

CHAPTER 3 Unified Planning Work Program

3. Unified Planning Work Program

Key Chapter Changes

Section 3.1: Introduction and Section 3.2: Unified Planning Work Program (UPWP) Development of this chapter were streamlined to focus on the roles and responsibilities of District Metropolitan Planning Organization Liaisons in the UPWP process. (March 3, 2026)

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3.1 Introduction

The Unified Planning Work Program (UPWP) is a statement of work that identifies the transportation planning priorities, activities, and associated budgets for a metropolitan planning area. Federal and state regulations require each Metropolitan Planning Organization (MPO) to develop and maintain a UPWP.

Table 1 Statutory Reference for the Definition of a UPWP

Citation	Description
<u>23 CFR 450.104</u>	Definition of UPWP

The UPWP serves as the MPO's transportation planning work program, outlining the planning tasks, funding sources, and associated deliverables over two state fiscal years. This chapter outlines the role of the Florida Department of Transportation (FDOT) District MPO Liaisons in the development, implementation, and closeout of the UPWPs developed by each of Florida's 27 MPOs. District MPO Liaisons provide technical support and guidance to MPOs throughout each phase of the UPWP cycle. Some specific responsibilities are listed below.

- ❖ UPWP Development
 - Initiating early coordination with MPOs during the UPWP update cycle, including scheduling and holding a kickoff meeting
 - Reviewing draft and adopted UPWPs to ensure all federal and state requirements have been met
 - Facilitating the authorization and encumbrance of funds to be used by MPOs for planning activities
- ❖ UPWP Implementation
 - Reviewing UPWP amendments and modifications to confirm revisions are properly documented and processed
 - Monitoring task progress and reviewing invoices to verify completed work aligns with approved activities
- ❖ UPWP Closeout
 - Initiating and facilitating closeout procedures
 - Ensuring final invoices have been submitted and processed

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- Assisting with the de-obligation of unexpended funds

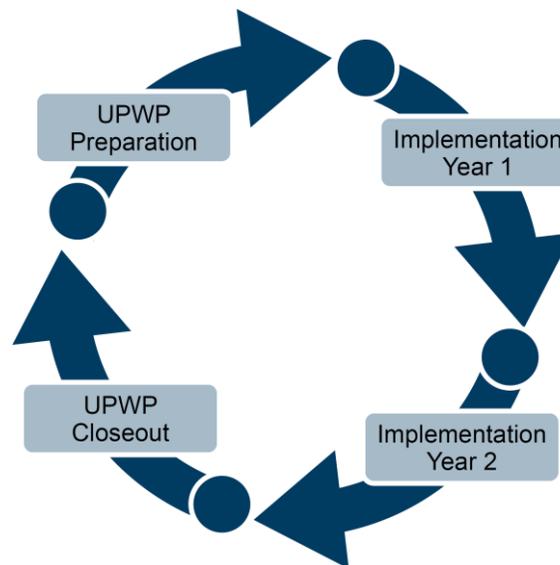
3.1.1 Overview of the UPWP Cycle

The UPWP cycle consists of three phases: preparation, implementation, and closeout. UPWP preparation includes the development, review, and approval of a UPWP, as shown in **Figure 3.1**. The implementation phase is when the MPO and FDOT administer the funds identified in the UPWP. UPWP closeout is the process by which the MPO and FDOT close out the agreement at the end of the two-year cycle.

Table 2 Statutory References for the UPWP Cycle

Citation	Description
<u>23 USC 134</u>	Metropolitan Transportation Planning
<u>s. 339.135, F.S.</u>	FDOT Work Program Regulations

Figure 3.1 UPWP Cycle



Note: The many due dates and deadlines noted in this chapter are primarily driven by FDOT's requirements for Work Program development under Florida law, federal requirements, and the difference between the state (**July 1 – June 30**) and federal (**October 1 – September 30**) fiscal years. These due dates and deadlines are intended to provide adequate and reasonable time for the development, review,

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and approval of the UPWP and the documents necessary to administer UPWP funds efficiently. The due dates and deadlines reflect current practice and were established through consensus among FDOT, the Federal Highway Administration (FHWA), the Federal Transit Administration (FTA), and the MPOs. This is consistent with the continuing, cooperative, and comprehensive (3-C) metropolitan planning process mandated by federal law.

3.1.2 MPO Planning Funds

Funding for metropolitan transportation planning can come from federal, state, or local sources. Regardless of the source, all funds used for metropolitan transportation planning, including matching funds, must be documented in the UPWP. Any addition of funds requires a formal amendment to both the UPWP and the FDOT/MPO Agreement. District MPO Liaisons play an important oversight role in the use of federal and state funds for planning activities. Their responsibilities include:

- ❖ Verifying that all funding sources are accurately identified in the UPWP
- ❖ Ensuring that all funds are programmed and implemented in accordance with federal and state requirements
- ❖ Reviewing and processing amendments to add funding to an adopted UPWP and the FDOT/MPO Agreement
- ❖ Providing technical support and guidance related to funding

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Table 3 Statutory References for MPO Planning Funds

Citation	Description
23 CFR 420 Subpart A	Administration of FHWA Planning and Research Funds
23 USC 120(i)	Credit for Non-Federal Share
23 USC 133	Surface Transportation Block Grant Program
23 USC 149	Congestion Mitigation and Air Quality Improvement Program
49 USC 5305(d)	Metropolitan Planning Funds (FTA)
49 USC 5307	Urbanized Area Formula Grants (FTA)
FTA Circular 8100.1D	Program Guidance for Metropolitan Planning Grants (FTA)

3.1.2.1 Federal Metropolitan Planning Funds

MPO planning activities are primarily funded with **FHWA Metropolitan Planning (PL) funds** and **FTA Section 5305(d) funds**. These funds are annually apportioned to FDOT, the direct recipient of FHWA and FTA funding. FDOT is responsible for administering and distributing the funds to Florida's MPOs using formulas developed in consultation with the MPOs and approved by FHWA. More information about distribution formulas and programming requirements can be found in FDOT's [Work Program Instructions](#).

To streamline administration of federal metropolitan transportation planning funds, FDOT participates in the **Consolidated Planning Grant (CPG) Program**, which allows FDOT and MPOs to combine FHWA PL and FTA 5305(d) funds into a single coordinated grant. FHWA is the lead grant agency administering the CPG Program in Florida. Under the CPG, FDOT will program FTA 5305(d) funds as PL funds in the Work Program. PL fund allocations for the upcoming fiscal year and the four following years appear in FDOT's [Work Program Instructions](#) under Schedule A. Refer to the [Work Program Instructions](#) for allocation formulas and additional information on FHWA PL and FTA 5305(d) funds.

