbursement processing.

The HSO requires the contractor to submit and maintain complete financial and programmatic documentation of all claims in the form of source documents to support the CRs.

The HSO requires the contractor submit the source documents with the CR (unless otherwise instructed) including time sheets, receipts, and other documentation of costs incurred or program income.

All documentation considered pertinent to the program regulations or grant agreement are required to be maintained per 2 CFR Part 200.333.

All documentation must be retained for a period of three (3) years after reimbursement of the "Final Claim" by HSO.

Internal Invoice Procedures

The activities associated with internal projects generate invoices from outside entities and/or transfers within the State Accounting System (i.e. payroll, postage, etc.).

Invoices received for internal projects are routed to the accountant to check in then to the Project Manager for review and approval. All approved invoices are routed to the HSO Supervisor and Administrator or his/her designee for approval. Once approved, all invoices are routed to the HSO Accountant for payment processing.

Internal payment transfers are automatically processed for projects, such as payroll: copy/scan costs, etc., are documented by the HSO Accountant and included on the monthly generated "General Ledger" for each internal project.

Documentation

The HSO requires the contractor to submit and maintain complete financial and programmatic documentation of all claims in the form of source documents to support the amounts claimed. The HSO requires that the contractor submit the source documents with their claim (unless instructed otherwise) including time sheets, receipts, and other records of costs incurred. Such records, and other records reasonably considered as pertinent to program regulations or the grant agreement, are required to be maintained at 2 CFR Part 200.333 and forward and must be retained for a period of three years after submittal of the final claim to the HSO.

Reimbursement Policy

- The HSO requires all agreements to include a "maximum amount eligible for reimbursement." This maximum amount is the grant reimbursable amount and is the HSO's share of the estimated grant cost. The budget can specify that each line item is not to be exceeded, or the budget can specify that each line item is an estimate and that the actual cost will be paid but not to exceed the maximum amount approved in the grant agreement. (A line item in the budget is the authorization for funds to be expended on that item.)
- Grants do not allow payment of any profit to the contractor. If the HSO or a contractor subcontracts with a commercial (for profit) firm, the fee becomes an actual cost and is eligible for reimbursement if all other payment criteria meet the terms of the agreement.

Advances

Capital advances are not allowed. Reimbursement will be made only for costs incurred during the grant period. The incurrence of cost depends on the accounting system used.

When cost is incurred, if:

1. an **accrual** accounting system is used, then cost is incurred when a recorded liability exists. (Examples include invoices, bills of lading, vouchers of individual travel performed, and cash receipts of expenses incurred. Advances for anticipated costs are prohibited.)

2. a **cash** accounting system is used, then cost is incurred when a cash disbursement has been made.

The HSO will review all proposed and submitted costs to determine that they are necessary, reasonable, and in compliance with applicable cost principles.

Section 5 - Public Information and Education (PI&E)

On May 18, 2016, NHTSA issued a revised guidance memorandum entitled, "Use of NHTSA Highway Safety Grant Funds for Certain Purchases" which supersedes two prior documents issued in 2016. Following is a summary of the major provisions. All costs charged to NHTSA highway safety grants must support data-driven State traffic safety targets, be reasonable, within the scope of the grant, address a highway safety problem and help to meet performance measures.

Promotional Items Prohibited

No promotional items or memorabilia are allowable costs under Federal grants (see below). Use of NHTSA grant funds to purchase promotional items or memorabilia is prohibited and could result in the requirement to repay the misused funds.

An unallowable promotional item is an item whose purpose is to be used as an incentive or to increase goodwill (such as, to police officers to maintain partnerships). Any item that is distributed as a giveaway, except Safety Items as described below, is not allowable.

States and State sub-grantees may use State funds or privately collected funds or donations to purchase promotional items, subject to applicable State laws and policies.

Educational Materials

The purpose of educational materials is to convey substantive information about highway safety and is an allowable expense. To be considered educational, distributed material must provide substantial information and educational content to the public (not merely a slogan) and have the **sole purpose** of conveying that information. Paper, pamphlets, flash drives and CD-ROMs that contain educational materials are allowable because their purpose is to contain and convey educational information. If a grantee or sub-grantee chooses to provide educational content on a flash drive or CD-ROM, that device must be an economical method of conveying the information. See NHTSA Highway Safety Grants Program – Resource Guide, scroll down to Use of NHTSA Highway Safety Grant Funds for Certain Purchases – Memorandum (May 18, 2016)

Examples of allowable educational materials are:

- Traffic safety-themed coloring book given to children at a school event, state fair, etc.
- A pamphlet including statistical information such as "X number of people lose their lives every year when not wearing a seat belt" and safety tips distributed at a state fair.
- A flash drive containing information about the dangers of texting and driving (i.e., statistics, ideas to prevent texting while driving).
- A folder containing information about child passenger safety (i.e., statistics car seat/ booster seat laws, proper car seat installation and use, danger of leaving children unattended in hot or cold cars, etc.) and relevant safety tips provided to parents at a car seat inspection station.
- A CD-ROM or flash drive containing training/conference materials given to attendees at a highway safety conference hosted by the grantee/sub-grantee.

The content of all newly developed PI&E materials to be purchased with Federal funds must be submitted to the HSO for written approval prior to final production.

Reproduction of NHTSA or other Federal government endorsed material already approved is permissible without HSO approval. The cost of the items must still, however, be included in the grant agreement budget.

Equipment

Equipment is eligible for Federal reimbursement as a direct expense chargeable to a specific project agreement provided the equipment is needed to perform that project. The project must be based upon identification of a specific safety problem. No project may be created solely to purchase equipment. Items intended for distribution to the public are not equipment as that term is used under Federal grant law. Safety items for public distribution are treated differently, see below. The key distinguishing factor is that equipment must be needed to carry out work under the grant and are kept for use by the program. An example is a reflective safety vest for use by an employee conducting a roadside survey at night and retained by the program. Other examples are provided in the NHTSA Memorandum.

Safety Items for Public Distribution

The purchase of items for public distribution using Federal funds does not fall within the definition of equipment. Such purchases are allowable if they can be justified by compelling safety benefits. Child restraints, bicycle helmets and other similar items whose sole purpose is to improve highway safety are allowable for distribution to members of the public provided the items are specifically identified in a project agreement and based on problem ID. The project may not be limited to distribution of the items but must also contain specific performance criteria justifying the safety benefit. NHTSA will interpret "sole purpose" strictly when evaluating such purchases. The HSO should consult with their Regional Administrator if there are questions about applying the guidance for these items.

Recognition Awards

NHTSA highway safety grant funds may be used to purchase awards, where appropriate, under a formalized program that recognizes superior performance or exceptional contributions to the purposes served by the NHTSA grant. An appropriate award may be a certificate, plaque, coin, or medal, if it is given under a limited, formalized recognition program. An example is a plaque given by the HSO to a police department at the annual highway safety conference for specific outstanding enforcement efforts. Other examples are provided in the NHTSA Memorandum.

Advertising

The Uniform Guidelines for the Section 402 program provide that "the State should enlist the support of a variety of media, including mass media, to improve public awareness and knowledge and to support enforcement efforts about seat belts, air bags, and child safety seats."

The limited purchase of media time or space (television and radio ads, ads for social media, banners and posters) for traffic safety grant-funded PI&E campaigns is permitted and must be specifically approved by

the HSO and be included in the HSO Highway Safety Plan (HSP). Examples of allowable advertising materials are provided in the NHTSA Memorandum.

Federally funded public service announcements or video materials intended for television or cable television must be closed captioned.

Contractors that obtain grant funds to support paid advertising are subject to the same requirements as the HSO and must provide the required Federal reporting information in their progress reports to the HSO.

Federal funds are to be used only for certain specified **advertising** and **public relations** costs. *See* 2 C.F.R. § 200.421.

The only allowable **advertising** costs are for:

- Recruitment of personnel required for performance of a Federal award;
- Procurement of goods and services for the performance of a Federal award;
- Disposal of scrap or surplus materials acquired in the performance of a Federal award except when reimbursed for disposal costs at a predetermined amount; or
- Program outreach and other specific purposes necessary to meet the requirements of the award.

The only allowable **public relations** costs are for:

- Costs specifically required for the Federal award;
- Costs of communicating with the public and press pertaining to specific activities or accomplishments which result from performance of the Federal award; or
- Costs of conducting general liaison with news media and government public relations officers, to the extent that such activities are limited to communication and liaison necessary to keep the public informed on matters of public concern, such as notices of funding opportunities, financial matters, etc.

The Uniform Guidance *excludes* all other advertising and public relations costs, and *specifically excludes* "costs of **promotional items** and **memorabilia**, including models, gifts, and souvenirs". See 2 CFR Part 200.421(e)(3). Federal grant funds are *never* available to cover the costs of **promotional items** and **memorabilia**. The Uniform Guidance has other provisions that may apply to certain items that fall with the above categories. Certain educational items may be subject to the provision on Conference Costs. Subpart E (§200.432) on Cost Principles of the Uniform Guidance should be consulted to determine if there are any additional provisions that pertain to a particular item or use of that item.

Sports Marketing

When considering communications, public information and paid media expenditures that involve attendance at sporting and entertainment events that charge admission, specific tests must be applied in order to ensure compliance, see 2 CFR Part 200.438. This section states that such costs (i.e. tickets to shows or sports events) are unallowable. The tests that should be applied and additional useful guidance has been provided in the NHTSA Guidelines for Sports Marketing January 22, 2011 which is posted on the GHSA web site in the Members Only section. The HSO must also determine whether any State or local regulations concerning the purchase and acceptance of tickets to entertainment-related events may apply.

Section 6 – Procurement of Goods and Services - Contracts

The HSO shall follow the State and department procurement rules and regulations for the purchase of goods and services for the direct use and benefit of HSO operations, see 2 CFR Part 300.317. Questions regarding the procurement rules should be directed to the HSO Accountant. Such contracts must include the contractor's certifications and assurances required of other contractors. 2 CFR Part 1201.317 provides that contractors shall follow policies and procedures allowed by the States for procurements under a Federal award. All other non-Federal entities will follow 2 CFR Part 200.318-200.326.

For FY2016 and forward, the U.S. DOT at 2 CFR Part 1201.317 provides that contractors shall follow policies and procedures allowed by the States for procurements under a Federal award. All other non-Federal entities will follow 2 CFR Part 200.318-200.326. There was a two-year grace period which will expire in 2017.

The HSO shall monitor periodically the State's and all contractor's project agreement and professional service agreements to verify compliance with the established State procurement procedures.

Contractors must follow the procedures outlined in the Guide when purchasing equipment.

State Contracts

- The HSO will solicit bids through the State's Materiel/Purchasing Division as needed to generate a State contract for equipment and services.
- State contracts may be utilized by local entities.

Section 7 – Food/Beverage Costs

HSO and Contractor Purchases – Federal Requirements

In addition to the Department restrictions, Federal traffic safety grant regulations only allow the reimbursement of meeting and conference costs including meals, transportation, rental of meeting facilities, and other incidental costs when the training supports objectives of the State's highway safety program. This requirement applies to the HSO and contractors. See NHTSA Highway Safety Grant Funding Guidance, Part III, C. Training. Records must be maintained to document the primary purpose of the meeting was the dissemination of technical information and the persons in attendance. Unallowable training costs include an individual's salary while pursuing training (except when the salary is already supported with highway safety funds under an approved project) and overtime for police officers attending drug recognition expert (DRE) training, see NHTSA Highway Safety Grant Funding Guidance, Part IV, C. Unallowable Training Costs.

The HSO meeting and conference documentation or a contractor's progress report shall include a statement describing the date, location, number and/or names of attendees, the food and beverage items to be purchased, and a description of the meeting purpose. HSO meeting and conference attendees must sign or initial attendance sheet.

Costs of **alcoholic beverages** are unallowable.

Costs of **entertainment**, including amusement, diversion, and social activities and any costs directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities) are unallowable.

For additional information, refer to Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements For Federal Awards. For FY2016 and forward 2 CFR Part 200.423 Alcoholic beverages and 2 CFR Part 200.438 Entertainment Costs.

HSO Purchases – State Requirements

The HSO shall comply with the Department regulations as outlined in the State of Nebraska State Accounting Manual.

Section 8 – Property Management

Federal and State Requirements and Thresholds

Federal requirements regarding the use, management, and disposition of grant-funded equipment are found in 23 CFR §1300.31; and specify that the State and their contractors manage and dispose of equipment acquired under 23 USC Chapter 4 in accordance with State laws and procedures.

State laws and procedures pertaining to property management are found in LINK to Administrative Services which establishes requirements that all departments and agencies must follow regarding the management of State property.

The HSO staff will ensure compliance with all applicable Federal and Department policies.

Equipment with a useful life of more than one year and an acquisition cost of $5,000.00 or more must have prior approval from the NHTSA Regional Office.

Contractor Property Management Systems

Contractors must establish and administer a system to procure, control, protect, preserve, use, maintain, and dispose of property furnished to them by the HSO or purchased through a contract or other agreement in accordance with their own property management procedures, provided the procedures are not in conflict with the standards contained in this section or Federal property management standards procedures specified in 49 CFR Part 18.36, prior to FY2016 and 2 CFR Part 200.313 Equipment for FY2016 and forward as appropriate.

Any property purchased, regardless of the unit cost, must be specifically authorized in the Grant Contract Proposal. Equipment and other property acquired under a grant contract for use in highway safety projects shall be used and kept in operation for highway safety purposes.

State Agencies: For property management standards contact the HSO.

Local Agencies and Other Non-State Contractors: Standards for property management described in 49 CFR Part 18.32 (c) through (e)) prior to FY2016 and 2 CFR Part 200.313 Equipment for FY2016 and forward will be used in accounting for equipment purchased under an agreement. The applicant agency shall seek disposition instructions from the HSO prior to disposing of any item of equipment purchased. The contractor may follow their own existing property management standards if they exceed the Federal requirements.

Contractor Property Records Requirements

The contractor property management requirements include, but are not limited to, the maintenance of accurate property records. Such records will include:

- A description of the property
- Manufacturer's serial number, model number, Federal stock number, national stock number, or other identification number
- Inventory number
- Source of funding for the property (including the FAIN-Federal Award Identification Number or grant or agreement number)
- Indication of with whom title is vested (generally vests with the sub-grantee)
- Acquisition date
- Percentage (at the end of the budget year) of Federal participation in the cost
- Location, use, and condition of the property and the date the information was reported
- Unit acquisition cost (total cost from all funding sources)
- Ultimate disposition date in accordance with 2 CFR Part 200.313(e) (including date of disposal and sales price or the method used to determine current fair market value).

Contractor Inventory

Contractors will maintain an inventory control system to ensure adequate safeguards to prevent loss, damage, or theft of the property. Contractors will provide a copy of their inventory policies and procedures to the HSO. Contractors will institute adequate maintenance procedures to keep the property in good condition.

HSO Equipment Inventory Policy

The HSO will use a centralized electronic inventory control system to identify and track all grant-funded equipment or other property classified as "controlled property" items listing all essential information required by the applicable property management guidelines. The HSO, as part of its oversight responsibility, must systematically monitor all contractors with grant-funded equipment and/or property meeting the State-defined criteria of "controlled property" to ensure that contractors are in compliance with State and Federal property management requirements. The HSO's oversight must continue until final disposition of the equipment including after the contractor's grant is closed.

Each HSO staff member shall be responsible for implementing the following equipment inventory procedures for each assigned project.

Equipment Inventory Procedures - $5,000.00 or More

Equipment with a purchase price over $5,000.00 purchased in whole or in part with Highway Safety funds, regardless of the reimbursement allowance, must receive prior written approval from the NHTSA Regional Office and will be accounted for and depreciated according to useful life expectancy being determined by use.