Note: FTA will retain its responsibility to review the UPWP and UPWP amendments if FTA funds, other than those under 5305(d), are included in the UPWP. FHWA, as the lead grant administrator, is responsible for coordinating FTA document review. The CPG also eliminates FDOT's responsibility to

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develop and issue Public Transportation Grant Agreements (PTGAs) annually to MPOs for new 5305(d) funds.

3.1.2.2 *Additional Federal Funds*

3.1.2.2.1 **SURFACE TRANSPORTATION BLOCK GRANT PROGRAM FUNDS**

The Surface Transportation Block Grant Program (STBG) is a federal-aid highway funding program for a broad range of surface transportation capital needs, including roads, transit, airport access, vanpool, and bicycle and pedestrian facilities. STBG funds are allocated based on population. Urban (SU) funds are explicitly allocated to Transportation Management Areas (TMAs) based on population. With the concurrence of the District Work Program Office, an MPO may use STBG funds to supplement the PL allocations for planning tasks identified in a UPWP. FDOT will decide whether to allocate funds to the MPO and, if so, the amount of the allocation. For more information on programming and implementing STBG funds, see the [Work Program Instructions](#).

3.1.2.2.2 **OTHER FHWA PROGRAM FUNDS**

FDOT may provide MPOs with additional FHWA program funds, such as Congestion Mitigation and Air Quality Improvement (CMAQ), Transportation Alternative (TA), or discretionary funds for metropolitan transportation planning. These funds must be reflected on the relevant tasks in the UPWP to ensure reimbursement of the MPO.

3.1.2.2.3 **FTA 5307 FORMULA GRANTS**

When FTA Section 5307 funds are used by the local transit agency (the direct recipient) for planning purposes, the funds must be included in the UPWP. The local transit agency should coordinate funding amounts and tasks with the MPO.

3.1.2.3 *State Funds*

The [Work Program Instructions](#) describe the use of state funds, such as District Dedicated Revenue (DDR) and State Modal Development Funds (DPTO). DDR and DPTO funds are provided to MPOs solely as a non-federal match for FTA or other federal grants.

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Per guidance from the Office of Work Program and Budget, state (D) funds shall not be provided to the MPO to assist with carrying out metropolitan transportation planning processes, including the development and update of the LRTP, the Transportation Improvement Program (TIP), the Public Participation Plan (PPP), the Congestion Management Process/Plan (CMP), and the UPWP.

However, if an MPO performs a service on behalf of FDOT, D funds may be provided to the MPO as a vendor to FDOT. A vendor agreement must be executed between the MPO and FDOT in these instances. Any funds provided to the MPO as a vendor to FDOT must be reflected in the UPWP as an **informational** item. For more information, see the [Work Program Instructions](#).

3.1.2.3.1 FLORIDA COMMISSION FOR THE TRANSPORTATION DISADVANTAGED

MPOs may receive State Transportation Disadvantaged grant funding from the Florida Commission for the Transportation Disadvantaged (CTD), an independent entity within FDOT. These funds are administered to the MPO through a CTD Joint Participation Agreement executed between the MPO and the CTD.

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3.1.2.4 *Matching Funds*

3.1.2.4.1 **SOFT MATCH**

Currently, the State provides the required match to secure FHWA and FTA 5305(d) funds with toll credits as a “soft match.” The “soft match” is not actual dollars that can be expended, and the soft match credits do not appear in the Work Program. However, the MPO must include the soft-match amount in the UPWP.

FDOT uses the United States Department of Transportation (USDOT) sliding scale federal/non-federal match ratio for metropolitan planning funds: 81.93 percent federal and 18.07 percent non-federal. FDOT’s policy is to use toll credits for the non-federal share of all FHWA sliding-scale-eligible funding programs.

3.1.2.4.2 **CASH (HARD) MATCH**

Specific federal funding programs require a hard match in the form of actual dollar contributions from the state or local government. The state and local funds used as a match must be shown in FDOT’s Work Program and in the MPO’s UPWP. For FTA 5307 funds, FTA provides 80 percent with a required 20 percent non-federal match. The 20 percent match is 10 percent state and 10 percent local funds.

3.1.2.5 *Local Funds*

Any funds other than federal or state funds applied to planning activities are considered local funds. Local funds that do not match federal grant funds should be included in the UPWP as an informational item. This includes local surtax dollars.

3.1.3 *FDOT/MPO Agreement*

The FDOT/MPO Agreement is the standard contract between FDOT and the MPO to undertake the FHWA planning studies and activities listed in the UPWP. The standard FDOT/MPO Agreement is **Form No. 525-010-02**, available for download from the [FDOT Procedural Document Library](#). Detailed instructions for completing the FDOT/MPO Agreement and entering it into FDOT’s Contract Funds Management (CFM) system can be found in the associated Desktop Procedure on the [Planning and Assistance Training Hub \(PATH\) website](#).

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Table 4 Statutory References for the FDOT/MPO Agreement

Citation	Description
2 CFR 200	Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
49 CFR 20	Restrictions on Lobbying
49 CFR 21	Nondiscrimination in Federally-Assisted Programs of the Department of Transportation
49 CFR 32.630	Debarment

Note: District MPO Liaisons must verify that any changes to the standard FDOT/MPO Agreement proposed by an MPO have been reviewed and approved by the FDOT Office of General Counsel.

The FDOT/MPO Agreement captures all FHWA program funds listed in the UPWP (e.g., PL, 5305(d), STBG) and serves as the basis for administering these funds. The FDOT/MPO Agreement contains a body of standardized legal language and six Exhibits:

- ❖ **Exhibit A** is the adopted UPWP, which acts as the scope of work for the FDOT/MPO Agreement.
- ❖ **Exhibit B, Federal Financial Assistance (Single Audit Act)**, documents the federal award amount for the FDOT/MPO Agreement, which is the two-year total for all FHWA program funds in the UPWP.
- ❖ **Exhibit C, Title VI Assurances**, includes the Title VI compliance requirements for the MPO and shall be included in any third-party agreements the MPO enters.
- ❖ **Exhibit D, Contract Payment Requirements**, outlines the documentation standards the MPO must fulfill in order to be reimbursed by the state for costs and expenditures incurred while implementing the UPWP. More information is available in the [Florida Department of Financial Services Reference Guide for State Expenditures](#).
- ❖ **Exhibit E, Debarment and Suspension Certification**, assures that FHWA funds have not been used for procurement from persons who have been debarred or suspended.

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- ❖ **Exhibit F, Lobbying Certification for Grants, Loans, and Cooperative Agreements**, certifies that no federal funds are being used to influence or attempt to influence (lobby) a member of Congress, their employees, or employees of any agency in connection with the awarding of any contract, grant, loan, cooperative agreement, or the extension, continuation, renewal, amendment, or modification of any existing contract, grant, loan, or cooperative agreement.

3.1.4 Other Agreements

Table 5 Statutory References for Other MPO Agreements

Citation	Description
<u>23 CFR 450.314</u>	Metropolitan Planning Agreements
<u>23 USC 134</u>	Metropolitan Transportation Planning
<u>s. 339.175(2), F.S.</u>	Metropolitan Planning Organization

3.1.4.1 Public Transportation Grant Agreement

The Public Transportation Grant Agreement (PTGA), including exhibits, extensions, and amendments (Forms No. 725-000-01, 725-000-02, 725-000-03, 725-000-04, available in the [FDOT Procedural Document Library](#)), is the standard contract between the MPO and FDOT for FTA-funded planning studies and activities listed in the UPWP. A PTGA is not required for FTA 5305(d) funds, as these funds are part of the CPG and are therefore captured in the FDOT/MPO Agreement.

3.1.4.2 Third-Party Agreements

Third-party agreements occur when the MPO enters into an agreement with a party other than FDOT to perform UPWP work activities, such as a planning consultant. MPOs must procure, develop, and execute consultant contracts in accordance with applicable federal and state requirements outlined in the FDOT/MPO Agreement.

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3.2 UPWP Development

The steps involved in UPWP development, review/approval, execution of the FDOT/MPO Agreement, and authorization are illustrated in **Table 6**.

Table 6 UPWP Preparation Timeline

Step	Activity	Due Date
Preparation	The Office of Work Program and Budget provides funding allocation amounts.	Fall before UPWP development begins.
Preparation	The District MPO Liaison and MPO meet to begin developing a new two-year UPWP.	December-January
Draft UPWP	The MPO uploads the draft UPWP for review in the Grant Application Program (GAP) .	March 15
Draft UPWP	The District MPO Liaison and review agencies review the draft UPWP and provide comments in GAP .	April 15
Draft UPWP	The MPO addresses comments on the draft UPWP.	May 15
UPWP Amendment to De-obligate* Funds on Current UPWP	The MPO must notify the District MPO Liaison of the total funds the MPO plans to de-obligate.	March 15
UPWP Amendment to De-obligate* Funds on Current UPWP	The deadline for the MPO to approve a UPWP amendment to de-obligate funds from the current UPWP.	April 15

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Step	Activity	Due Date
UPWP Amendment to De-obligate* Funds on Current UPWP	The deadline for the MPO to transmit a UPWP amendment to de-obligate funds from the current UPWP to the District.	May 1
FDOT/MPO Agreement	The District MPO Liaison forwards the new FDOT/MPO Agreement to the MPO.	April 15
Final UPWP	The MPO adopts the final 2-year UPWP and signs the new FDOT/MPO Agreement.	May 15
Final UPWP	Within ten working days, the District MPO Liaison reviews the adopted UPWP and works with the MPO to resolve any outstanding issues. Then, the liaison provides a signed Cost Analysis Certification for the MPO to include in their adopted UPWP.	Within ten working days
Final UPWP	The MPO uploads the final UPWP, including the Cost Analysis Certification Statement, in GAP for FHWA and FTA review and approval.	June 1
Authorization	The District MPO Liaison executes the FDOT/MPO Agreement, notifies the District Financial Services Office by a Letter of Authorization, and requests that the contract be placed in Status 10 (executed) in the CFM system.	Early June- June 15
Authorization	The District MPO Liaison receives notification of 100 percent authorization from the Office of Work Program and Budget.	June 15
Authorization	Critical Milestone: If FHWA and FTA have not approved an MPO's UPWP by June 15 , there will not be sufficient time to encumber the funds and issue a Letter of Authorization to the MPO before June 30 .	June 15
Authorization	Funds must be authorized and encumbered before July 1 . For detailed steps on authorizing funds, see Section 3.2.7 Programming and Authorizations.	Before July 1

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3.2.1 Kick Off Meeting

To begin development of the new UPWP, District MPO Liaisons must initiate early coordination with the MPOs by **December or January** of Year 2 of the current UPWP. Districts are encouraged to hold a kickoff meeting with their respective MPOs during this time. If schedules and time permit, FHWA, FTA, and other transportation partners should be included in the kickoff meeting. As a reminder, at the beginning of the UPWP development cycle, District MPO Liaisons should ensure that MPOs have received their PL Balance Spreadsheet from the Office of Work Program and Budget, as well as information on regional projects.

3.2.2 Required Content

Various federal and state regulations, shown in **Table 7** identify what an MPO must include in a UPWP. To assist in meeting these requirements, FDOT developed a **Guide for UPWP Development**, available on the [PATH website](#). Other UPWP formats beyond what is described in this chapter and in the Guide for UPWP Development may also be acceptable, provided they **meet all federal and state requirements**. At minimum, UPWPs are required to include:

- ❖ A description of local and MPO planning priorities
- ❖ A description of work proposed for the next two years by major activity or task
- ❖ Who will perform the work (e.g., MPO, state, public transportation operator, local government, or consultant)
- ❖ A schedule for completing the work
- ❖ The resulting work products
- ❖ The proposed funding or cost estimate by activity or task
- ❖ A summary of the total amounts and sources of federal and matching funds.

MPOs are encouraged (and MPOs in TMAs are required) to include cost estimates for transportation planning, research, development, and technology transfer-related activities funded with local, state, or federal funds other than those authorized under **23 CFR 420.111**.

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- ❖ A summary that shows federal share by type of fund, matching rate by type of fund, state and/or local matching share, and other state or local funds.