Once approval is granted, a copy of the approved letter must be placed in the project file with an additional copy provided to the HSO Supervisor for the Equipment Inventory book.

Upon receipt of the equipment, either by the HSO or the grantee, an "Equipment Inventory Log" must be completed and placed in the project file with an additional copy provided to the HSO Supervisor for the Equipment Inventory book.

Each HSO staff member shall be responsible for entering all pertinent information from the "Equipment Inventory Log" into the Master Inventory List - HSO located on the computers' "SHARED" drive in the "Z:\" Transportation folder.

Each HSO staff member shall be responsible for ensuring an HSO inventory tag is placed on all equipment purchases over of $5,000.00 or more. If the equipment comes into the HSO, the HSO staff member shall place the tag on the equipment. If the equipment is sent directly to the contractor, the inventory tag shall be sent to the contractor with instructions to affix the inventory tag to the equipment.

For all equipment purchases of $5,000.00 of more, the serial number for the item shall be considered the inventory number.

Annually, the HSO will complete a physical inventory and document the location and condition of the equipment. The contractor will sign off on the document acknowledging completion of the physical inventory process. Physical inventory will be conducted on all equipment purchases over $5,000.00. Items will be kept on record for five years.

No equipment purchased with Highway Safety funds shall be sold, disposed of, traded, scrapped or relocated without prior approval from the HSO. No contractor shall dispose of any equipment without written approval from HSO.

Life Expectancy of Equipment

Preliminary Breath Testing Instruments	4 years
Evidentiary Breath Testing Instruments	5 years
In-Car Cameras (digital)	5 years

Speed Measuring Devices – Radar Standard & Laser 5 years

Other equipment not listed will be assigned a life expectancy of 5 years unless otherwise designated by the HSO.

Equipment Inventory Procedures - $150.00 to $4,999.99

Each HSO staff member shall be responsible for ensuring that an HSO inventory tag is placed on all equipment purchases of $150.00 to $4,999.99. If the equipment comes into the HSO, an HSO staff member shall place the tag on the equipment. If the equipment is sent directly to the contractor, the inventory tag shall be sent to the contractor with instructions to affix the inventory tag to the equipment.

No equipment purchased with Highway Safety funds shall be sold, disposed of, traded, scrapped or relocated without prior approval from the HSO. No contractor shall dispose of any equipment without written approval from HSO. Disposal of the equipment will be according to the applicable State and Federal regulations.

Section 9 – Contractor Travel

Reimbursement for out-of-state travel expenses by contractors requires prior approval by the HSO Administrator or designee. To request approval for out-of-state travel, a contractor must complete the following:

1. Ensure the grant contract proposal application includes a provision for the travel and there are sufficient funds to cover the cost of the trip.
2. If not included in the original grant contract budget, a request for out-of-state travel must be submitted to the HSO for approval at least 30 days prior to travel. The request must include the following:
    - The participant's name
    - Date, description, and location of the training/conference and a copy of the agenda.
    - An itemized breakdown of all expenses associated with the training/conference.
    - A statement why the training/conference is needed and how it will benefit the project.
    - If the training has pass/fail criteria, the participant must successfully complete the course and submit a copy of the course completion certificate to be eligible for reimbursement.
    - The Grant Funded Training/Conference Evaluation Report Form is located on the HSO website at https://dot.nebraska.gov/safety/hso/grants/grant-forms/. This form must be submitted with the Claim for Reimbursement.

To qualify for approval and reimbursement, the travel must be:

- **Necessary** to assist in the completion of project and program targets and objectives.
- **Specific** to the purpose of the grant (for example, an anti-impaired driving conference for a community alcohol project).
- **Appropriate** to the position and responsibility of the individual or individuals traveling (for example, project director to attend a community project seminar).
- **Of direct benefit** to the State, with such benefit unavailable through other means (for example, travel for a national, one-of-a-kind event).

For travel to be considered for approval, the grant must include the following:

Requirements for Approval of Travel Under a Grant

Requirement	Explanation
Sufficient Travel Funds	The contract budget should contain funds for travel. A line item for out-of-state travel or specific trips is not required. However, an indication of specific trips is recommended when known at the time of contract negotiations and approval.

Sufficient Funds to Cover Registration Fee, if Required	If the conference or out-of-state event requires a registration fee, sufficient funds will need to be budgeted and included in the approved budget.
Provisions for Out-of-State Travel	The contract must contain a provision that allows for out-of-state travel upon HSO approval and requires this approval prior to travel and reimbursement.

Travel to attend in-state meetings/trainings not included in the approved grant contract requires the contractor to submit a written request for prior approval by the HSO Administrator or designee.

Contractors are eligible for lodging reimbursement (if approved) for actual in-state or out-of-state travel costs.

Upon receiving a request for travel in writing, HSO will send a written response (email or correspondence) approving or denying the trip, with an explanation, to the contractor.

To request travel reimbursement, the contractor must complete/include the following:

- The cost of the travel is reimbursed through the monthly CR.
- A receipt for any registration fee (if registration fee includes certain meals, then these meals should not be claimed again for reimbursement), airfare, lodging, or any other approved costs.
    - The Grant Funded Training/Conference Evaluation Report Form is located on the HSO website at https://dot.nebraska.gov/safety/hso/grants/grant-forms/. This form must be submitted with the Claim for Reimbursement.

Section 10 – Indirect Costs

Indirect costs are those costs that have been incurred for common or joint purposes. These costs benefit more than one cost objective and cannot be readily identified with a particular final cost objective without effort disproportionate to the results achieved. After direct costs have been determined and assigned directly to Federal awards and other activities as appropriate, indirect costs are those costs remaining to be allocated to benefited cost objectives. A cost may not be allocated to a Federal award as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been assigned to a Federal award as a direct cost. A copy of the Indirect Cost Rate for the contractor claiming the indirect cost must be placed in the file.

Indirect costs are normally charged to Federal awards by the use of an indirect cost rate. A separate indirect cost rate(s) (IDCRs) is usually necessary for each department or agency of the governmental unit claiming indirect costs under Federal awards.

Effective with FY2016, Uniform Guidance issued by the Office of Management and Budget (OMB) became effective for NHTSA funded highway safety grants. Several prior OMB circulars were consolidated into the Uniform Guidance. **The following information on IDCRs applies to FY2016 grants**. For information regarding the requirements for grants prior to FY2016, reference should be made to 2 CFR Part 225, Appendix VIII Part 200 (Non Profits) and Appendix III Part 220 "Cost Principles for Institutions of Higher Education" (Educational Institutions). Contact HSO for additional information.

NHTSA has issued written answers to questions regarding implementation of the Uniform Guidance 2 CFR Part 200.331(a)(4) including IDCRs on March 5, 2015, June 2015 and August 20, 2015. The guidance provides specific rule interpretations as they pertain to IDCRs and should be frequently referenced.

Effective with FY2016 grants, a contractor that does **not** have, or ever had, a federally established IDCR may either negotiate a rate with the HSO or elect to charge a de minimis rate of 10 percent of "modified total direct costs" as defined in the Uniform Guidance, i.e. the de minimis rate is only applied to the first $25,000 of each of the contractor's Subgrantee or subcontracts (maximum of $2,500 indirect cost reimbursement). The HSO may not force or entice the contractor to accept a lower rate. If a contractor has a federally negotiated IDCR and requests that rate, the HSO must pay that rate and may not request

or require the contractor to offer a lower or zero IDCR. If a non-Federal agency or a contractor voluntarily chooses to waive indirect costs or charge less than the full ICR, this can be allowed.

Appendix III to Part 200 provides additional guidance on indirect (F&A) cost rates for Institutions of Higher Education (IHEs) e.g. Universities and should be consulted for complete information which apply only to IHEs. Universities are allowed to apply the indirect cost rate to a broader range of costs as specifically identified in the regulation and referred to as "modified total direct costs". The modified total direct costs, referred to as "facilities and administration (F&A) costs" may include all salaries and wages, fringe benefits, materials and supplies, services, travel, and sub grants and subcontracts up to the first $25,000 of each sub grant or subcontract (regardless of the period covered by the sub grant or subcontract). In addition, unless a new rate has been negotiated, there is a 26% rate cap applied to modified total direct costs for Off-Campus - All Programs (non-research related work such as surveys, etc.).

Appendix IV to Part 200 provides additional guidance on IDCRs for non-profit organizations and should be consulted for special requirements.

Appendix VII to Part 200 provides additional guidance on IDCRs for State and Local Governments and Indian Tribes and should be consulted for special requirements.

According to NHTSA, the requirement that the HSO must use a federally negotiated IDCR applies to **sub awards**; it does not apply to **contracts.** The HSO must use State policies and procedures when procuring property and services via contract. Refer to the NHTSA IDCR June 2015 guidance for additional information regarding sub awards vs. contracts. The Uniform Guidance is a Federal regulation on the use of Federal funds; its requirements cannot be changed by a State statute.

The NHTSA Regional Office may be consulted for assistance in verifying federally approved indirect cost rates for contractors. The HSO shall require that contractors approved by the HSO to receive indirect costs annually provide a current approval letter from the cognizant Federal agency stating the negotiated IDCR. Federally approved IDCRs are good for the specified time period. An application can be made for a one-time extension of a current negotiated IDCR for a period of up to four years, 2 CFR Part 200.414(g). The HSO shall establish annually a list of all contractors approved to charge indirect costs pursuant to a Federal approval letter and track the list to determine that all required letters are maintained with the HSO files. The HSO shall ensure that claims received from contractors which include indirect costs are determined to be charged accurately.

Some contractors may request reimbursement only for direct costs, choosing not to negotiate an IDCR or use the de minimus rate. Indirect costs are not readily assignable to the cost objectives specifically benefited. They are incurred for a common or joint purpose benefiting more than one cost objective. Care must be taken to make sure that the indirect costs (now being reported as direct costs) are not part of a central services take down. And the costs must be allocable. Test: Would the activity still exist, and thereby result in the same costs being incurred, if the grant were terminated?

Note: the general costs of government are unallowable. The same costs may not be reported as both indirect and direct. The HSO must be consistent and treat the costs the same way as other State agencies - either as direct or indirect.

If a State/local governmental contractor is considering changing to direct cost federal funding, care must be taken to avoid the substitution of Federal funding for a general cost of government.

MATCHING REQUIREMENTS: A HSO may use State funds to pay the IDCR and those funds will count toward the 20 percent State share requirements. If State law permits, a contractor may use any allowable cost, including indirect costs, for match if the HSO requires cost sharing for a sub award.

STATE SUBRECIPIENTS: A State agency may be paid the State's negotiated rate obtained from a cognizant Federal agency as evidenced by a letter on file. A State agency contractor may receive Interagency Services (indirect costs) in lieu of determining the actual indirect costs of the service. Reimbursement is limited to a standard 10 percent and only for direct salary and wage costs excluding overtime, shift premiums and fringe benefits, see 2 CFR Part 200.417.

LOCAL and NON-PROFIT CONTRATORS: Where a local government or non-profit is not a primary recipient of Federal funds, the HSO may negotiate and/or monitor the contractor's indirect cost plan. Each contractor must have submitted an IDCR plan for review and acceptance. An annual approval letter approved by a local government containing a certification signed by a government official specifying the year applied is required, see 2 CFR Part 200.331 (a)(4) and Appendix IV for Non-Profit Organizations or Appendix V for State/Local Governments. The Appendices provide specific requirements for negotiated IDCRs. The rate proposal and related documentation must be made available for Federal and State and should be maintained annually in the contractor's file. The rate does not have to be federally approved. Non-profit agencies must also provide an annual approval letter containing a certification signed by the Board of Directors, a CPA or an Executive Director and specifying the year applied and the rate.

The level of risk and exposure should be determining factors when determining the required oversight. NOTE: The responsibility does not end after a signed agreement or certificate is placed in the project file. The HSO must periodically review **AND** monitor sub recipient IDCR plans to provide reasonable assurance that the requirements are being followed. This monitoring should ensure that the plan is current and accurately reflects indirect costs. As a good practice, the involved governmental unit should provide a signed certification letter that the IDCR claimed is "true and correct" similar to what a cognizant Federal agency would receive and "approve".

Negotiating and monitoring an IDCR is a complex and time-consuming task. The HSO may (and is encouraged to) use the expertise of their State audit or finance office to review and approve the IDCR plan proposed by a contractor.

Section 11 – Program Income

Most traffic safety contracts are intended to provide financial start-up for projects so they can become self-sustaining. Some projects conduct activities that generate income to cover present and future costs. When contractors earn money for their services or products, they may be earning what is defined in the Federal regulations as "program income". Income earned by the contractor with respect to the conduct of the grant (e.g. sale of publications, registration fees, service charges, etc.) must be accounted for fully and applied to project purposes or used to reduce costs.

As defined in 2 CFR Part 1201.80, program income means gross income earned by the contractor directly generated by a program supported activity or earned only as a result of the grant agreement during the period of time between the effective date and the expiration date of the grant award. Such earnings may include but are not limited to:

- Income from fees for service performed.
- Sale of commodities or items fabricated under the grant.
- Usage or rental fees from real or personal property (equipment) acquired with grant funds.
- Payment of principal and interest on loans made with grant funds.

See 2 CFR Part 200.307 for additional guidance regarding the use and restrictions on program income.

HSO must approve a contractor's request to earn program income. There must be an indication in the HSO HSPP project description that the grant will generate program income and the total income earned must be reported by the Contractor in the Annual Report (AR). There also must be a clause in the contract which states the grant will earn program income and the contractor will spend the monies to fulfill the objectives of the program area under which it was generated. Recommended language for grants generating "program income" is as follows:

- All program income earned during the grant period shall be retained by the contractor and, in accordance with the grant or other agreement, shall be added to Federal funds committed to the project and be used to further eligible program objectives.
- Program income unexpended after the grant ends, shall continue to be committed to the original grant objectives.

Contractors must record the receipt of program income as a part of the grant project transactions in accordance with the grant agreement. Program income should be recorded on the CR and submitted monthly.

Contractors must also record and report the expenditure and disbursement of program income revenues as a part of the grant transactions in accordance with the grant agreement. Program income expenditures must be recorded on the CR.

For projects that **accumulate** program income, each claim form must contain information entitled Program Income. The following information must be included:

- The amount of program income earned in this period (supported by an entry on the form for reporting program income received).
- The previously accumulated program income by cost category where it was expended (supported by previous entries on the form for reporting program income received).
- The amount of program income previously expended.
- The amount of program income expended in the current period (supported by entries reporting program income disbursed).
- Any remaining program income balance.

Donations (monetary or in-kind) are considered program income if the contractor receives funds directly generated by a grant supported activity or earned as a result of the grant agreement during the relevant time period.

Section 12 – Supplanting

The replacement of routine and/or existing State or local expenditures with the use of Federal grant funds for the cost of activities that constitute general expenses required to carry out the overall responsibility of a State or local agency or federally recognized Indian tribal governments is considered to be supplanting and is **not** allowable. Refer to: NHTSA Highway Safety Grant Funding Guidance, Part IV, D, Program Administration.

The sub-grantee shall not use grant funds to supplant State or Local funds or other resources that would otherwise have been made available for the grant program.

NHTSA no longer uses the term supplanting. However, the Uniform Guidance identifies a similar principle by identifying an unallowable cost as the general costs of government, see 2 CFR Part 200.444.

Contractor Employees: If a position created by a grant is filled from within the contractor's agency, the vacancy created by this action must be filled within 60 days. If the vacancy is not filled within 60 days, the contractor must cease charging the grant for the new position. Upon filling the vacancy, the contractor may resume charging the grant for the grant position. The Financial Officer and the Authorizing Official for a contractor may not be funded under a grant.