Table 7 Statutory References for Required UPWP Content

Citation	Description
2 CFR 200.332	Requirements for Pass-Through Entities
23 CFR 420.111(b)	Documentation Requirements for Use of FHWA Planning and Research Funds
23 CFR 450.308(c)	Funding for Transportation Planning and UPWPs
s. 339.175(9), F.S.	Metropolitan Planning Organization UPWPs

3.2.2.1 *UPWP Checklist*

A more detailed list of UPWP content requirements is available in the UPWP Checklist on the [PATH website](#). The UPWP Checklist was designed by the FDOT Office of Policy Planning (OPP) to ensure that UPWPs meet all applicable federal and state requirements. District MPO Liaisons must complete and submit the checklist for each MPO's adopted UPWP. District MPO Liaisons are also encouraged to use the checklist to review draft versions of the UPWP. Using the checklist to guide the development of UPWPs will help ensure that the final adopted versions are accepted by FDOT and federal partners.

3.2.2.2 *Regional Activities*

When multiple MPOs collaborate on regional planning activities that involve transferring funds, such as PL, STBG, or FTA Section 5305(d) funds consolidated under the CPG, it is essential that these tasks are documented in a consistent manner across all participating UPWPs. District MPO Liaisons should ensure that each MPO's UPWP clearly identifies the lead agency, provides a concise description of the activity, and shows the associated funding in a uniform format. Consistency in documentation promotes transparency, accountability, and alignment among MPOs engaged in regional efforts. All regional tasks involving fund transfers must be supported by a Memorandum of Understanding (MOU) signed by the participating MPOs. Additional guidance on representing these activities is available in the [UPWP Guide for Development](#).

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3.2.3 Required Attachments

Table 8 Statutory References for Required UPWP Attachments

Citation	Description
<u>2 CFR 200.332</u>	Requirements for Pass-Through Entities
<u>2 CFR 200.414</u>	Indirect Costs
<u>2 CFR 200.416</u>	Cost Allocation Plans and Indirect Cost Proposals
<u>23 CFR 450.308(b)</u>	Funding for Transportation Planning and Unified Planning Work Programs
<u>s. 112.061(14), F.S.</u>	Per Diem and Travel Expenses
<u>s. 216.3475, F.S.</u>	Maximum Rate of Payment for Services

3.2.3.1 Resolution Adopting the UPWP

The UPWP must include a resolution from the MPO adopting the UPWP. The resolution should be signed by the MPO's Governing Board to demonstrate that the Governing Board has reviewed, approved, and committed to the tasks outlined in the UPWP.

3.2.3.2 Cost Analysis Certification Statement

The UPWP must include a Cost Analysis Certification Statement ([Form No. 525 010-06](#)) signed by the District MPO Liaison, attesting to the allowability, reasonableness, and necessity of the costs presented in the UPWP. This form is available for download from the [FDOT Procedural Document Library](#). This certification statement is a statutory requirement of the Florida Department of Financial Services. This statement is to be signed by the District MPO Liaison for each of the following actions:

- ❖ Following the adoption of the UPWP and before the execution of the FDOT/MPO Agreement
- ❖ Following an MPO Board action amending the UPWP and before execution of said amendment to the FDOT/MPO Agreement
- ❖ Following all UPWP modifications

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The date of signature on this statement must match the date of the MPO's most recent action on the UPWP. District MPO Liaisons are responsible for maintaining records related to all actions taken on the UPWP, including complete cost analyses. These documents should be uploaded to the [GAP](#) system, as described in [Section 3.2.5 UPWP Review and Approval](#).

3.2.3.3 MPO Adopted Travel Policy

If the MPO has adopted a travel policy that differs from the FDOT travel policy, the MPO must include the policy as an attachment to the UPWP. This provides the District MPO Liaison with the necessary information to review and process invoices. The MPO Board must approve travel policies. If the MPO follows the FDOT travel policy, refer to FDOT's [Disbursement Handbook for Employees and Managers](#).

3.2.3.4 Cost Allocation Plan and Certificate of Indirect Costs

If the MPO has an approved Cost Allocation Plan, the MPO must include the plan as an attachment to the UPWP. This provides the District MPO Liaison with the necessary information to review and process invoices. Please see [Section 3.3.4 Indirect Cost Rate](#) for details on Cost Allocation Plans.

3.2.4 De-Obligating Funds for the Next UPWP

As MPOs begin developing the new UPWP, they may wish to process a UPWP amendment to unencumber and de-obligate funds from the current UPWP, making them available in the new UPWP. Unencumbering and de-obligating releases funds that the MPO does not anticipate spending by the end of the current two-year UPWP, allowing the MPO to add those funds into year one of the new two-year UPWP. When unencumbering and de-obligating funds from the current UPWP for use in the next UPWP, District MPO Liaisons should keep in mind the following:

- ❖ District MPO Liaisons must ensure that MPOs do not include **anticipated** de-obligated funds in the draft of the new UPWP. De-obligated funds can only be included in the draft of the new UPWP after an amendment removing them from the current UPWP has been processed.

Unencumbering is FDOT's process for freeing up funds and budgets programmed for a project. **De-obligating** is the permission given by the federal agency to remove unexpended, authorized funds. FDOT must unencumber funds before the federal agency can de-obligate them.

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- ❖ Funds will be available after the approval of the roll-forward budget amendment, typically in **September** or **October**. The funds must be re-authorized before the MPO can spend them.
- ❖ **De-obligation also occurs during UPWP closeout.** That process is discussed in **Section 3.4 UPWP Closeout**.

Detailed steps to unencumber and de-obligate funds are described below.

Step 1: MPO Notifies District MPO Liaison

By **March 15**, District MPO Liaisons should ensure MPOs have notified the District in writing if the MPO intends to unencumber funds from the second year of the current UPWP and how much money the MPO plans to unencumber/de-obligate. Care should be taken to ensure the MPO has adequate funding for the remainder of the current fiscal year before unencumbering funds.

Step 2: MPO Approves and Submits A UPWP Amendment

By **April 15**, the MPO board must approve an amendment to the UPWP to unencumber the funds. Part of this process involves amending the existing FDOT/MPO Agreement because the total funding amount in the UPWP is changing. The District MPO Liaison must prepare an amendment to the FDOT/MPO Agreement and submit it to the MPO for signature at the MPO board meeting.

District MPO Liaisons should ensure the MPO has submitted the signed UPWP amendment and amended FDOT/MPO Agreement to the District by **May 1**.

3.2.4.1 Unencumbering and De-Obligating Other STBG Funds

Currently, each FDOT District manages STBG funds (i.e., SU, SL, SM, SN, SA), including programming SU funds for the MPOs. If a District allows MPOs to de-obligate STBG funds, the process follows the same guidance above.

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3.2.5 UPWP Review and Approval

UPWP review and approval is facilitated within the [GAP](#) system. Based on whether the UPWP is new, amended, or modified, it is processed through specific workflows in GAP to coordinate courtesy or required reviews with the appropriate staff at the relevant reviewing agency. The steps below outline the process for review and approval of a new UPWP.

Step 1: MPO uploads Draft UPWP

By **March 15**, the District MPO Liaison should ensure the MPO has uploaded the draft UPWP to GAP, initiating the UPWP review and approval process.

Step 2: District MPO Liaison Reviews Draft UPWP and Prepares New FDOT/MPO Agreement

By **April 15**, the District MPO Liaison must complete their review of the draft UPWP using the [UPWP Checklist](#) found on the PATH website. The District MPO Liaison should work collaboratively with the MPO to resolve any comments. When reviewing the UPWP, District MPO Liaisons should employ the following system for providing comments:

- ❖ **Editorial:** These comments may be addressed, but such corrections would not affect approval of the document. Examples of editorial comments include grammatical, spelling, and other related errors.
- ❖ **Enhancement:** These comments may be addressed, but the document already meets the minimum requirements for approval. Enhanced comments would significantly improve the document's quality and public understanding. These comments may pertain to improving graphics, using plain language, reformatting for clarity, and removing redundant language, among other suggestions.
- ❖ **Critical:** These comments **must** be addressed to meet minimum federal and state requirements for approval. The District MPO Liaison must identify the applicable federal or state policies, regulations, guidance, procedures, or statutes with which the document does not conform.

While reviewing the draft UPWP, the District MPO Liaison must confirm the PL funding amounts in the draft UPWP against the PL Balance Spreadsheet provided by the Office of Work Program and Budget

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and all funds programmed for planning in the Tentative Work Program. Then, the District MPO Liaison should set up a new contract in the CFM system and prepare the new FDOT/MPO Agreement. Detailed instructions for preparing a new FDOT/MPO Agreement and entering it into the CFM system can be found in the applicable Desktop Procedures on the [PATH website](#). The District MPO Liaison must forward the new FDOT/MPO Agreement to the MPO by **April 15** to ensure the MPO has sufficient time for their legal review and signature at their **May** MPO Board Meeting.

Step 3: MPO Adopts Final UPWP and Signs New FDOT/MPO Agreement

By **May 15**, the District MPO Liaison must ensure the following actions have been completed:

- ❖ The MPO has addressed all critical comments on the draft UPWP, adopted the final UPWP, and uploaded it to [GAP](#).
- ❖ The MPO has emailed the new FDOT/MPO Agreement, signed by the MPO, to the District MPO Liaison.
- ❖ The **MPO has signed but not dated the new FDOT/MPO Agreement** at the MPO's **May** board meeting (FDOT District staff will date the FDOT/MPO Agreement when they subsequently sign it).

Step 4: FDOT Approves the UPWP, Sends the Signed Cost Analysis Certification Statement to the MPO, and Forwards the New FDOT/MPO Agreement Signed by the MPO to District Staff for Signature.

Within **ten working days** of the MPO uploading the adopted final UPWP into [GAP](#), the District MPO Liaison must:

- ❖ Review the adopted final UPWP to confirm that the MPO has addressed all critical comments noted in the UPWP Checklist.
- ❖ Provide the MPO with the signed Cost Analysis Certification Statement (Form No. 525-010-06 in the [FDOT Procedural Document Library](#)) to be added to the adopted UPWP.

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By **June 1**, the District MPO Liaison will review and recommend approval of the adopted UPWP in [GAP](#). By **June 15**, the District MPO Liaison will forward the signed FDOT/MPO Agreement to internal District staff for their signatures. After the FDOT/MPO Agreement has been fully executed, the District MPO Liaison must notify the District Financial Services Office by a Letter of Authorization and request that the contract be placed in Status 10 (executed) in the CFM system. The executed FDOT/MPO Agreement must be uploaded into the Florida Accountability Contract Tracking System (FACTS) (see the Desktop Procedure on the [PATH website](#)).

The **Letter of Authorization** provides approval for the MPO to expend a specified amount of money and the date by which the money can be spent. No work may begin until the Letter of Authorization is issued by FDOT and the FDOT/MPO Agreement is fully executed.

The District and MPOs must be aware that **failure to meet the submittal deadlines or resolve any outstanding issues by June 30 may jeopardize approval of the adopted UPWP, resulting in funding delays.**

Step 5: FHWA/FTA Approval

FHWA coordinates comments with FTA and approves the MPO's adopted UPWP on behalf of FTA. Once the District MPO Liaison reviews and recommends approval of the adopted UPWP in GAP by **June 1**, GAP will automatically notify FHWA/FTA that the final UPWP is ready for review.

After completing their review and approval, FHWA will send its approval letter to the District. The District MPO Liaison shall forward the approval letter to the MPO **within ten business days of receipt**.

Should FHWA and FTA conditionally approve the adopted UPWP due to issues with specific tasks, the MPO cannot receive reimbursement of FHWA funds for those UPWP tasks until FHWA and FTA grant concurrence.

3.2.6 Programming and Authorizations

Programming refers to FDOT's process for assigning and scheduling funds for transportation planning and projects. The Work Program Development and Operations Office in FDOT's Office of Work Program and Budget establishes financial project numbers for each MPO's UPWP and programs the MPO's PL

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and 5305(d) funds on sequence -01 of these financial project numbers. District staff shall program all non-PL FHWA-program funds on subsequent sequences beyond -01. **Each fund type shall be programmed in its own sequence.**

Table 9 Statutory Reference for Fund Authorization

Citation	Description
23 CFR 420.115	FHWA Approval and Authorization Requirements

For example, if an MPO receives \$500,000 in PL funds in Year 1 and Year 2, \$15,000 in SU funds in Year 1 for two tasks, \$10,000 in SU funds in Year 2 for one task, and \$12,000 in TA funds in Year 1 for one task, the programming would reflect the following:

FPN Sequence	Fiscal Year	Fund Type	Amount
-01	Year 1	PL	\$500,000
-01	Year 2	PL	\$500,000
-02	Year 1	SU	\$15,000
-02	Year 2	SU	\$10,000
-03	Year 1	TA	\$12,000

District MPO Liaisons must consider these new programming guidelines when programming MPO funds. For further guidance, please refer to the [Work Program Instructions](#).