Section 13 – Project File Maintenance and Organization

Sound fiscal and program management of the HSO traffic safety program can be verified through the development and maintenance of complete, accurate and accessible files. The HSO must establish a physical or electronic project file for every grant. The contents of the file record will vary depending on the type of agreement. The file of record will include any or all of the following:

- Signed Grant Contract Proposal Application/Grant Contract Award
- Grant Contract Proposal Application Review Form
- Original Signed Agreements and any Amendments
- Documents Referenced in the Agreement (Official Resolutions or Proclamations of Local Governing Bodies, Letter Indicating the Delegation of Signature Authority for Various Project Related Reports, etc.)
- Correspondence (including Emails)
- CR with All Supporting Documentation
- Monthly Reports with All Supporting Documentation
- Monitoring Reports
- Pre-approvals
- Equipment Inventory Forms
- Data Collection and Trainings Conducted
- Other Supporting Documentation
- Pre-Award Risk Assessment (Pocket Folder in front of Project files and in electronic file on office Shared Drive.)

Public access: All file information is a matter of public record. However, proper file management precludes public access to the files, which may include information of a sensitive nature such as personnel salaries, budget information, and internal correspondence. Access to the file of record will therefore generally be limited to those governmental officials with responsibility for the submission, operation, and close-out of the projects.

File retention: All contract and grant agreement records must be retained 3 years from the date of final payment, until completion of audits, or until pending litigation has been fully resolved, whichever occurs last. A clause to this effect will be included in each traffic safety grant agreement and contract. The term "records" includes: all books, documents, papers, accounting records, and other evidence pertaining to costs incurred and work performed.

The HSO Project Manager is responsible for maintenance of the grant filing system in compliance with this policy. Files should be reconciled annually after the fiscal year close-out to assure all required documents are in place. The contents of the file will vary depending on the type of contract, but it will be set up in accordance with the following HSO guidelines:

External Contract Project Files

Left Inside Cover (Top to Bottom)	• Grant Contract Award • Grant Contract Proposal Application (Revised/Final Version) • State Purchasing Contracts • Grant Contract Proposal Application Review Forms
First Right Inside Divider	• Claim for Reimbursement (Recent on top, with all supporting documents stapled to the CR) (Label the tab CR) • Internal Contract Expenditure spreadsheet on top of the CR
First Left Inside Divider	• Highway Safety Monitoring/On-site Monitoring Reports and Contractor's Monthly Reports (Stapled together – Monitoring Report on top) (Recent on Top) (Label the tab Monitoring Reports) • Annual Report (On top of all Monitoring Reports)
Second Right Inside Divider	• To be used for overflow of CR or Monitoring Reports (do not combine)- (Use pocket file if too big for divider) Pending Invoices

Second Left Inside Divider	• Miscellaneous – surveys, newsletters, etc. (Recent on Top) (Label the tab Miscellaneous)
Right Inside Back Cover	• Correspondence to and from Contractor, including emails. (Recent on Top) (Label the tab Correspondence) (Staple inquiry and response together)

Internal Contract Project Files/Multiple Mini-Grant Contracts

Left Inside Cover (Top to Bottom)	• Internal Contract Award • Grant Contract Proposal • State Purchasing Contracts
First Right Inside Divider	• Claim for Reimbursement (Recent on top, with all supporting documents stapled to the CR) (Label the tab CR) • Internal Contract Expenditure spreadsheet on top of the CR
First Left Inside Divider	• Highway Safety Monitoring Reports. (Recent on Top) (Label the tab Monitoring Reports) • Annual Report (On top of Monitoring Reports)
Second Right Inside Divider	• To be determined by the Project Manager. Be consistent with all of your internal files and clearly label the tabs to reflect the contents.
Second Left Inside Divider	• To be determined by the Project Manager. Be consistent with all of your internal files and clearly label the tabs to reflect the contents.
Right Inside Back Cover	• To be determined by the Project Manager. Be consistent with all of your internal files and clearly label the tabs to reflect the contents.

* Note: All Drug Free Workplace Policies and Safety Belt Policies are filed in the corresponding notebook by the Staff Assistant and listed in the spreadsheet on the HSO shared drive.

All Pre-Award Risk Assessments for projects requiring an assessment will be filed in pocket folder ahead of the first project grant file in current fiscal year cabinet and updated on the spreadsheet on the HSO shared drive.

All 501 (c) 3 letter of determination for non-profits will be filed in the corresponding notebook by the Staff Assistant.

Section 14 - Monitoring

Purpose

According to 2 CFR Part 200.328(a), HSO is responsible for managing the day-to-day operations of contract supported activities. The HSO must monitor contract supported activities to assure compliance with applicable Federal requirements and that grant objectives and performance targets are being achieved. Monitoring must cover each program, function or activity.

Monitoring is done to maintain control of a project, detect problems, identify changes or training needs, provide data for planning, and evaluate and create an opportunity for HSO to provide technical assistance when needed. It also is a way to encourage accountability on behalf of the contractor. Monitoring requires forms to be completed for documentation and maintained in the file.

The outcome of the 2 CFR Part 200.331(b) required pre-award risk assessment for each contractor must be used for purposes of determining the appropriate sub-grantee monitoring including level of risk, type and frequency and possible corrective action or follow up. Depending upon the pass-through entity's assessment of risk posed by the sub-grantee, the following monitoring tools may be useful to ensure proper accountability and compliance with program requirements and achievement of performance targets:

1. Providing contractors with training and technical assistance on program-related matters; and

2. Performing on-site reviews of the contractor's program operations;
3. Arranging for agreed-upon-procedures engagements as described in 2 CFR Part 200.425 Audit services.

Pass-through entity monitoring of the contractor must include:

1. Reviewing financial and performance reports required by the pass-through entity.
2. Following-up and ensuring that the contractor takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the contractor from the pass-through entity detected through audits, on-site monitoring, and other means.
3. Issuing a management decision for audit findings pertaining to the Federal award provided to the contractors from the pass-through entity as required by 2 CFR Part 200.521 Management decision.

Types of Monitoring

HSO will utilize the following types of monitoring:

- Ongoing contact with the contractor through phone calls, meetings, email, and correspondence.
- On-site monitoring reviews of project operations, management, and financial systems
- Monthly review of activity reports and approval of CR.

Ongoing Monitoring

Ongoing monitoring occurs every time the Project Manager holds a discussion or communicates with a contractor through phone calls, meetings, email or correspondence.

- **Frequency**: Ongoing monitoring can occur daily, weekly, or monthly. Weekly phone calls may be appropriate if there are problems. Monthly status meetings might be needed for complex projects. Some form of ongoing monitoring shall be conducted by the Project Manager with each contractor in their program area at least monthly. The HSO Administrator shall ensure all required on-going monitoring activity is completed by the Project Manager within the Federal fiscal year in compliance with HSO policy.
- **Problems**: If problems are identified, the situation could require a meeting between the contractor and the Project Manager or even the scheduling of an on-site monitoring visit. The determination of the appropriate action to be taken should be made by the HSO Administrator and the HSO Project Manager. Any additional monitoring requirements will be documented in the project file.
- **Approach**: The Project Manager will rely on regular correspondence and the annual on-site visit to handle routine project issues. The contractor's project director should monitor work under the agreement with sufficient frequency to be sure the work is progressing according to the plan and to quickly identify any major problems or variances from the plan. Careful monitoring of work is the best method of assuring compliance with the grant and preventing disputes.
- **Items**: Any item related to the progress and management of the contract should be covered in ongoing monitoring. Although usually limited to the progress of activities, ongoing monitoring should also cover budget issues, problems encountered, procurement procedures, projected changes, etc.
- **Participants**: Ongoing monitoring can involve any contract personnel with management or oversight responsibility for the project. In addition to the Project Director, this may include a financial officer and any other key project personnel.
- **Procedures**: The Project manager will routinely set aside time to call or meet with sub- grantee personnel. The Project Manager should make a list of issues or questions to cover prior to the contact. The Project Manager should ensure that all issues are covered or that a deadline has been agreed upon to resolve any issues. Routine meetings will be specified in the grant contract as necessary.
- **Documentation**: Copies of all correspondence are to be kept in the HSO project file. A note to the file should be provided to document all meetings and significant discussions. This documentation becomes essential during the course of the project in case of changes in the

project activities, budget, or personnel. The documentation is also extremely important at the end of the project as it is used to evaluate grant and contractor performance.

Monthly Monitoring

Monthly monitoring occurs when the Project Manager reviews the contractor's monthly activity report and monthly CR. During these reviews the Project Manager should:

Claim for Reimbursement (CR)

- Verify the "Previous Months" and "Total to Date" against the previous CR. Resolve any discrepancies.
- Review the CR to ensure all required signatures have been obtained from the contractor.
- Review all current month expenditures and supporting documentation to ensure expenses are eligible reimbursable expenses supported with the necessary documentation.
- Review any program income.
- Determine the Federal Reimbursement Percent (i.e. 100%, 75%, or 50%).
- The Project Manager should address and resolve any problems or discrepancies with the contractor prior to submitting the CR. These communications must be documented in the project file.
- The Project Manager initial's and dates in the designated area approving the reimbursement request and follows the process outlined in Chapter 6, Section 1.
- Project Manager maintains an electronic copy or files a copy in the project file until the original CR and supporting documents are processed and returned by the HSO Accountant.

Activity Reports

- The Project Manager reviews the contractor's monthly activity report to determine the progress of the project.
- All activities should support the strategies and objectives in the Contract Proposal.
- The Project Manager should address and resolve any problems regarding the scope of activity with the contractor. These communications must be documented in the project file.

After conducting the monthly review of the contractor's CR and activity report, the Project Manager will complete an HSO Monthly Monitoring Report reflecting the contractor's activities and expenditures. The HSO Monthly Monitoring Report should address each objective outlined in the contract proposal. The monthly activity should support these objectives.

On-Site Monitoring

Calls, letters, and occasional meetings are generally not sufficient to adequately monitor a project, particularly those that are more complex. The Project Manager will need to go on-site to review project status, documents, contractor management, and financial systems annually. This type of in-depth review is called "on-site monitoring" because the Project Manager must actually go to the location of the project and the offices of the contractor to conduct this monitoring. The need for on-site monitoring may be identified during ongoing monitoring activity. (See Appendix F. On-Site Monitoring Form).

Frequency: The Project Manager shall conduct at least one on-site monitoring visit per year for contractors meeting the following criteria:

- Total cost of the contract exceeds $50,000.00.
- Contracts include reimbursement of salaries.
- Contractor has identified a new project director.
- Contractor has a past history of poor performance.

- A recent ongoing monitoring identified a potential problem.

Items to Review: An on-site monitoring review includes an examination of all issues related to the effective and efficient operation of the project. The following, though not all-inclusive, are the most important items to review:

- Progress toward achievement of objectives and performance targets.
- Adherence to strategies and action plan.
- Resources are consistent with agency mission.
- Programs and resources are protected from waste, fraud and mismanagement.
- Laws and regulations are followed.
- Reliable and timely information is obtained, maintained, reported and used for decision making.
- Status of budget.
- Accounting records.
- Personnel records and time sheets.
- Any necessary pre-approvals (such as, equipment or out-of-state travel).
- Supporting documentation (signature authority letter, verification of costs, invoices, subcontracts, etc.).
- Equipment purchased or leased as part of the project (i.e., inventory purchased for the project) to ensure that it is being used for the purpose for which it was bought or leased under the contract agreement.

Advance Preparation: Prior to the on-site monitoring, the Project Manager should:

- Plan each site visit well in advance (preferably three to four weeks).
- Carefully review the contract agreement to determine which activities in the action plan should have been accomplished by the site monitoring date.
- Note any special terms or conditions that need monitoring.
- Review all correspondence, performance reports, and requests for CR submitted prior to the visit.
- Set appointments with the contractor's project staff.
- Provide to the contractor a list of the types of documents to be reviewed (i.e., time sheets, invoices, and forms).
- Note items requiring follow-up from previous monitoring visits or ongoing monitoring.

- **Review of Source Documents**: The Project Manager will review documents and evidence of task completion depending upon the activities to be conducted and the types of costs involved in the project. Examples of source documents to be included are shown in the following table:

Source Documents Reviewed During On-Site Monitoring

Document Type	Notes
Time Sheets	Time sheets, pay records, payroll registers, and possibly personnel records (salary rate) must be reviewed to determine salary and wage costs are fully supported. Time sheets must account for 100 percent of time regardless of the amount charged to a grant. If only a percent of time is to be reimbursed, then the prorated amount must be correct.
Fringe Benefits	If reimbursable, fringe benefits (such as health insurance, pension plan, etc.) must correspond to the amount or percent eligible.
Travel Costs	Only travel directly associated with the grant may be reimbursed. This might include; for example, travel to meetings called by the HSO.
Claims and Payments	Only those costs in the approved budget may be reimbursed. Any discounts must be credited; the discounted amount would be reimbursable. Any payments must be directly attributable to the grant costs.

In the case of a high volume of documents, a sampling methodology may be used either randomly or selectively (such as, every fifth voucher or every other time sheet). The purpose of the financial document review is to ensure costs claimed reconcile to the documentation.

Payment of overtime, especially in law enforcement grants, requires special attention by the HSO during monitoring. The contractor's processes and procedures for scheduling, approval, tracking, accounting and supervision of overtime should be examined to ensure that there are in place adequate checks, balances and safeguards to validate all claims. See Section 3. Fraud Prevention.

- **Review of Project Status**: The Project Manager will review the status of project activities. Examples of evidence of progress towards task completion might include:
    - Attendance rosters for training projects or events.
    - Citations and warnings for enforcement projects.
    - Newspaper clippings of events for public information activities.
    - Analyses and reports for data or problem identification projects.
    - Survey or questionnaire results.
    - Personnel training records.
- **Review of Budget Requirements**: The Project Manager will review the records for adherence to the budget requirements including, but not limited to, determining whether:
    - Expenditures are on schedule.
    - Costs are in the approved budget or any subsequent amendment.
    - Any necessary prior approvals for travel, equipment purchases, or changes have been obtained.
    - Appropriate procedures have been followed for all expenditures.
    - Appropriate supporting documentation is available and filed.
    - Reimbursements are up to date.
- **Direct Observations**: Although not required, on-site monitoring may also include direct observation of activities performed. These might include attendance or participation in a:
    - Meeting, workshop, or training course.
    - Press conference or other media event.
    - Presentation to a school, organization, or civic club.
    - Task force or committee meeting.
    - Shift of overtime enforcement.
- **Documentation**: The Project Manager will complete the required on-site HSO monitoring record form. The Project Manager will sign the form according to the instructions provided and attach copies of all appropriate records and other documents reviewed during the visit. The checklist, with attachments, will be placed in the contractor file at HSO.
- **Contractor Notification-Compliance**: If no corrective action is necessary, the contractor shall be notified of the results of the on-site monitoring by letter. The contractor may receive a copy of the Monitoring Form upon request.
- **Contractor Notification-Noncompliance**: If corrective action is needed, reference should be made to Section 15. Resolution of Monitoring Findings. The determination of the appropriate action will be made by the Project Manager and the HSO Administrator. Any additional monitoring requirements will be documented in the project file.

On-Site Monitoring Warning Signs

Late project start	Frequent personnel changes
Low activity level	Revisions to the grant
Slow expenditure rate	No records or inconclusive records
Late reports	Evasive answers
Low morale/poor attitude	Submission of questionable claims or back-up documentation
Incorrect claims	Failure to obtain required HSO approvals

Section 15 – Resolution of Monitoring and Other Findings

Minor Findings

The Project Manager shall notify the contractor's project director in writing upon any initial indication of minor discrepancies or errors in reporting, project implementation, or accounting. Examples of minor discrepancies include:

- Delays in activities that will not adversely affect the timely completion of the grant.
- Typographical errors in an invoice that would not affect the amount reimbursed.

A written notification of any finding must include the following information:

- A detailed description of the finding.
- A description of any actions or options the contractor may make in response to the finding.
- A date by which the contractor should implement the recommended action or advise HSO of a proposed alternative or both. Under most circumstances, this date should be no more than 30 days after written notification by the HSO.

Copies of this correspondence, including copies of email exchanges, are to be included in the project file.

Repeated Incidence/More Serious Findings

Upon a repeated incidence of a minor finding or a more serious error or discrepancy, the Project Manager will request through the HSO Administrator that a written warning be sent to the contractor. Examples of more serious errors or discrepancies include:

- Untimely submission or omission of required reports or invoices including required supporting documentation.
- Invoice for an unallowable or unapproved item.
- Typographical or mathematical error that affects the amount of reimbursement.
- Actions taken without prior approval when the grant stipulated prior approval.
- Significant delay in achievement of objectives and performance targets.
- Sub-par spending level (20 percent or more of the total funds remaining at the end of the previously funded grant year)

In addition to the information required for a minor finding or first notification, the letter may include any potential ramifications or imposed requirements. These remedies might include temporary delays in reimbursement, modification of the contract including the reduction of funding, or cancellation of the contract.

Significant Findings Requiring Immediate Action

In the event there are serious problems or issues identified, the Project Manager will immediately notify the HSO Administrator to determine appropriate course of action. If serious financial problems or fraud are identified, the HSO may request a full audit be completed by an outside auditor before taking further action. Consideration should also be given to notifying the Regional Administrator.

Significant findings are to be addressed immediately with a written notice to the contractor with the HSO Administrator approval and signature. Significant findings include, for example:

- Work not being performed as written in the contract.
- Delays that are likely to significantly impact the successful implementation of the contract.
- Indication of fraud or other illegal activity associated with management or implementation of a project.
- Continuing delays or omissions in the submission of required documents.
- Consistent failure to abide by a provision in the contract.

If fraud is detected, the HSO shall determine whether the State/Local District Attorney, State Auditor General/Inspector General or U.S. DOT Office of the Inspector General (1 800 424-9071 hotline@oig.dot.gov) should be contacted for consultation and the possible initiation of criminal action.

Resolution of Repeated, More Serious and Significant Findings

Immediate actions to correct the problem will be negotiated by the HSO Administrator and the contractor and implemented by the contractor. The contractor will be required to submit a Corrective Action Plan (CAP) to HSO which details how and when the identified deficiencies will be addressed and will be signed as appropriate by the parties involved. A date for an on-site follow-up review will be established and corrective action will be monitored by HSO for compliance.

In addition, the following statement may be included in the CAP:

"HSO has determined the contractor is 'On Notice' during Federal fiscal year (XXXX) due to the following reasons: (list applicable reason). Your agency is informed if similar failures to meet the contract requirements occur in the current fiscal year, HSO may modify the agreement including the withholding of contract reimbursement, suspension of all or part of the contract, or cancellation of the contract as provided by 2 CFR Part 200.338. HSO will work with your agency wherever possible to assist your agency in fulfilling the requirements of the contract."

If the problems or issues cannot or have not been resolved, the following actions may be imposed by HSO consistent with 2 CFR Part 200.338 as described in 2 CFR Part 200.207:

1. Withhold contract reimbursement – Temporarily withhold cash payments pending correction of the deficiency by the non-Federal entity or more severe enforcement action by the Federal awarding agency or pass-through entity. Requires the HSO Administrator to provide written notice to the contractor's Project Director detailing the specific problems or issues, the action required to correct the situation, and applicable penalty for failure to make the correction(s).
2. Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance.
3. Suspension of contract or part of contract – Requires the HSO Administrator to provide written notice to the contractor's Project Director at least ten days before effective date of suspension and should include the part or activity in the grant which is being suspended and the action to be taken by the contractor to remove the suspension.
4. Wholly or partly suspend or terminate the Federal award – (A last-resort action to be used only when a contractor or any recipient of Federal funds under the grant fails to fulfill the terms and conditions of the contract in a timely and proper manner, refuses to abide by specific terms or conditions, or violates the terms of a Contract Agreement.) Requires the HSO Administrator to provide written notice to the contractor's Project Director at least 30 days before effective date of cancellation and shall include:
    a. Effective date of the contract cancellation.
    b. Specific terms and/or conditions violated.
    c. Requirement to forward to the HSO all contract-related materials, whether or not completed.
4. Debarment - The enforcement remedies, including suspension and termination, do not preclude the contractor from being subject to "Debarment and Suspension" under E.O. 12549 Executive Order 12549 - Debarment and Suspension.
5. Withhold further Federal awards for the program, or, take other remedies that may be legally available.

In taking an enforcement action, the HSO will provide the contractor an opportunity for such hearing, appeal, or other administrative proceeding to which the contractor is entitled under any statute or regulation applicable to the action involved. See 2 CFR Part 200.341.

Costs to the non-Federal entity resulting from obligations incurred by the non-Federal entity during a suspension or after termination of a Federal award or sub award are not allowable unless the Federal

awarding agency or pass-through entity expressly authorizes them in the notice of suspension or termination or subsequently. However, costs during suspension or after termination are allowable if:

(a) The costs result from obligations which were properly incurred by the non-Federal entity before the effective date of suspension or termination, are not in anticipation of it; and

(b) The costs would be allowable if the Federal award was not suspended or expired normally at the end of the period of performance in which the termination takes effect. See 2 CFR Part 200.342.

The contractor is entitled to receive reasonable and equitable reimbursement for work satisfactorily completed. Equipment purchased with grant funds shall revert to the HSO for disposition.

Copies of any action involving suspension or cancellation will also be forwarded to the Regional Administrator of the NHTSA Regional Office.

Removal of "On Notice" Status

A contractor designated as "On Notice" will remain as such until HSO has determined through a review that all deficiencies have been corrected. If all deficiencies are found by HSO to have been corrected, the contractor will be removed from "On Notice" status at the beginning of the next fiscal year. If one or more of the initial reasons for designating the contractor as an "On Notice" is found to still exist any time during the fiscal year, the contractor will remain as an "On Notice". If a contractor is designated as an "On Notice" for a duration of six months or more during the fiscal year, HSO will automatically place any requests by the contractor for funding in the next fiscal year within the "not to be funded" category.

Section 16 – Processing Mini-Grant Contract Application and Awards

Mini-Grant Log-In Process

The HSO Staff Assistant/Accountant or HSO Staff member date stamps all incoming Mini-Grant Contract Application and Awards (Mini-Grant) and logs on the appropriate "FY xx Mini-Grant Log" located in the "(Shared \\dotfs\Traffic\NDOT-HSO) (Z:)". The HSO Staff Assistant/ Accountant or HSO Staff member will then scan the Mini-Grant document to email to the NDOT Traffic Engineer for approval and distribute the mini-grant to the appropriate Project Manager. After the approval has been obtained the HSO Staff Assistant/Accountant will forward a copy of the scanned document or email approval to the Project Manager. The Project Manager shall print a copy of the scanned document or email approval with the date of the NDOT approval and attach to the original Mini-Grant document.

A "Mini-Grant Log" Tracking Spreadsheet was developed to assist the HSO staff with tracking the current financial status and other related information regarding each approved grant agreement. The spreadsheet is created each fiscal year by the Staff Assistant/Accountant as new grant agreements are approved.

The spreadsheet contains the following information for each grant agreement:

- Date Received
- Funding source
- Program number
- Program Manager name
- Applicant Name
- Amount Awarded
- Approval status
- Approval date
- Proposed grant amount
- State accounting system number
- State agency agreement number, if applicable

- LB429 Number, if applicable

The Mini-Grant Log Tracking Spreadsheet is reviewed frequently by the HSO staff and other Department staff to assure the accuracy and completeness of the information, to check the financial status of each grant agreement, and to assure continuous compliance with all State and Federal requirements.

Upon receipt of the Mini-Grant the Project Manager reviews to determine a funding recommendation. If funding is recommended the Project Manager, he/she assigns a "Mini-Grant Number" to that specific Mini-Grant.

Pre-Award Risk Assessment

- Review Mini-Grant Contract Application and Award for completeness. (same process for contract awards)
- Go to the SHARED drive and open the Pre-Award Risk Assessment folder.
  - Open the FYxx Pre-Award Risk Assessment Log to determine if the Contractor has had a Pre-Award Risk Assessment completed in the current fiscal year.
  - If a Pre-Award Risk Assessment has already been completed for that Contractor (columns c-g will be completed and the HSO Supervisor & Administrator initials will be in columns k &l), simply check the "RA" box in the "To Be Completed By HSO" Section on the mini-grant form to document their risk has been assessed.
  - If a Pre-Award Risk Assessment has not been completed:
  - If the accountant columns (3 a-c) have been completed,
  - Open the HSP Pre-Award Risk Assessment Form and complete the document including adding the question 3 answers from the log completed by the accountant.
  - If the necessary information for #2 is not on the log, send an email to the Accountant requesting the information so that you may complete the form. Be sure the grantee name, Duns#, Cage Code and Tax ID are in the log first.
  - The Accountant will provide the information by inputting the information into the log on the SHARED drive and notifying you so you may complete the form.
- After completing the Pre-Award Risk Assessment Form, print or email it to the Supervisor before you complete the mini-grant application or letter. Unless the rating is above 3, you will check the "RA" box in the "To Be Completed By HSO" Section on the mini-grant form to document their risk has been assessed and begin processing your mini-grant or award.
- After the Supervisor and Administrator have approved the document they will initial and date the document.
- The Supervisor will be responsible for updating the Pre-Award Risk Assessments in the log on the SHARED drive and filing the documents in alphabetical order in a pocket folder located in in the front of the first file of the appropriate federal fiscal year.

Mini-Grant Number

Upon completion and approval of the Pre-Award Risk Assessment, the Project Manager shall create a "Mini-Grant Numbering Log" for each project they are assigned that includes mini-grants. The Mini-Grant Log number shall be four groups of numbers, divided by hyphens with the following designations: The first number represents the funding source (402, 405b, 405c, 405d, 405f, 405e, 1906), the second number represents the fiscal year (18, 19, 20), the third number represents the project number (10, 12, 25, 33, 34, etc.), and the fourth/fifth number represents the sequential number assigned to that specific mini-grant (1, 2, 3, 11, 25, 108, etc.). (Sample Mini-Grant Number - 402-21-24-1.) The Mini-Grant number shall be recorded on the lower portion of the Mini-Grant under the block titled "Project No.".

Denied Mini-Grants

If it is determined that the Mini-Grant will not be funded the Project Manager shall prepare the appropriate denial correspondence to the applicant and file a copy of the correspondence along with the

Mini-Grant in the appropriate project file. The Project Manager shall record the word "Denied" along with the date on the "FYxx Mini-Grant Log" on the "(Shared \\dotfs\Traffic\NDOT-HSO) (Z:)".

Award Process

Upon determining that the Mini-Grant will be awarded, the Project Manager shall complete the lower portion of the Mini-Grant under the "TO BE COMPLETED BY HSO" except for the Contract Approval date.

The Project Manager will then complete the award process and prepare correspondence awarding the funds for the HSO Administrator's signature. The "Contract Approval Date" shall be completed on the lower portion of the Mini-Grant by the HSO Administrator. After the HSO Administrator has signed the Correspondence and the Mini-Grant, the Project Manager shall make the necessary copies, mail the original correspondence letter and a copy of the Mini-Grant to the applicant along with any necessary attachments. The original Mini-Grant and a copy of the correspondence shall be placed in the project file after the Project Manager records the mini-grant number, amount of the award and the date of the award on the "FYxx Mini-Grant Log" located in the "(Shared \\dotfs\Traffic\NDOT-HSO) (Z:)".

One additional copy of the signed mini grant will be made by the project manager and scan/emailed to the accountant/staff assistant to submit for compliance with LB429 (Taxpayer Transparency Act).

Chapter 6

Fiscal Procedures

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Section 1 – Processing Internal/External Contract Payments and Federal Reimbursement Vouchers Procedures

HSO Internal/External Contract Payment Review Process

Every internal/external contract payment

All internal/external claims for reimbursement/invoices are submitted to the HSO accountant by contractors to be logged into the accounts payable tracking database then forwarded to the assigned Project Manager. The HSO Project Manager reviews internal/external claims for reimbursement/invoices for reimbursement of grant awarded expenses. The HSO Project Manager conducts a financial review of the expense claim and upon finding it accurate and appropriate submits the claim to the HSO Supervisor for review, approval and signature.

Upon HSO Supervisor approval, the expense claim is forwarded to the HSO Accountant for payment.

The HSO Accountant reviews the expense claim for compliance and performs required accounting actions within the NDOT Payment Systems (RPS & OnBase) to assist with contractor payments. The HSO Accountant utilizes a similar process for payments of invoices for HSO internal contracts. After payments are entered, they are routed in OnBase to the HSO Administrator for review and approval.

The following four (4) tables explain the steps involved in the review and processing of the following HSO processes:

1. HSO External Grant Contract Claim for Reimbursement (CR).
2. HSO Mini-Grant Contract Claim for Reimbursement (MCR).
3. HSO Internal Payment process.
4. GTS Reimbursement Voucher process.

The tables are followed by information regarding the HSO Accountant's additional responsibilities.

Note 1: It is imperative that the HSO assign a high priority to processing claims in order for reimbursements/payments to be made in a timely manner.
Note 2: Claims will not be approved for payment unless all required documentation and a progress report has been received from the contractor for the corresponding time period.
Note 3: Final claims will not be approved for payment without the receipt of the Annual Report by the HSO.

HSO External Grant Contract Claim for Reimbursement Process

Responsible Party	Action
HSO Staff	• All External Grant Contract Claims for Reimbursement (CR) are due to the HSO on a monthly basis. • The HSO accountant date stamps all incoming CRs when they are first submitted to the HSO. • The HSO Accountant reviews each CR for the HSO contractor Authorized Official signatures, accuracy, and compliance. • The CR is imprinted at the right, top corner with the NDOT Doc stamp. • The contractor's NIS AB# is added to the CR. • The CR is entered into the account payables log and distributed to the Project Manager (PM) responsible for review and approval. • After the PM reviews, and approves the CR, it is routed to the HSO Supervisor for review and approval.

	• After the HSO supervisor approval, the CR is returned to the HSO Accountant for payment. • The CR is reviewed, coded, entered into the RPS, and assigned a NDOT document number by the HSO Accountant. • The HSO accountant notes the local benefit percentage. • The HSO Accountant enters the HSO and RPS information into the Accounts Payable Log. • The HSO Accountant highlights original CR per NDOT policies and procedures, makes one copy of the approved CR, scans original to submit to OnBase, and assigns to the HSO Administrator in OnBase. • The original highlighted CR is returned to the Project Manager for the File.

HSO Mini-Grant Contract Claim for Reimbursement Payment Process

Responsible Party	Action
HSO Staff and HSO Accountant	• The HSO accountant date stamps all incoming internal Mini-Grant Contract Claim for Reimbursements (MCR), invoices, contract payments, etc. • The HSO Accountant reviews each MCR for a HSO MCR coversheet, Authorized Official's signature, accuracy, and compliance. • The MCR is imprinted at the right, top corner with the NDOT Doc stamp. • The contractor's NIS AB# is located and listed on the MCR. • The MCR is entered into the account payables log and distributed to the Project Manager (PM) for review and approval. • After the PM reviews and approves the MCR, the PM retains a copy of the MCR top page and files in the project's file. • After the PM reviews, and approves the MCR, it is routed to the HSO Supervisor for review and approval. • After the HSO supervisor approval, the MCR is returned to the HSO Accountant for payment. • The MCR is reviewed, support documentation is verified, and the payment is coded, entered into the RPS, and assigned an NDOT Doc number, the accounts payables log and MG log are updated. The original MCR is highlighted per NDOT policies and procedures, uploaded to OnBase and sent to the HSO project manager and placed in the project folder. One copy is kept in the accountant's records.