Authorization is formal approval that allows an MPO to spend a specified amount of money starting at a specific date. FDOT authorizes **100 percent** of each MPO's total annual PL allocation on **July 1** each year, as directed by the Work Program Development and Operations Office. With the CPG, **100 percent** of FTA 5305(d) funds will also be available by July 1, provided the funds have been transferred from FTA to FHWA. District MPO Liaisons are responsible for tracking and initiating authorizations for all FHWA funds allocated to the MPO for planning.

3.2.6.1 Authorization of FHWA Planning Funds

Step 1: Request Authorization and Prepare Letter of Authorization

By **June 15**, the District MPO Liaison must work with the District Federal Aid Coordinator to request the MPO's annual authorization amount.

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Note: The District Federal Aid Coordinator can only request authorization of funds once FHWA and FTA have approved the UPWP. If FHWA and FTA have not approved an MPO's UPWP by **June 15**, there will not be sufficient time to encumber the funds and issue a Letter of Authorization to the MPO before **June 30**. In this case, work performed or contracted out by the MPO before the Letter of Authorization date **cannot be** reimbursed.

The District MPO Liaison must also prepare the **Letter of Authorization**. For detailed instructions on preparing a Letter of Authorization, see the Desktop Procedure on the [PATH website](#).

Step 2: District MPO Liaison Encumbers Funds

Next, the District MPO Liaison must encumber the authorized funds in the CFM to allow sufficient time for CFM's review, processing, and approval before July 1. For detailed instructions on encumbering funds in CFM, see the Desktop Procedure on the [PATH website](#).

Once CFM approves the encumbrance, it will generate the FDOT Funds approval. The FDOT Funds approval will show a "REVIEWED" status for the first Letter of Authorization. Subsequent authorization will show "APPROVED." After legislative budget approval, the CFM system will automatically encumber funds on projects reviewed during **June**. A follow-up email will be sent to the originator stating that funds have been approved.

Step 3: District MPO Liaison Distributes Letter of Authorization and Uploads It to FACTS

By **June 30**, the District MPO Liaison must complete the following actions:

- ❖ Receive the FDOT Funds Approval and FHWA's Electronic Signature Document (ESD) Funds Approval.
- ❖ Prepare the [Letter of Authorization](#) and send it, along with the FDOT Funds Approval, to the MPO and to District Financial Services.
- ❖ Upload the Letter of Authorization into FACTS (see the Desktop Procedure on the [PATH website](#)).

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It is critical to have the funds encumbered and the Letter of Authorization sent to the MPO so that the MPO can continue work when the new fiscal year starts on **July 1**. **The MPO will not be reimbursed for expenditures incurred before the date of federal authorization of PL funds and the fund encumbrance.** Thus, work that could generate charges for reimbursement must not start until after the MPO receives an approval letter from the District.

3.2.6.2 Additional FHWA Fund Authorizations

If the UPWP budget increases during the fiscal year, FDOT must request additional authorization from FHWA.

First, the District MPO Liaison will coordinate with the Office of Work Program and Budget in the Central Office to confirm funding availability. Next, the MPO will process a UPWP amendment and submit it in **GAP** for review and approval by FDOT and FHWA (refer to **Section 3.3.1 UPWP Revisions**).

After FHWA approves the UPWP amendment, the District MPO Liaison must authorize the funds in the Federal Aid Management System using the same process described above. Once FHWA authorizes the funds, the next step is to encumber them using the same method described above. Upon completion, the District MPO Liaison will send a letter to the MPO authorizing the expenditure of funds based on the new budget amount, along with a copy of the ESD.

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3.3 UPWP Implementation (Year 1 and Year 2)

During the two-year UPWP cycle, instances may require the MPO to revise the UPWP after it has been approved by FDOT and FHWA/FTA. These revisions are handled through modifications or amendments, depending on the type of revision. MPOs share modifications with FDOT and FHWA/FTA for informational purposes only, whereas MPO Boards take action, and FDOT and FHWA/FTA approve amendments.

MPOs submit costs incurred for funds in the UPWP as invoices to FDOT for review and payment. District MPO Liaisons work with their district offices to process reimbursement requests on a monthly or quarterly basis, as determined by FDOT and the MPO.

The following sections outline the steps for revising a UPWP and processing MPO invoices.

3.3.1 UPWP Revisions

UPWP revisions (which include modifications and amendments) must be submitted by the MPO to the District MPO Liaison using the [UPWP Revision Form](#). The [UPWP Revision Form](#) and [UPWP Revision Form User's Guide](#) are in the Partner Library on the [MPO Partner Site](#). The MPO must prepare and submit the amendment or modification in [GAP](#) for FDOT and FHWA/FTA review and approval, in the event of an amendment. The MPO may revise the UPWP for various reasons. The following section outlines the thresholds for amendments and modifications.

In general, the District MPO Liaison and MPO must monitor for cost overruns (or potential overruns) by comparing task expenditure amounts on invoices with programmed task amounts in the UPWP. If an invoice appears to be more than what is budgeted in the UPWP, the MPO may need to process an amendment.

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3.3.1.1 Types of UPWP Revisions

The type of UPWP revision will depend on whether the revision exceeds the UPWP amendment threshold defined in [2 CFR 200.308](#). Revisions may be budgetary, programmatic, or both, and may be major or minor in scale. The MPO processes minor UPWP revisions as a modification, whereas the MPO processes more significant or major UPWP revisions as an amendment. A significant change is defined as a change to the UPWP that alters the original intent of the project or the intended project outcome.

The following section further clarifies the actions necessitating UPWP amendments.

Amendments

UPWP amendments are required for the following actions per [2 CFR 200.308](#) and [29 CFR 1470.30](#).