HSO Internal Contract Payment Process

Responsible Party	Action
HSO Staff and HSO Accountant	• The HSO accountant date stamps all incoming internal payments, invoices, contract payments, etc. and reviews for an Authorized Official's signature (if applicable), accuracy, compliance and the required additional support documentation. • The internal payment is imprinted at the right, top corner with the NDOT Doc stamp, the NDOT coding stamp, and the HSO project stamp. • The contractor's NIS AB# is located and listed on the internal payment. • The internal payment is entered into the account payables log and distributed to the Project Manager (PM) for review and approval. • After the PM reviews and approves the internal payment, the PM retains a copy of the internal payment and files in the project's file. • The original is routed to the HSO Supervisor for review and approval. • After approved, all internal payments are returned to the HSO Accountant.

	• The internal payment is reviewed, support documentation is verified, and the payment is coded, entered into the RPS, and assigned a NDOT Doc number. • The accounts payables log is updated, the original internal payment is highlighted per NDOT policies and procedures one copy of the internal payment is made for the accountant's records and the original is sent to the project manager and placed in the project file.

HSO Monthly Claim and GTS Process

Responsible Party	Action

HSO Accountant	• At the beginning of the month, the HSO Accountant runs the following reports via the NDOT Report Portal:
	  • A NDOT HSO Monthly General Ledger (GL)
	  • A NDOT HSO Monthly Project Status Report (PSR)
	• At the beginning of each month, the DMV Controller forwards HSO agency match reports from DMV which are saved and printed for reporting purposes.
	• All GL transactions are compared to the HSO Account Payables log for local benefit amount.
	• The GL transactions are verified against the HSO Account Payables log and if necessary, added to the HSO Account Payables log.
	• The HSO Accountant matches each project's monthly GL amount to the corresponding grant project number listed on the HSO monthly NDOT Deposit Log.
	• The NDOT Deposit Log total is saved, printed, and forwarded to the NDOT Controller for approval.
	• The local match amount listed on the GL from the Account Payables log is added to the GTS Reimbursement Log.
	• The GTS Reimbursement Log auto-calculates the State's required match amount per project.
	• The cumulative GTS Reimbursement Log is reconciled against the Project Status Report, saved, and printed.
	• Upon Controller approval of the NDOT Deposit Log the HSO Accountant submits a GTS Reimbursement Request for the same amounts listed on the GTS Reimbursement Log.
	• Once the GTS Reimbursement Request is approved by NHTSA, the Accountant "post" the GTS Reimbursement Request.
	• Once the monthly Reimbursement Request "post" in GTS, the GTS Monthly Financial Report can be printed and reconciled against the NDOT PSR and the cumulative GTS Reimbursement Log.
	• The NDOT Deposit Log is signed and copied.
	• The signed original copy is held by the Accountant
	• The "Internal CR/CR" worksheets are updated with the new monthly OB project amount.
	• The updated "Internal CR/CR" balances are reconciled against the Project Status Report saved and printed.
	• Utilizing the HSO "GTS Reimbursement Log", each project's billing expenditures (state, federal, local) are entered into HSO's monthly grant program spreadsheets.
	• Each grant's spreadsheet is updated, reconciled and saved.
	• A second copy of the monthly GL is printed to attach to the PM's reports.
	• Each project's GL is matched up to (if applicable) paid external CR, Internal CR/CR report, any additional support documentation listed on project's GL (e.g.; journal voucher documentation, copy/scan requests, etc.) and monthly program grant spreadsheet.

	• All HSO correlated monthly billing project documentation is returned to the assigned HSO PM for review. • Each grant's monthly totals are updated in the HSO Grant Funding History report and balance sheet. • The DMV monthly match report amounts and the grant program monthly totals are updated in the HSO Match Report and reviewed for compliance, saved. • File program grant spreadsheets, NDOT Deposit Log, , GTS Reimbursement Log (monthly and year totals), NHTSA transaction approval e-mails, GTS Monthly Financial report, NDOT OB, Project Status report, GL, updated HSO Grant Funding History, updated HSO Match Report, updated Balance Sheet, and DMV agency's match reports in corresponding HSO Accountant notebooks.

Federal State/Local Matching Share

In addition to actual costs to be reimbursed to the State, federally required match funds must be calculated for each claim by the HSO Accountant and entered into GTS. This calculation determines the total funds, Federal and State/Local match, which have been spent for all the National Highway Traffic Safety Administration (NHTSA) funding sources.

The HSO established a reliable process which ensures Federal program match information entered into GTS for all traffic safety grants is based on the actual program match amounts reflected on the reimbursement/payment requests submitted to HSO. HSO shall ensure actual program match amounts reported and reflected in the GTS are fully supported and documented in each individual project file and the HSO Account Payables Log. If in fact such program match amounts are insufficient to meet overall program match requirements, then HSO shall arrange for additional sources of legitimate program match to eliminate the shortfall.

The entry of required State/Local match information into GTS should be completed with each monthly GTS reimbursement request and reviewed upon each GTS submission for any discrepancies or GTS verification.

Reporting of Benefit to Locals

Local benefit expenditures must be reported in GTS by March 31 each year AND reconciled at closeout to ensure full compliance when preparing the final voucher. The NHTSA 402 Program 40% minimum need not be met by March 31, but whatever local benefit that has been expended should be reported by that date. If the percentage appears to be significantly low on March 31, the HSO should do further research to determine the cause – i.e. slow vouchering by locals or insufficient number or dollar amount of local sub grants. Current local benefit source documentation must be readily available on site including evidence of an active local voice in the initiation, development, and implementation of the programs when contracts are directed.

Submission of Federal Reimbursement Voucher

The HSO Accountant shall submit a Federal Reimbursement Voucher to the National Highway Traffic Safety Administration (NHTSA) at least monthly and no later than the 15th of the month following the billing cycle. Where a State receives funds by electronic transfer at an annualized rate of one million dollars or more, vouchers shall be submitted on a monthly basis no later than 15 working days after the end of each month. A final Reimbursement Voucher shall be submitted no later than 90 days after the end of the Federal fiscal year (September 30) and all unexpended program balances shall be carried forward to the current fiscal year.

There is no requirement that the monthly GTS Reimbursement Voucher requirement pertain to only "new" funding; only that vouchering must be conducted monthly.

FY2018: The required information is at 23 CFR 1300.33(a):
At a minimum, each voucher shall provide the following information for expenses claimed in each program area:
(a)*General.* Each State shall submit official vouchers for expenses incurred to the Regional Administrator.
(b) *Content of vouchers.* At a minimum, each voucher shall provide the following information for expenses:

(1) Project numbers for which expenses were incurred and for which reimbursement is being sought;
(2) Amount of Federal funds for reimbursement;
(3) Amount of Federal funds allocated to local benefit (provided no less than mid-year (by March 31) and with the final voucher);
(4) Amount of indirect cost;
(5) Amount of Planning and Administration costs;
(6) Matching rate (or special matching write off used, *i.e.,* sliding scale rate authorized under 23 U.S.C. 120); and
(7) Program funding code.

(c) *Project agreements.* Copies of each project agreement for which expenses are being claimed under the voucher (and supporting documentation for the vouchers) shall be made promptly available for review by the Regional Administrator upon request. Each project agreement shall bear the project number to allow the Regional Administrator to match the voucher to the corresponding activity.
(d) *Submission requirements.* At a minimum, vouchers shall be submitted to the Regional Administrator on a quarterly basis, no later than 15 working days after the end of each quarter, except that where a State receives funds by electronic transfer at an annualized rate of one million dollars or more, vouchers shall be submitted on a monthly basis, no later than 15 working days after the end of each month. A final voucher for the fiscal year shall be submitted to the Regional Administrator no later than 90 days after the end of the fiscal year, and all unexpended balances shall be carried forward to the next fiscal year.
(e) *Reimbursement.*

(1) Failure to provide the information specified in paragraph (b) of this section shall result in rejection of the voucher.
(2) Failure to meet the deadlines specified in paragraph (d) of this section may result in delayed reimbursement.
(3) Vouchers that request reimbursement for projects whose project numbers or amounts claimed do not match the projects or exceed the estimated amount of Federal funds provided under § 1300.11(d) or amended under § 1300.32, shall be rejected, in whole or in part, until an amended project and/or estimated amount of Federal funds is submitted to and approved by the Regional Administrator in accordance with § 1300.32.

FY2019: The required information is changed for FY2019 at 23 CFR 1300.33(b): At a minimum, each voucher shall provide the following information broken down by project agreement number:

h) Project agreement number for which work was performed and payment is sought;
i) Amount of Federal funds sought up to the amount identified in 23 CFR Part 1300.32(b);
j) Amount of Federal funds allocated to local benefit (provided no less than midyear (by March 31) and with the final voucher); and
k) Matching rate (or special matching write off used, i.e. sliding scale rate authorized under 23 USC 120).

Copies of each project's contract for which expenses are being claimed under the voucher (and support documentation for the vouchers) shall be made promptly available for review by the NHTSA Regional Office upon request. Each project's contract shall bear the project contract number to allow the NHTSA Regional Office to match the voucher to the corresponding project.

The NDOT Controller division and the HSO Accountant shall work together for the State and Federal accounting and reimbursement process to ensure Federal reimbursement vouchers are complete, accurate and in full compliance with the requirements contained in 23 CFR Part 1300.33 (a) - (e).

Section 2 – Federal Grant Tracking System (GTS)

The GTS is a Windows-based database program developed by NHTSA to assist States in financial management of Federal grants. GTS was designed primarily to automate the financial information process, produce the required Federal financial documents at the program area/project level, and electronically transmit information to NHTSA's Accounting Department.

Types of GTS Transactions

There are four (4) major types of transactions in the GTS system that the HSO utilizes. Each type is dependent upon the others in terms of order of completion, validity and accuracy.
Below is a short description of each transaction:

Highway Safety Plan (HSP) - is a planning document, which includes the program areas to be funded, and estimates the upper spending limit. Therefore, it must be completed first in each fiscal year, before other transactions can be made. The user can choose the level (Program Area, Project, Task or Sub-Task) to enter funds, depending on the degree of detail desired. The HSP entries should include estimated current year funds and carry-forward funds, estimated state match, and the anticipated amount to be applied for local benefit. The first HSP document needs to be approved by NHTSA and should be submitted as a part of the state's Performance Plan. Future changes, which exceed or change these limits or establish new programs areas can be made later in the year as needed – without approval. The HSP planning document entries are a necessary first step to plan for the use of newly awarded program area funds. Once the HSP has been approved and the new fiscal year arrives (October 1), carry forward funds or newly obligated funds can be programmed for use.

Obligation Limitation - is the next step in the funding process for use of newly appropriated funds in the fiscal year. The Obligation Limitation is the actual amount of new Federal funds available for expenditure. Each state may qualify for different types of funding. As states qualify and funds become available, the state will automatically be notified via the GTS system. All funds, no matter when they become available, need to be fully obligated before September 30th (the end of the fiscal year).

Obligation Cost Summary (HCS) - is the next step and commits the funds for use. This process determines how much of the Obligation Limitation will be spent in each program area that was created in the HSP. It is also the process that produces the documents that officially obligate funds for the Federal financial management system, Delphi. When this step is completed, all funds should be obligated and will be ready to be claimed for reimbursement (after state and local funds are spent). Funds that are not obligated by the end of the fiscal year will be returned to the federal government. The HCS is also used to transfer funds from one program area or task to another. This is called a Change Cost Summary.

Reimbursement Voucher - This transaction allows the user to process vouchers - which are the documents that keep track of your state's spending. Expenditure of funds cannot exceed the level that the funds were obligated for the Program, Project, Task or Sub-Task category. Vouchers must be approved by the NHTSA Regional Office.

GTS Reports

A variety of GTS reports are available to streamline the State's fiscal management process and reduce the workload associated with meeting Federal reporting requirements. These reports include but are not limited to the following:

- **HSP Transaction (A) -** This report lists all the transactions that were entered in the HSP transaction section. This report can assist in determining entry errors, carry forward funds, or can be utilized as supporting documentation for data entry

- **HSP Cost Summary (B) -** This report shows the detailed information organized by project, sub-totaled by program area, sub-totaled by NHTSA, NHTSA Transfer, Incentive, FHWA (if any) transfer amounts and grand totals for all areas. The format of this report replicates the HS-217 and shows the increase/decrease amounts for each area.
- **HSP Approved Program Amounts (C) -** This report shows the detailed information organized by project, sub-totaled by program area, sub-totaled by NHTSA, NHTSA Transfer, Incentive, FHWA (if any), transfer amounts and grand totals for all areas. This report does not show the increase/decrease, however, it shows the amount of current and carry forward funds.
- **HCS Obligation Transaction (D) -** This report lists all the transactions that were entered in the Obligation section. This report can assist in determining entry errors or can be utilized as supporting documentation for data entry.
- **HCS Obligation Cost Summary (E) -** This report shows the detailed information organized by project, sub-totaled by program area, sub-totaled by NHTSA, NHTSA Transfer, Incentive, FHWA (if any), transfer amounts and grand totals for all areas. THIS REPORT IS FOR OBLIGATION PURPOSES. The format of this report replicates the HS-217

Electronic Transfer of Funds

Within 7-10 business days of approval of the Reimbursement Voucher by the NHTSA Regional Office, the requested funds are electronically transferred from NHTSA to the State Treasury.

Section 3 – Matching Funds

[NOTE: If the HSO requires the match amount be provided by contractors, the following paragraph should be utilized.]

Contractor match: The HSO shall ensure the actual program match amounts reported by contractors and reflected in the GTS are fully supported and documented in the individual project files. If in fact such program match amounts are insufficient to meet overall program match requirements, then the HSO shall arrange for additional sources of legitimate program match to eliminate the shortfall. The HSO shall ensure that the Federal program match information entered into the GTS for all traffic safety grants is based on the actual program match amounts reflected on contractor vouchers submitted to the HSO for reimbursement. The HSO shall ensure that contractors clearly understand the program matching requirements of the funding source for their project and that the amount of match required may be substantially higher than the Federal funds they receive for expenditure.

The HSO is responsible for calculating, documenting and recording required match by program. *Special attention should be paid to unique requirements of specific programs.* Written documentation of match amounts must be on file and updated at least annually. The match funds must relate to the program type of the funding source (i.e. funds used to support impaired driving-related programs must be used to meet Section 405d match requirements). Section 402 match dollars may have a general traffic safety purpose. For all match funds identified and documented by the HSO, no other program (Federal, State or local) may utilize the same dollars as program match.

INDIRECT COSTS: Indirect costs may be used as match for the Federal highway safety program. If the HSO uses indirect costs as match, then the costs would be auditable. The HSO also must document indirect costs to its share for the highway safety benefit only. If indirect costs are used as match, the HSO must be able to document that the match is not being used elsewhere or for matching another program.

MATCHING REQUIREMENTS: NHTSA Grant Funding Guidance Appendix A-Federal Regulations, Documents and Guidelines, page 2 at NHTSA Highway Safety Grants Program – Resources Guide

FAST Act (beginning FY2014)

Grant Programs 402 and 405, and 1906:

- Federal share is not to exceed 80% unless a special matching write off is used (i.e. sliding scale rate authorized under 23 USC 120(b)).
- No match is required for U.S. Territories or for the Indian Highway Safety Program.

Matching Requirements Grant Program 402 for P&A:

- Grant Program 402 (including grant programs 154 & 164 funds transferred to Section 402)

  - The Federal P&A portion shall not exceed 50% of total P&A costs, except for select States using the sliding scale for Match (See NHTSA Order 462-6C).
  - The limit on the amount of Section 402 funds (and repurposed 402 funds) that can be spent on P&A is 15 percent of the total funds the State receives under Section 402.

Summary of NHTSA Grant Fund Requirements for FAST ACT Programs

Program Area	State Match	Planning & Administration	Local Use	Miscellaneous Information
Section 402	20% of total program costs; **Exception:** Select States use a sliding scale for State Match; **Exempt:** Indian Nations & Territories	**Ceiling:** P & A funds restricted to 15% of federal funds received annually; Note – Indian Nations restricted to 5% administrative takedown. **Match:** 50% match; **Exception** - Select States use a sliding scale for State Match; **Exempt** - Indian Nations & Territories	At least 40% of Federal funds spent by locals or designated as the benefit of locals; **Exempt:** DC, Puerto Rico. Note: Indian Nations and Territories A total of 95% of federal funds must be spent for local benefit/participation of Indian tribes.	
Section 405 - K2	**Exempt:** Territories 20% of total program costs; **Exception:** Select States use a sliding scale for State Match; **Exempt:** Indian Nations & Territories	None	None	State will maintain its aggregate expenditures from all other sources for occupant protection programs at or above the average level of expenditures for FYs 2004 & 2005
Section 1906 – K10	20% of total program costs **Exception:** Select States use a sliding scale for State Match Exempt: Indian Nations & Territories	None	None	

Section 4 - Allowable Costs

2 CFR Part 200 Uniform Guidance is the controlling Federal regulation. Cost principles are contained in 2 CFR Part 200, Subpart E. Costs must be reasonable, allocable and necessary. See §200.405. Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:

(a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.

(b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items.

(c) Be consistent with policies and procedures that apply uniformly to both federally financed and other activities of the non-Federal entity.

(d) Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.

(e) Be determined in accordance with generally accepted accounting principles (GAAP), except, for state and local governments and Indian tribes only, as otherwise provided for in this part.

(f) Not be included as a cost or used to meet cost sharing or matching requirements of any other federally financed program in either the current or a prior period. See also Part 200.306 Cost sharing or matching paragraph (b).

(g) Be adequately documented. See also Part D §200.300 Statutory and national policy requirements through 200.309 Period of performance of this part.

Applicable Cost Principles. For each kind of organization, there is a set of Federal principles for determining allowable costs. Allowable costs will be determined in accordance with the cost principles applicable to the organization incurring the costs.

- The following table lists the kinds of organizations and the applicable cost principles:

Applicable Federal Cost Principles by Organization Type

For the costs of a --	Use the principles in --
State, local or Indian tribal government.	2 CFR Part 200 Subpart E
Nonprofit Organizations Exempted From Subpart E	Appendix VII to 2 CFR Part 200
Hospitals	Appendix IX to 2 CFR Part 200

Federal Regulations – Allowable Costs

2 CFR Part 200 General Provisions of Costs provides principles to be applied in establishing the allowability of certain items involved in determining cost, in addition to the requirements of Subtitle II. Basic Considerations, of that subpart. These principles apply whether or not a particular item of cost is properly treated as direct cost or indirect (F&A) cost. Failure to mention a particular item of cost is not intended to imply that it is either allowable or unallowable; rather, determination as to allowability in each case should be based on the treatment provided for similar or related items of cost and based on the principles described in2 CFR Part 200.402 Composition of costs, through 200.411 Adjustment of

previously negotiated indirect (F&A) cost rates containing unallowable costs. In case of a discrepancy between the provisions of a specific Federal award (NHTSA) and these provisions, the Federal award governs. Criteria outlined in 2 CFR Part 200.403 *Factors affecting allowability of costs,* must be applied in determining allowability. See also 2 CFR Part 200.102 *Exceptions*.

NHTSA Grant Funding Policy - Allowable and Unallowable Costs

The NHTSA Highway Safety Grant Funding Guidance Parts III and IV Allowable Costs at NHTSA Highway Safety Grants Program – Resource Guide under "Specified Conditions or Limitations for Selected Items" and "Unallowable Costs for Selected Items" are available on line and should also be consulted. See below for the topic areas included in Parts III and IV.

Part III - Allowable costs under specific conditions or limitations for selected items.

- Equipment
- Travel
- Training
- Program administration (consultant services; purchase of alcohol [also see Part IV, D.3.], but in no case for consumption, in "sting" type operations as long as the operations are not in conflict with any Federal, State or local law; meetings and conferences; research; working with neighboring States)
- Public Communications (advertising space)

Part IV. Unallowable costs for selected items:

- Facilities and Construction including Office Furnishings and Fixtures
- Equipment
- Training
- Program Administration (supplanting, civilian or military agencies, alcoholic beverages, entertainment, commercial driver, drug impaired activities with Section 154/164 funds)
- Lobbying

See also NHTSA Uniform Guidance Questions and Answers March 5, 2015 and August 20, 2015.

Automated Traffic Enforcement Systems Funding Prohibition

Beginning with MAP-21 in FY2014, the HSO may not expend funds apportioned under Section 402 to carry out a program to purchase, operate or maintain an automated traffic enforcement system. The prohibition includes any camera which captures an image of a vehicle for the purposes only of red light and speed enforcement. NOTE: This does not include hand-held radar and other devices operated by law enforcement to make an on-the-scene traffic stop, issue a traffic citation or other enforcement action at the time of the violation. Beginning with FY2018, the FAST Act requires States to either certify that there are no such systems in their State, or, to conduct a biennial survey that lists the systems in the State, data to measure transparency, accountability and safety, and, a comparison of the systems to U.S. DOT guidelines on Speed Enforcement and Red Light Running. For the survey requirements effective FY2018, see also Chapter 2. Planning, Section 11 Automated Traffic Enforcement Systems Prohibition and Survey.

Motorcycle Checkpoint Funding Prohibition

For FY2017 and beyond, the FAST Act prohibits the HSO from expending NHTSA federal grant funds for any program to check motorcycle helmet usage or to create check points that specifically target motorcycle operators or motorcycle passengers.

Proportional Benefits

The HSO or a contractor may have a cost for a project or activity that benefits two or more projects or activities. As provided in the Uniform Guidance at 2 CFR Part 200.405 (Allocable costs), if a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit. If a cost benefits two or more projects or activities in proportions that cannot be determined because of the inter-relationship of the work involved, then, notwithstanding this section, the costs may be allocated or transferred to benefitted projects on any reasonable documented basis.

Where the purchase of equipment or other capital asset is specifically authorized under a Federal award, the costs are assignable to the Federal award regardless of the use that may be made of the equipment or other capital asset involved when no longer needed for the purpose for which it was originally required.

Collection of Unallowable Costs

As provided by 2 CFR Part 200.410, payments made for costs determined to be unallowable by either the Federal awarding agency, cognizant agency for indirect costs, or pass-through entity, either as direct or indirect costs, must be refunded (including interest) to the Federal Government in accordance with instructions from the Federal agency that determined the costs are unallowable unless Federal statute or regulation directs otherwise. See also Subpart D—Post Federal Award Requirements of this part, and 2 CFR Part 200.300 Statutory and national policy requirements through 200.309 Period of performance.

Section 5 - Single Audit Procedures – Federal Requirements

The Federal directive for Single Audit requirements is within the OMB Uniform Guidance at 2 CFR Subpart F 200.500 - 521 and the threshold was increased to $750,000 or more.

The Federal regulation implements the Single Audit Act amendments of 1996 and provides uniform single audit requirements for all non-Federal grantees including State and local governments, colleges, universities, hospitals, and other non-profit organizations.

The HSO grant recipients that **expend** $750,000.00 or more in federal awards from all sources within a fiscal year shall have a single or program-specific audit conducted. HSO shall determine whether the audit meets the requirements of the 2 CFR Subpart F Audit Requirements and issue an administrative letter on audit findings within six months after receipt of the audit. The HSO shall ensure grant recipients take appropriate and timely corrective action in addressing audit findings.

Contractors expending at or above the application threshold in Federal awards from all sources must complete and submit a single audit. To communicate this requirement, the HSO includes a standard requirement in all contractor's contracts that describes the conditions that are subject to a single audit or review. The requirement also states that contractors must submit copies of any audits and review reports which they have had prepared to the HSO for informational purposes if requested regardless of whether the criteria for audit or review are met.

The HSO must establish a process or system to ensure that copies of all audits and other review reports pertaining to contractors are received and reviewed to determine the potential existence of findings that may require appropriate and timely corrective action. The HSO Accountant shall access at least quarterly the Federal Single Audit Database maintained on line by the Federal Audit Clearinghouse (FAC) to determine whether audits for any current contractors have been posted.

The HSO shall check the Federal Excluded Parties List System, System for Award Management (SAM) site or collect a certification from the contractors, or add a clause or condition to the covered transaction (2 CFR Section 180.300 – an OMB requirement).

The HSO shall determine whether the audit meets the requirements of the Uniform Guidance. The auditor must report in findings any known questioned costs that are greater than $25,000 for a type of compliance requirement for a major program, see Part 200.516. Contractors shall provide access to their records and financial statement as necessary, see Part 200.331(a). As provided in 2 CFR Part 331(g), as a pass-through entity the HSO is responsible for issuing a management decision for audit findings that relate to Federal awards it makes to contractors and must do so within **six months** of acceptance of the audit report by the FAC. The auditee must initiate and proceed with corrective action as rapidly as possible and corrective action should begin no later than upon receipt of the audit report. The HSO shall ensure that contractors take appropriate and timely corrective action in addressing audit findings. In cases of continued inability or unwillingness to have an audit conducted as required, the HSO shall take appropriate action using sanctions such as: (a) withholding a percentage of Federal awards until the audit is completed satisfactorily; (b) withholding or disallowing overhead costs; (c) suspending Federal awards until the audit is conducted; or (d) terminating the Federal award.

Grant recipients expending more than $25 million a year in federal awards shall have a cognizant agency for audit. The designated cognizant agency for audit shall be the federal awarding agency that provides the predominant amount of direct funding to a grant recipient unless OMB makes a specific cognizant agency for audit assignment.

HSO includes a written requirement in all contract agreements that describe the conditions that are subject to a single or program-specific audit. The requirement states grant recipients must submit a copy of a single or program-specific audit **and** all review reports which have been prepared to the HSO for information purposes if requested regardless of whether the 2 CFR Subpart F Audit Requirements criteria for audit or review are met.

The HSO has established a procedure to ensure that copies of all audits and other review reports pertaining to HSO grant recipients are received and reviewed to determine the potential existence of findings that may require appropriate and timely corrective action.

The HSO accountant shall complete the following process in order to meet the required federal 2 CFR Subpart F Audit Requirements:

1. Annually - the HSO accountant will compile a list of all HSO prior fiscal year grant recipients and forward to NDOT Audit Department.
2. A 2 CFR Subpart F Audit Requirements letter - which also includes a HSO 2 CFR Subpart F Audit Requirements form to complete and return by a specified due date - shall be mailed inquiring as to whether or not the grant recipient expended $750,000.00 or more in federal funds from all sources within the grant recipient's fiscal year.
3. On the HSO 2 CFR Subpart F Audit Requirements form due date, the HSO accountant will review the grant recipients' list to see who has not returned the completed form.
4. A "**FINAL NOTICE**" letter accompanied by a HSO 2 CFR Subpart F Audit Requirements form to complete and return by a specified due date shall be mailed out to any HSO grant recipients who have not returned the completed HSO 2 CFR Subpart F Audit Requirements form.
5. Upon return of the completed 2 CFR Subpart F Audit Requirements form by the HSO grant recipients, the form's completed information shall be recorded by the HSO Accountant within an audit log of all grant recipients.
6. **If the grant recipient expended $750,000.00 or more, the grant recipient is required by federal guidelines to submit a single or program-specific audit to the HSO Accountant for review.
7. If the grant recipient does not submit a single or program-specific audit to HSO, the HSO Accountant will review the Federal Audit Clearinghouse (FAC) website and/or contact the grant recipient and request a copy of the audit to be sent HSO.

8. Once the single or program-specific audit is received by HSO, the HSO Accountant will check the Federal Audit Clearinghouse (FAC) website to see if the grant recipient's audit has been received; if yes, the HSO Accountant will save and print the grant recipient's FAC report.
9. The HSO Accountant will review the single or program-specific audit, FAC report, and complete the sub-recipient's checklist.
10. If there are any audit findings and/or HSO concerns, the HSO Accountant will compose a follow-up letter addressing the grant recipient's audit findings and/or concerns for the HSO Administrator to sign.
11. Once the follow-up letter is signed, the HSO Accountant will update the HSO audit log, copy the letter, file the copy of the letter and all additional paperwork, and mail the original letter to the grant recipient.
12. If any additional follow-up documentation is required or received by the HSO from the grant recipient, the documentation will be reviewed by the HSO Accountant.
13. Once reviewed; the audit log will be updated as necessary, the documentation will be filed, and if necessary, a second follow-up letter will be issued.
14. All grant recipients' audit findings will be forwarded to the HSO Administer for review.

The HSO Accountant shall access the Federal Audit Clearinghouse (FAC) website regularly to determine whether audits for any HSO grant recipients have been posted.

The single audit concept provides grant recipients of federal funds to customize their own procedures to arrange for a single or program-specific audit to be completed on an organization-wide basis.

In cases of continued inability or unwillingness of a grant recipient to have a single or program-specific audit conducted as required **or** if the grant recipient does not comment/address the audit findings, then the HSO shall take appropriate actions by utilizing sanctions such as: (a) withholding a percentage of federal awards until the audit/finding(s) is completed satisfactorily; (b) withholding or disallowing overhead costs; (c) suspending federal awards until the audit is conducted; or (d) terminate the federal award.

Any and all documentation pertaining to the 2 CFR Subpart F Audit Requirements shall be filed in the HSO fiscal year 2 CFR Subpart F Audit Requirements audit notebook and/or electronically stored for three (3) years or until all audit investigations have been finalized.

Section 6 – Federal Funding Accountability and Transparency Act

The HSO is required to report certain information to NHTSA as mandated in the Federal Funding Accountability and Transparency Act (FFATA) and subsequent Office of Management and Budget (OMB) guidance. This information is then made available to the public at the www.USAspending.gov web site.

Prime awardees (the HSO) of Federal grants of $30,000.00 or higher that are awarded **on or after October 1, 2015**, are responsible for reporting. The FFATA sub award Reporting System (FSRS) is the reporting tool HSOs use to capture and report sub award data and/or sub awardee executive compensation data, see www.fsrs.gov.
Prime awardees (the HSOs) must:

- obtain a DUNS number from Dun & Bradstreet at http://fedgov.dnb.com/webform or call 1 866 705-5711;
- register in the System for Award Management (SAM) at www.SAM.gov); and,
- register in FSRS.

Contractors must obtain a DUNS number from Dun and Bradstreet. Contractors are not required to be registered in SAM however if they do register, the information will transfer to and prepopulate the FSRS

web site. In addition, the HSO is required to collect the names and total compensation of the five most highly compensated officers of the sub awardee agency if, in the preceding year, the agency:

- received 80% of more of its annual gross revenues from Federal awards; AND,
- $25 million or more in annual gross revenues from Federal awards; AND,
- if the public does not have access to this information from reports filed under section 13(a) or 15(d) of the Securities Exchange act of 1934 or section 6104 of the Internal Revenue Code of 1986.