- a) Any revision resulting in the need to increase or decrease the UPWP budget ceiling by adding new funding or reducing overall approved funding;
- b) Adding/deleting a task/subtask;
- c) Transferring funds between tasks/sub-tasks that exceed a combined amount greater than or equal to \$100,000 **OR** 10 percent of the total budget of that task/sub-task, whichever is more restrictive;
- d) Reducing the budget of a task/sub-task by more than 50 percent, or to the point that a task/sub-task could not be accomplished as it was originally approved;
 - **Note** that **item d above** may change the task, scope, budget, and deliverables. For **item h below**, an amendment is required for any activity the MPO was previously going to complete but contracted out instead.
- e) Change in the scope or objective of the program/task, even if there is no associated budget revision (this also applies to when a task scope changes);
- f) Change in key person (the MPO staff director);

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- g) Extending the period of performance past the approved work program period (i.e., no-cost time extension);
- h) Sub-awarding, transferring, or contracting out any of the activities in the UPWP;
- i) The disengagement from a project for more than three months or a 25 percent reduction in time devoted to the project by the approved project director or principal investigator; and
- j) The inclusion of costs that require prior approval (e.g., capital and equipment purchases of \$5,000 and above per unit cost).

Financial v. Non-Financial Amendments

Both financial and non-financial amendments can occur to the UPWP. Financial amendments can alter the total amount of UPWP funding or the transfer of funds between tasks, whereas non-financial amendments do not affect funding amounts. Items E through J from the above list represent non-financial amendments.

Modifications

UPWP changes that do not fall into the above categories may be processed as a modification.

Key Person

Based upon the FDOT review of [2 CFR 200.308](#) and [29 CFR 1470.30](#), a key person is specified in the application or federal award. For the UPWP, a key person is defined as the MPO's staff director.

3.3.1.2 *Preparing and Approving UPWP Revisions*

MPOs notify FDOT of all revisions to the UPWP. The process for preparing and approving an amendment or modification is described below. Refer to [Technical Memorandum 19-03REV](#) for details on processing a TIP modification or amendment with a UPWP revision.

3.3.1.2.1 MODIFICATIONS

The MPO informs the District MPO Liaison before modifying the UPWP. Then, the MPO will submit the UPWP modification by uploading the UPWP Revision Form and supporting documentation into [GAP](#).

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[GAP](#) notifies the FDOT District MPO Liaison, Central Office, and FHWA/FTA of the modification, even though they do not require approval.

Supporting documentation for a modification includes:

- ❖ Current and proposed Task Pages (including task budget tables)
- ❖ Fund Summary Budget Table
- ❖ Agency Participation Budget Table
- ❖ Signed Cost Analysis Certification

The District MPO Liaison shall perform the cost analysis when the MPO revises the UPWP, including amendments and modifications. This cost analysis shall be documented by signing the Cost Analysis Statement at the front of the UPWP. **The date of the signature must reflect the most recent update to the UPWP.**

3.3.1.2.2 AMENDMENTS

Like the process to submit a modification, the MPO must submit the UPWP amendment using the [UPWP Revision Form](#) and provide the following supporting documentation:

- ❖ Current and proposed Task Pages (including task budget tables)
- ❖ Fund Summary Budget Table
- ❖ Agency Participation Budget Table
- ❖ Signed Cost Analysis Certification
- ❖ MPO Meeting Agenda
- ❖ TIP Modification
- ❖ Amended FDOT/MPO Agreement

The MPO must indicate the amount of funds being increased or decreased on the UPWP Revision Form. The [UPWP Revision Form](#) and supporting documentation must be uploaded into [GAP](#) for FDOT and FHWA approval. FTA approval is required for transit funds to be used for planning. FHWA coordinates with FTA on approvals as needed.

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FHWA and FTA follow the same process for approving UPWP amendments; each agency is responsible for approving amendments relevant to its own jurisdiction.

3.3.1.3 FDOT/MPO Agreement Revisions

All UPWP amendments involving FHWA funds also prompt an amendment to the FDOT/MPO Agreement, as the UPWP acts as the Scope of Work for the FDOT/MPO Agreement. For this reason, MPO directors and staff have been advised to seek approval from their Board to amend the FDOT/MPO Agreement as needed, following the approval of UPWP amendments. The MPO and District shall jointly execute **the FDOT/MPO Agreement Amendment (Form No. 525-010-02A)** and upload it to [GAP](#).

UPWP and FDOT/MPO Agreement amendments that increase or decrease the FHWA-approved budget of the UPWP (and thus the total budgetary ceiling of the FDOT/MPO Agreement) must be recorded in the [CFM](#) system as an **amendment** to increase (or decrease) the total budget of the contract. For example, if the UPWP and FDOT/MPO Agreement are amended to add additional PL funds, the increase in the total budgetary ceiling of the contract must be reflected in [CFM](#).

Changes to the UPWP that **do not increase or decrease** the FHWA-approved budget (both amendments and modifications) do not require recording in [CFM](#). If the UPWP is amended to reflect a major scope change or modified to reflect a shift in funding between tasks, and there is no increase in the FHWA-approved budget, then **no action is needed in CFM**.

All contract and UPWP change documentation must be uploaded to [FDOT's Florida Accountability Contract Tracking System \(FACTS\)](#). As stated, amendments prompted by an increase or decrease to the FHWA budget must be recorded in [CFM](#). These amendments will already be reflected in [FACTS](#), and the documentation must be uploaded as an amendment (Change Type A).

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3.3.2 UPWP Invoicing

The FDOT/MPO Agreement requires MPOs to submit an Invoice Package to FDOT **quarterly, at a minimum**. MPOs may elect to submit an Invoice Package on a monthly basis. Quarterly means every three months, as shown in the table below. At a minimum, the Invoice Package must include:

- ❖ An Invoice Summary using the required format reflected in the section below;
- ❖ An Itemized Expenditure Detail Report; and
- ❖ A Progress Report.

Additional documentation may be required by the MPO to accompany the Invoice Package, as determined by the District MPO Liaison.

Regardless of whether an MPO submits an Invoice Package quarterly or monthly, the deadline for the MPO to submit the Invoice Package to the District MPO Liaison is **90 days after the end of each quarter**, as required by [23 CFR 420.117\(c\)](#). In other words, the deadline for an MPO to submit a monthly Invoice Package is the same as that of a quarterly Invoice Package. Reporting periods and deadlines are summarized below. In summary, the MPO may submit its Invoice Package on a **monthly** or **quarterly** basis as long as it is submitted within the **90-day** deadline after the end of the quarter being reported.

Quarter	Reporting Period	Invoice Package Due 90 Days After Quarter Ends
1	July 1 to September 30	December 31
2	October 1 to December 31	March 31
3	January 1 to March 31	June 30
4	April 1 to June 30	September 30

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Note: The information in the Invoice Package is submitted in two separate processes to fulfill different requirements.