For each sub award, the HSO must enter the following into the FSRS web site:

- FAIN (Federal aid identification number) The FAIN is sent to the HSO when GTS sends an e-mail notifying them of the award.
- Sub award amount
- Date of the award (date the grant agreement is signed)
- Project description (grant title)
- Primary place of performance
- Sub award number
- Executive Compensation answers

Contractor/sub-recipient data elements required under FFATA are as follows:

- Legal business name and both physical and mailing addresses as recorded within the DUNS (Data Universal Numbering System) of the grant contractor/sub-recipient receiving federal funding.
- Congressional district where sub-recipient is located.
- DUNS (Data Universal Numbering System) of the sub-recipient receiving the federal funding or the parent entity of the sub-recipient.
- If applicable, the names and total compensation of the five (5) highest compensated officers of the sub-recipient if during the preceding fiscal year, the sub-recipient received:
  - 80% or more of the sub-recipient's annual gross revenues are in federal awards **and** $25 million or more in annual gross revenues from federal awards if the public does not have access to executive compensation information through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 or section 6104 of the Internal Revenue Code of 1986.
- Typed **and** signed in blue or black INK title **and** name of sub-recipient's staff member responsible for providing FFATA information.
- Contractor/sub-recipient's e-mail address and date.

The HSO has established the following FFATA procedure to ensure all sub-recipients awarded $30,000.00 or more are reported in the Federal Funding Accountability and Transparency Act Sub-award Reporting System (FSRS):

1. The HSO Accountant shall review all HSO project grant awards/contracts for any single grant award/contract equal to or greater than $30,000.00.
2. The HSO Accountant shall prepare a FFATA Log to include the HSO project number; award amount; recipient's title, name, address, phone number, and e-mail address; congressional district; DUNS#; GR<=>80%; comments; date FFATA form mailed; date completed form returned; and date of FSRS entry.
3. The HSO accountant shall compose a FFATA letter; a FFATA form for the sub-recipient to complete, sign, and return to HSO; and instructions on how to complete the FFATA form.

4. Once the sub-recipient's FFATA letter has been reviewed and signed by the HSO Administrator, the HSO Accountant will update the FFATA log, copy all paperwork, mail originals to sub-recipient, and file copies.
5. Upon return of the sub-recipient's completed FFATA form, the HSO Accountant will review it for accuracy and completeness.
6. If the FFATA form is returned incomplete, the HSO accountant will date stamp returned form and contact the sub-recipient and inform them of what is missing and needs to be completed in order to be in compliance.
7. If the FFATA form is returned complete, the HSO accountant will date stamp the returned form and complete the "HSO Use Only" section of the FFATA form by listing the HSO grant award title, project number, project amount, CFDA number, and date information is entered into FSRS.
8. The HSO Accountant will update the HSO FFATA log and enter the FFATA information into the FSRS, print and save FSRS reports, and file FFATA form and FSRS reports.

Upon receiving additional HSO awards, the HSO accountant will search the FSRS for the Federal Award Identification Number (FAIN) and add the award to the FSRS HSO report list.

The HSO Accountant will review the HSO fiscal year mini grant/grant logs for any additional contractor/sub-recipients awarded $30,000.00 or more throughout the fiscal year that needs to be added to the current fiscal year sub-recipient FFATA record or any new HSO award sub-recipient required to complete the appropriate FFATA paperwork.

Chapter 7

Annual Report (AR)

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Section 3 – Annual Report Development Process Calendar 101

Section 1 – Overview

The HSO is responsible for submitting the Annual Report (AR) to the NHTSA Regional Office. The report describes the accomplishments of the HSO. The report is due within 90 days after the end of each Federal fiscal year (December 31).

The Regional Office utilizes a standard checklist to review the AR and provides a formal review letter to the HSO. The review ensures the HSO adequately follows specified requirements and procedures in developing the AR, and compares the targets and performance measures in the Plan to the AR and the most recently available data to measure State safety performance progress, and, identifies why partial or full implementation of projects did not occur and any impact on the project or the HSO ability to implement the related countermeasure.

Section 2 – Federal Requirements

Required Annual Report (AR) Contents

FY2018 AR: The HSO shall follow the IFR (Interim Final Rule) for the preparation of the FY2018 AR. The IFR requirements for the AR are provided as 23 CFR Part 1300.35. Within 90 days after the end of the fiscal year, the HSO is required to *electronically* submit an AR describing:

a. An assessment of the State's progress in achieving highway safety performance targets identified in the prior Highway Safety Plan (HSP);

b. A description of the projects and activities funded and implemented along with the amount of Federal funds obligated and expended under the prior year HSP;

c. A description of the State's evidence-based enforcement program activities;

d. An explanation of reasons for project that were not implemented; and,

e. A description of how the projects funded under the prior year HSP contributed to meeting the State's highway safety targets.

FY2019 AR ONLY: The Final Rule provides the AR requirements for FY2019 at 23 CFR Part 1300.35. Within 90 days after the end of the fiscal year, each State is required to submit *electronically* an AR describing:

a. An assessment of the State's progress in achieving performance targets identified in the prior year HSP, and a description of how the State will adjust its upcoming HSP to better meet performance targets if a State has not met its performance targets;

b. A description of the projects and activities funded and implemented along with the amount of Federal funds obligated and expended under the prior year HSP;

c. A description of the State's evidence-based enforcement program activities;

d. Submission of information regarding mobilization participation (e.g. participating and reporting agencies, enforcement activity, citation information, paid and earned media information) which for FY2018 was required to be provided in the HSP;

e. An explanation of reasons for planned activities that were not implemented; and,

a. A description of how the projects funded under the prior year HSP contributed to meeting the State's highway safety targets.

The regulatory requirements have been changed from the previous authorization to slightly modify the previous requirements and add two new items, Items c and d.

The HSO will be required to upload the Annual Report as a PDF to the NHTSA Grant Management System Software (GMSS).

Progress Report

The HSO compiles the information contained in the contractors Final Reports, year-end statistics, fund expenditure reports and other pertinent information. The AR progress report section includes:

- Identification of the highway safety performance targets established in the HSP and a general assessment of the State's progress in working toward achievement of those targets. The performance measures and targets established in the State's HSP are the basis for this section of the AR. The results for the year are then reported.
- **FOR FY2019** the Final Rule requires a description of upcoming adjustments if a performance target was missed.
- A description of each of the projects and activities funded and implemented under the prior year HSP along with the amount of Federal funds obligated and expended.
- A description of the State's evidence-based traffic safety enforcement program activities.

- **FOR FY2019** the Final Rule requires the inclusion of specific metrics from the high-visibility enforcement campaigns conducted during the fiscal year.
- If an individual project in the prior year's HSP **was not implemented, or, partially or fully** did not achieve the expected results, a **high-level summary** of the likely cause(s). This description should include: (1) whether there was an impact on the project or the ability to implement the related countermeasure, and, (2) how this information will be used to achieve a more positive impact in the future.
- A description of how the projects funded during the past fiscal year contributed to meeting the highway safety targets. This includes projects from a prior year if data is recently available which indicates the project contributed to meeting the current highway safety target.
- Paid Media projects may be reported within the applicable individual program area or grouped in a separate summary report. If a separate summary report for Paid Media is provided, a reference should also be included in the respective program area to identify the contribution to the program area performance measure target. See NHTSA Grant Resources Guide/Advertising Space Guidance.
- If a Traffic Safety Public Opinion Survey (Attitudes Survey) is conducted and the complete findings are reported in the following year's AR. By mutual agreement between NHTSA and GHSA, States began conducting an annual Attitudes Survey in FY2010. The survey contains 9 recommended (or equivalent) questions on occupant protection, impaired driving and speeding. While conducting the survey is not required in MAP-21 or the FAST Act, States are strongly urged to continue doing them and reporting the results.

The HSO compiles the information contained in the contractors' Annual Reports, year-end statistics, and other pertinent information. The AR progress report section includes:

Additional Contents

Cover page containing the State, Governor's name, Governor's Highway Safety Representative, HSO Administrator, and location of the HSO including contact information (name, address, phone, fax, email).

Table of Contents

Executive Summary including discussion of any difficulties which may have affected the full attainment of stated targets.

Mission and Vision Statements.

Statewide HSO Program Overview including information on the Highway Safety Programs, who is involved with administering the programs and significant administrative accomplishments.

State Enforcement Plan Results.

Legislative Summary – significant accomplishments.

List of traffic safety partners and/or groups used to develop the programs.

Fiscal overview of obligations and expenditures by program area with graphs and charts.

Future plans and targets to be set.

Report Design.

The NHTSA Regional Office conducts a first and last voucher review in every State each fiscal year after closeout and no later than mid-March.

Section 3 – Annual Report Development Process Calendar

The HSO develops the Annual Report (AR) in accordance with a schedule of activities and assigned responsibilities to assure completion of the AR by the NHTSA deadline. The Federal deadline for submission of the annual AR is December 31. This is a firm deadline. The following table illustrates the AR development process within the HSO.

Annual Report Development Process Calendar

Timeline	Activity
Beginning of fiscal year: October - September	Review contractor and HSO progress and monitoring reports during the year to identify significant challenges, highlights or accomplishments for inclusion in the AR.
End of fiscal year: October 1	Track receipt of contractor Annual Reports and send reminders where needed ensuring that all project contracts in the initial HSP and any amended or new project contracts during the year are included. Analyze and assemble data for each HSP core, other and activity performance measure to determine the State's progress in achieving performance targets for the year. Update State crash data and trends with the most recent available data. Compile the Annual Evaluation Report (AR) survey results. **FOR FY2019:** Develop a description of how the State will adjust its upcoming HSP to better meet performance targets if a State has not met its performance targets.
November	Second Thursday in November deadline for submission of contractor Annual Reports.
October – November 30	Review contractor Annual Reports and develop a general description of each project and activity funded and implemented including the total Federal fund obligated and expended (like projects and activities may be aggregated). Review contracts, HSO progress, and monitoring reports to identify significant highlights/accomplishments. Review contractor Annual Reports and develop a summary for each Program Area: • problem statement • objectives • performance measures • performance targets • description of each project and activity funded and implemented • description of how the projects contributed to meeting the target • Federal funding amount expended and source for each project implemented along with the amount of Federal funds obligated. A description of the State's evidence-based traffic safety enforcement program activities. **For FY2019**: A compilation of information regarding mobilization participation (e.g. participating and reporting agencies, enforcement activity, citation information, paid and earned media information) If an individual project in the prior year's HSP did not partially or fully achieve the expected results, a description of the likely cause(s). Paid Media projects may be reported within the applicable individual program area or may be grouped.
March	Contract the Research Associate to complete Nebraska's annual Traffic Safety Public Opinion Survey.

December	Produce final Financial Obligation Closeout (voucher) and obtain HSO Administrator approval.
December	Assemble AR components for final review and approval by HSO Administrator.
December 31	Submit final AR to NHTSA Regional Office.
January 1	Post AR on the HSO website.

Chapter 8

Closeout

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- Extensions 103

Section 3 – Federal Grant Tracking System (GTS) Closeout Process 103

Section 4 – Grant File Closeout 104

Section 5 – Financial Obligation Closeout Summary 104

Section 1 – Overview

Grant and the Federal fiscal year closeout activities begin when all required progress reports, annual reports, and final invoices have been received from contractors by the HSO.

When final claims are processed, the Department procedures for submittal of the final Federal reimbursement voucher must be followed. Included in this process is the final determination of the amount of program funds actually expended and the under-run amount which is available for carry forward to the new program year.

Part of this process also involves the final determination of the amount of Federal funds expended for local benefit (40 percent minimum required), see 23 CFR Part 1300 Appendix C - Participation by Political Subdivisions and the State and local match to the program met or exceeded the minimums based on the Federal funding source requirements.

Section 2 – Deadlines

The State's HSP for a fiscal year and the State's authority to incur costs under that plan expire on the last day of the fiscal year. Beginning with MAP-21 and continuing under the FAST Act, the State is no longer permitted to extend the right to incur costs under the old fiscal year's HSP. For FY2017 and forward grant funds remaining at the end of the fiscal year are available for expenditure during the next fiscal year provided the State has a new HSP approved by NHTSA and the remaining funds (carry forward) are identified and programmed in the HSP and in an updated and approved HS Form 217, or its electronic equivalent. See 23 CFR §1300.41 (a). See Chapter 2 Planning, Section 15. Three Years Plus One Federal Obligation Restriction.

The Uniform Guidance provides that the pass-through entity (HSO) 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. See 2 CFR Part 200.343 for the actions the non-Federal entity

and Federal awarding agency or pass-through entity must take to complete this process at the end of the period of performance.

In addition to actual costs to be reimbursed to the State, the State's share of matching funds must be finally calculated based on the final expenditures and entered into the GTS. This calculation determines the total funds, Federal and State matching, which have been spent for NHTSA funding sources.

The HSO is required to submit the State's final billing for the closing grant year to NHTSA by December 31. In order to meet this deadline, all final project claims for reimbursement must be received by the HSO from contractors by November 15 and be entered for payment into the NDOT RPS. Any invoices received from contractors after November 15 **cannot** be processed or approved for payment with Federal funding.

The expiration of the HSP does not affect the ability of NHTSA to disallow costs and recover funds on the basis of a later audit or other review or the State's obligation to return any funds due as a result of later refunds, corrections or other transactions, see 23 CFR Part 1300.42.

Penalties

The final voucher submitted by the State must meet the requirements of 23 CFR §1300.40.23 CFR Part 1300.33(b) and be submitted within 90 days after the HSP expiration. The final voucher constitutes the final financial reconciliation for each fiscal year, see 23 CFR §1300.40.23 CFR §1300.40. Failure to provide the information specified shall result in rejection of the voucher.

Extensions

Extraordinary circumstances to request an extension for submitting a final voucher may be brought to the attention of the NHTSA Regional Administrator by the HSO Administrator. The extension may not exceed 30 days. The State submits a written request for an extension which describes the extraordinary circumstances necessitating an extension. The approval of any such extension request is required to be in writing, to specify the new deadline for submitting the final voucher and shall be signed by the NHTSA Regional Administrator (Approving Official).

All grant related records shall be retained for at least three years from the date the final voucher is submitted to NHTSA.

Section 3 – Federal Grant Tracking System (GTS) Closeout Process

The HSO fiscal year end GTS Voucher Closeout Process as follows:

The activities for processing the final Grant Contract Claim for Reimbursement (CR) and Internal Mini-Grant Contract Claim for Reimbursement (MCR) Contracts are the same procedures outlined in Chapter 6, Section 1.

HSO Closeout Process

Responsible Person	Action
HSO Staff	• Reviews to ensure compliance with grant contract and receipt of contractor's Annual Report.
HSO Accountant	• Date stamps invoice/CR/MCR and records in accounts payable. • Determines all final claims for reimbursements invoices have been

	received for the HSO fiscal year (October 1 – September 30). Fiscal year invoice HSO received deadline is the second Thursday in November following the final grant date – September 30. • Submits invoices for final payment as outlined in Chapter 6, Section 1. • Determines the final required State matching shares and 40 percent benefit to locals amount and transmits information. • Notifies the HSO Administrator of the amount of known carry forward funds by funding source, if any, for obligating in the next fiscal year. • Conducts standard invoice payment reconciliation processes. • Enters final invoice postings into the GTS. • Works with the HSO staff to check accuracy of information and enters required State matching share and 40 percent benefit to locals into GTS. • Closes out the HSO fiscal year.

In addition to actual costs to be reimbursed to the State, the State's share of matching funds must be calculated based on the final expenditures and entered into the GTS. This calculation determines the total funds, Federal and State matching, which have been spent for NHTSA funding sources.

Section 4 – Grant File Closeout

After the final Federal reimbursement voucher for the grant year has been submitted, the HSO closes out each project file for that fiscal year. The HSO staff is responsible for completing the grant file closeout. Each file will be reviewed for completeness, accuracy of filing, and resolution of any pending matters.

Section 5 – Financial Obligation Closeout Summary

Financial Obligation Closeout Summary

The financial obligation closeout is a final accounting of all HSO expenditures for the year. As required in 23 CFR Part 1300.40, the financial obligation closeout will include a copy of the final official voucher for total expenses incurred which satisfies the Federal requirements in 23 CFR Part 1300.33 (b).

The required information in the IFR for the voucher for **FY2018** is at 23 CFR 1300.33(a). At a minimum, each voucher shall provide the following information for expenses claimed in each program area:

a) Project numbers for each project for which reimbursement is being sought

b) Amount of Federal funds for reimbursement

c) Amount of Federal funds allocated to local benefit (provided no less than midyear (by March 31) and with the final voucher)

d) Amount of indirect cost

e) Amount of Planning and Administration Costs

f) Matching rate (or special matching write off used, i.e. sliding scale rate authorized under 23 USC 120), and,

g) Program funding code.

The required information for the voucher is changed in the NHTSA Final Rule for **FY2019** at 23 CFR 1300.33(b). At a minimum, each voucher shall provide the following information for expenses broken down by project agreement number:

h) Project agreement number for which work was performed and payment is sought;

i) Amount of Federal funds sought up to the amount identified in 23 CFR Part 1300.32(b);

j) Amount of Federal funds allocated to local benefit (provided no less than midyear (by March 31) and with the final voucher); and

k) Matching rate (or special matching write off used, i.e. sliding scale rate authorized under 23 USC 120).

The NHTSA Regional Office conducts a first and last voucher review in every State each fiscal year after closeout and no later than mid-March.

Appendices 105

Appendix A. Federal Regulations, Documents, and Guidelines

Appendix B. OMB Circulars

Appendix C. Grant Contract Claim for Reimbursement Form

Appendix D. Mini-Grant Contract Claim for Reimbursement Form

Appendix E. Grant Contract Proposal Application Review Form

Appendix F. HSO On-Site Monitoring Form

Caution!

Federal regulations may change. To ensure that the most recent version is being utilized, it is recommended that the reader view the regulations **online**.

Appendix A – Federal Regulations, Documents, and Guidelines

The following regulatory items govern the daily administration of traffic safety grants at the State level. Administrators of traffic safety grants should be familiar with and follow each cited title and rule to effectively design and manage programs. Many of these items are cited within this Manual.

Caution! Federal guidance and regulations may change. To ensure the most recent version is being utilized, it is recommended that the reader view the regulations on-line.

The NHTSA Highway Safety Grants Program - Resources Guide is an important resource which should be checked regularly for updates and is available on the Internet. In 2013 NHTSA reorganized the previous Highway Safety Grant Management Manual into key categories and topical searches. Several items detailed below are available within the Resources page.

Covering All Highway Safety Grants

Title	Revisions as of Date
NHTSA Highway Safety Grant Funding Guidance	8/4/2015
OMB Uniform Guidance – for FY2016 and forward 2 CFR Part 200	Technical corrections 9/10/15
49 CFR Part 18 — DOT Common Rule-States	For FY2016 and beyond, replaced by Uniform Guidance
OMB Audits-State/Local Gov. OMB Circular A-133 - Audit of State/Local Govs. & Non-Profit Organ. (same as 49 CFR Part 90)	06/27/03 For FY2016 and beyond replaced by Uniform Guidance
OMB Circular A-133. 2009 Highway Safety Compliance Supplement 2009 Compliance Supplement. OMB Circular A-133 (NHTSA portion)	6/24/2009 For FY2016 and beyond replaced by Uniform Guidance
Implementation Guide for Office of Management and Budget Circular A-87 (ASMB C-10) Cost Principles and Procedures for Developing Cost Allocation Plans and Indirect Cost Rates for Agreements with the Federal Government	4/08/1997 For FY2016 and beyond replaced by Uniform Guidance
State Certifications and Assurances Statements – Appendix A 23 CFR Part 1300 Uniform Procedures for State Highway Safety Grant Programs	1/23/2013
Lobbying Guidance 23 CFR Part 1300 Appendix A NHTSA Highway Safety Grant Resources Guide-Highway Safety Grant Funding Guidance-Appendix B	1/23/2013
NHTSA Logo Guidance NHTSA Highway Safety Grant Resources Guide-Use of NHTSA Logo Guidance	1/18/2000
Performance Measures Traffic Safety Performance Measures for States and Federal Agencies	8/01/2008

Appendix B – OMB Circulars

Office of Management and Budget (OMB) circulars are frequently used reference materials in administering grants. The following table lists OMB circulars applicable to the HSO program:

Effective with FY2016 grants, NHTSA will require compliance with the OMB Uniform Guidance at 2 CFR Part 200 which consolidates and replaces several federal regulations listed below.

The following table lists OMB circulars that were applicable to the Highway Safety Office program prior to FY2016:

OMB Circulars Applicable to the Traffic Safety Program prior to FY2016

Document Title	Revisions as of Date
OMB Circular A-21 — 2 CFR Part 220 "Cost Principles for Institutions of Higher Education"	8/31/2005 For FY2016 replaced by Uniform Guidance
OMB Circular A-87 — 2 CFR Part 225 "Cost Principles for State, Local and Indian Tribal Governments" – go to NHTSA Highway Safety Grants Program - Resources Guide	7/24/2007 For FY2016 replaced by Uniform Guidance
OMB Circular A-110 —49 CFR Part 19 Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations" – go to NHTSA Highway Safety Grants Program - Resources Guide	7/24/2007 For FY2016 replaced by Uniform Guidance
OMB Circular A-122 — 2 CFR Part 230 "Cost Principles for Non-Profit Organizations" – go to NHTSA Highway Safety Grants Program - Resources Guide	7/24/2007 For FY2016 replaced by Uniform Guidance
OMB Circular A-133 — "Audits of States, Local Government, and Non-profit Organizations"	6/27/2003 For FY2016 replaced by Uniform Guidance

Appendix C. Grant Contract Claim for Reimbursement Form

NEBRASKA
DEPARTMENT OF TRANSPORTATION

NDOT-HSO Use ONLY Date Complete Invoice Received:

Grant Contract
Claim for Reimbursement

NDOT Highway Safety Office
P.O. Box 94612, Lincoln, NE 68509-4612
Telephone: (402) 471-2515 FAX: (402) 471-3865
http://dot.nebraska.gov/media/6203/cr_grant.pdf

Contractor:		Telephone:	IBT / Invoice #:
Contract Title:	Final Claim ☐	Month of Expenditures:	Contract #:

NDOT-HSO USE ONLY

	Federal Share
Total Expenditures	
Program Income	
Net Amounts	

PROJECT FINANCIAL SUMMARY

Current Month	Previous Months	Total to Date

NOTE: Supporting documentation for all expenditures above must be attached.

CERTIFICATION:

I hereby certify the foregoing document is consistent with the terms of the grant contract and is a true and accurate accounting of the expenditures.

Signature of Project Director

Signature of Authorized Official

Type/Print Name and Title

Type/Print Name and Title

Date

Date

NDOT HSO USE ONLY

Total Reimbursement	
Project Manager Review Initial/Date	
Supervisor Review Initial/Date	
Administrator Review Initials/Date	
Local %	
Accountant Date Paid/Initial	
Warrant #	
NIS #	

NDOT DOC#	
AB#	
TRANS	OE
ACTIVITY	ACCOUNT
NIGP	DATE
APPROVED (PRINT NAME)	William J. Kovarik
APPROVED SIGNATURE	
Project:	Amount:

Distribution: Original to NDOT HSO
Make Copy for Your File

Rev. 8/2020

Appendix D. Mini-Grant Contract Claim for Reimbursement Form

NEBRASKA
DEPARTMENT OF TRANSPORTATION

Mini-Grant Contract Claim for Reimbursement

NDOT-HSO Use Only
Date Complete Invoice Received:

To:	NDOT Highway Safety Office P.O. Box 94612, Lincoln, NE 68509-4612 Telephone: (402) 471-2515 FAX: (402) 471-3865 http://dot.nebraska.gov/media/6204/cr_minigrant.pdf

From:	Agency:		IBT/Invoice #:
	Address:		
	City, State, Zip:		
	Telephone No.:		Project Number
	Contact Person:		
	E-Mail:		

REIMBURSEMENT REQUEST

Description:		Amount
NOTE: To process this reimbursement all supporting documentation listed on the Mini-Grant Contract must be attached.	Total	

Current Claim Amount	Previous Claim Total ***Only use if previous claim has been made on this project.**	Total Claim to Date

CERTIFICATION

I hereby certify the foregoing document is consistent with the terms of the mini-grant and is a true and accurate accounting of the expenditures.

Signature of Authorized Official | Type/Print Name and Title | Date

NDOT HSO USE ONLY

Total Reimbursement	
Project Manager Review Initial/Date	
Supervisor Review Initial/Date	
Administrator Review Initial/Date	
Local %	
Accountant Date Paid/Initial	
Warrant #	

NDOT DOC#	
AB#	
TRANS	OE
ACTIVITY	ACCOUNT
NIGP	DATE
APPROVED (PRINT NAME)	William J. Kovarik
APPROVED SIGNATURE	
Project:	Amount:

Distribution: Original to NDOT HSO Copy for Your File

Rev. 8/2020

Appendix E. Grant Contract Proposal Application Review Form

Grant Contract Proposal Application Review Form
External Projects Only
NDOT Highway Safety Office

Reviewer's Name	**Date:**
Project Title:	
Applicant:	
Emphasis Area(s):	**Alcohol** ☐ **Occupant Protection** ☐ **Speed** ☐ **Youth** ☐ **Traffic** ☐ **Traffic Records** ☐

Problem Identification			**0 = Low - 5 = High**						
	Yes	**No**	**0**	**1**	**2**	**3**	**4**	**5**	**Rating Points**
Are at least five years of baseline data included?	☐	☐	☐	☐	☐	☐	☐	☐	
Is the cause of the problem identified?			☐	☐	☐	☐	☐	☐	
Is it within HSO's scope?			☐	☐	☐	☐	☐	☐	
Is the targeted population identified?			☐	☐	☐	☐	☐	☐	
							Total of Points: Maximum 20		0

Comments and Suggestions for Problem Identification

Target			**0 = Low - 5 = High**						
	Yes	**No**	**0**	**1**	**2**	**3**	**4**	**5**	**Rating Points**
Are the results numerically outlined?			☐	☐	☐	☐	☐	☐	
Is one of the Emphasis Areas impacted?			☐	☐	☐	☐	☐	☐	
							Total of Points: Maximum 10		0

Comments and Suggestions for Target

Objectives			**0 = Low - 5 = High**						
	Yes	**No**	**0**	**1**	**2**	**3**	**4**	**5**	**Rating Points**
Are objectives described in numerical/measurable terms?			☐	☐	☐	☐	☐	☐	
Do the objectives include measureable outcomes?			☐	☐	☐	☐	☐	☐	
								Total of Points: Maximum 10	0
Comments and Suggestions for Objectives									

Strategies			**0 = Low - 5 = High**						
	Yes	**No**	**0**	**1**	**2**	**3**	**4**	**5**	**Rating Points**
Do they describe project activities?			☐	☐	☐	☐	☐	☐	
Do they present reasonable activities that can be accomplished within the project time frame?			☐	☐	☐	☐	☐	☐	
								Total of Points: Maximum 10	0
Comments and Suggestions for Strategies									

Evaluation			**0 = Low - 5 = High**						
	Yes	**No**	**0**	**1**	**2**	**3**	**4**	**5**	**Rating Points**
Does the evaluation measure results?			☐	☐	☐	☐	☐	☐	
Is each objective measured?			☐	☐	☐	☐	☐	☐	
Are the numerical results included in the evaluation?			☐	☐	☐	☐	☐	☐	
								Total of Points: Maximum 15	0
Comments and Suggestions for Evaluation									

Budget Proposal/Budget Narrative			0 = Low - 5 = High						
	Yes	No	0	1	2	3	4	5	Rating Points
Are expenditures necessary, appropriate and reasonable?			☐	☐	☐	☐	☐	☐	
Does the expenditure justify the anticipated results?			☐	☐	☐	☐	☐	☐	
Does the budget narrative explain expenditures?			☐	☐	☐	☐	☐	☐	
								Total of Points: Maximum 15	0

Comments and Suggestions for Budget Proposal/Budget Narrative

Cost Assumption			0 = Low - 5 = High						
	Yes	No	0	1	2	3	4	5	Rating Points
Are the agency's resources to match funding described?			☐	☐	☐	☐	☐	☐	
Do they describe how the project will reach self-sufficiency?			☐	☐	☐	☐	☐	☐	
Is a plan for future funding included in the application?			☐	☐	☐	☐	☐	☐	
Is this project a system support project?			☐	☐	☐	☐	☐	☐	
								Total of Points: Maximum 20	0

Comments and Suggestions for Cost Assumption

Total Points Scored:	Maximum 100	0

Summary of Recommended Changes:

Revised 5/2019

Appendix F. HSO On-Site Monitoring Form

NEBRASKA
DEPARTMENT OF TRANSPORTATION

Clear Form

Nebraska Department of Transportation Highway Safety Office
On-Site Monitoring Form

CONTRACTOR INFORMATION					
Contractor:		Project #:		Contract Amount:	$
Dollars Expended to Date:	$				
*All projects will be monitored once a year at an on-site visit with the exception of mini-grants.					
Address:		City:		State:	
Agency Director:		Telephone:			
Contract Representative:		Telephone:			

AUDIT INFORMATION					
Date of Desk/On-Site Visit:		Monitoring Type: Phone On-Site			
					1 = Low 5 = High
1 - Are contract project strategies on schedule:	Yes	No			Rating
2 - Are monthly reports up to date:	Yes	No			Rating
3 - Are claims being submitted in a timely manner:	Yes	No			Rating
4 - Is the project staffed as required:	Yes	No	N/A		Rating
5 - Is activity acceptable:	Yes	No	N/A		Rating
6 - Does the contract include special conditions:	Yes	No			Rating
6a - Have special conditions been met:	Yes	No	N/A		Rating
7 - Have general conditions of the contract been met:	Yes	No			Rating
8 - Have any contract modifications been made:	Yes	No			Rating
9 - Has pre-service/in-service training been provided:	Yes	No	N/A		Rating
10 - Obtain copies of all required reporting documents:	Yes	No	N/A		Rating
11 - Has contract equipment been purchased:	Yes	No	N/A		Rating
11a - If so, has equipment been put in service:	Yes	No	N/A		Rating
11b - Inspect all contract purchased equipment:	Yes	No	N/A		Rating
11c - Has an Equipment Inventory Log been completed:	Yes	No	N/A		Rating
11d - HSO equipment tag attached:	Yes	No	N/A		Rating
12 - Have education items been ordered:	Yes	No	N/A		Rating
12a - Have educational items been received:	Yes	No	N/A		Rating
13 - Artwork/Safety message approved:	Yes	No	N/A		Rating
14 - Travel reports submitted:	Yes	No	N/A		Rating

DEFICIENCY INFORMATION Total N/A
Note deficiencies by referencing number and describing deficiency and required correction(s) (attach additional sheet if needed):
Deficiencies must be corrected by: Average Score: 0.0

NDOT-HSO Traffic Safety Specialist Date Agency Representative Date

9/2019