1. **For MPO Reimbursement:** The [MPO](#) submits an Invoice Package to the [District MPO Liaison](#), who reviews it and submits it to the District Financial Services Officer (FSO) to seek reimbursement for the MPO's expenses. This can be done on a monthly or quarterly basis.
2. **For Progress Reporting to FHWA:** The [District MPO Liaison](#) uploads the Invoice Package, which acts as the Progress Report for FHWA, to the [Liaison Toolkit](#) for OPP to send to FHWA/FTA quarterly.

3.3.2.1 Invoice Packages

As outlined in [Section 3.3.2 UPWP Invoicing](#), MPOs must submit the following items as part of the Invoice Package:

- An Invoice Summary following the required format;
- An Itemized Expenditure Detail Report; and
- and a Progress Report.

The subsections below outline the requirements for each item in the Invoice Package. **Note:** The District MPO Liaison may request that additional information be included in the Invoice Package to ensure expenditures are eligible for reimbursement or for compliance reporting purposes. This may include supporting documentation of expenditures, such as invoices from contracted service vendors.

3.3.2.1.1 INVOICE SUMMARY

The Invoice Summary reflects the budgeted amounts, amounts due by task, and critical contract information. The invoice template is available for download on the Partner Site in the [Liaison Toolkit](#). The Invoice Summary must include the following:

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- ❖ MPO name and contact information, including address and phone number;
- ❖ District contact information;
- ❖ Invoice number, using the following format: **FHWA - [Agreement Number] - [Invoice Number]** (for example, FHWA-G001-01, FHWA-G001-02, etc.);
- ❖ Invoice period;
- ❖ Contract number, including amendment number and modification number;
- ❖ Amount due by Financial Project Number;
- ❖ A listing of the tasks in the UPWP;
- ❖ The amount due by UPWP task and fund type;
- ❖ The amount of FHWA funds due by UPWP task;
- ❖ The amount of previous payments of FHWA funds by UPWP task;
- ❖ The amount of FHWA funds budgeted by task in the UPWP;
- ❖ Column totals; and
- ❖ The Request for Payment Certification, signed by an authorized MPO official and reflecting the location of the invoice's supporting documentation.
 - **Reminder:** There is a **90-day** submittal period after the end of each quarter.

The Request for Payment Certification is a requirement of [2 CFR 200.415](#), which states that all payment requests must include the following certification:

“By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements, and cash receipts are for the purposes and

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objectives outlined in the terms and conditions of the federal award. I know that any false, fictitious, or fraudulent information or the omission of any material fact may subject me to criminal, civil, or administrative penalties for fraud, false statements, false claims, or otherwise. ([U.S. Code Title 18, Section 1001](#) and [Title 31, Sections 3729-3730](#) and [3801-3812](#)).

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Figure 3.2 Example MPO Invoice

Metropolitan Planning Organization

1234 Main Street Parkway East
Your Town, Florida 32399-0004

Tel (777) 555-1212
Fax (777) 555-2121

Bill To:
Florida Department of Transportation
Office of Policy Planning
605 Suwannee Street
Tallahassee, FL 32399-0450
Tel: (850) 414-4900 Fax: (850) 414-4876
Email: Planning@dot.state.fl.us

Invoice No.: FHWA-Gxxxx-1
Invoice Period: Year 2
Contract No.: GXXXX
Revision No.: 1

FPNs	Previous Payments	Current Amount Due	TOTAL Expenditures	Total Current Authorization	Remaining Balance
XXXXXX-XX-XX-01		\$ 398,450.00	\$ 174,021.00	\$ 639,547.00	\$ 465,526.00
XXXXXX-XX-XX-02		\$ 253,753.05	\$ 253,753.05	\$ 592,814.00	\$ 339,060.95
TOTAL \$	-	\$ 652,203.05	\$ 427,774.05	\$ 1,232,361.00	\$ 804,586.95

2023/2024 Unified Planning Work Program Task	FHWA (PL) Current Amount Due	FHWA (SU) Current Amount Due	Total FHWA Current Amount Due	Total FHWA Previous Payments	Total FHWA Budget Amount	FHWA Remaining Balance
Task 100 - General Office Management	13,260.42	-	13,260.42	18,602.56	71,223.31	39,360.33
Task 110 - UPWP & Financial Management	20,514.98	-	20,514.98	19,512.63	82,059.91	42,032.30
Task 120 - Certification	1,957.88	-	1,957.88	800.77	7,831.53	5,072.88
Task 130 - Board & Committee Support	25,427.98	-	25,427.98	22,654.32	101,711.93	53,629.63
Task 140 - Legal & Legislative Services	-	-	-	-	-	-
Task 150 - Local Match For Program Administration	-	-	-	-	-	-
Task 200 - System Monitoring	31,663.41	-	31,663.41	33,412.85	126,653.65	61,577.39
Task 210 - Transit System Monitoring	-	-	-	-	-	-
Task 220 - Land Use Monitoring	1,125.91	-	1,125.91	999.65	4,503.66	2,378.10
Task 300 - Transportation Improvement Program	9,232.52	-	9,232.52	7,541.26	36,930.09	20,156.31
Task 400 - Long-Range Transportation Plan	25,893.19	-	25,893.19	23,158.95	103,572.76	54,520.62
Task 500 - Special Project Planning	68,750.00	-	68,750.00	67,520.25	275,000.00	138,729.75
Task 600 - Intergovernmental & Interagency Studies	7,325.31	-	7,325.31	4,500.12	29,301.26	17,475.83
Task 610 - Interregional Transportation Planning & Coordination	-	-	-	-	-	-
Task 620 - Intermodal Planning	-	-	-	-	-	-
Task 700 - Community Outreach	26,863.30	-	26,863.30	28,514.57	107,453.19	52,075.32
Task 800 - Land Use Planning	48,535.06	-	48,535.06	47,001.52	194,140.25	98,603.67
Task 810 - Transit Planning	-	-	-	-	-	-
Task 820 - Transportation Systems Management & Operations	86,358.62	66,253.05	152,611.67	165,212.32	785,454.00	467,630.01
Task 821 - Traffic Signal Retiming	-	187,500.00	187,500.00	175,000.62	750,000.00	387,499.38
Task 830 - Goods Movement Planning	1,993.46	-	1,993.46	1,994.25	7,973.84	3,986.13
Task 840 - Smart Growth Planning	40,153.79	-	40,153.79	41,252.02	160,615.16	79,209.35
Task 850 - Transportation Disadvantaged Planning	-	-	-	-	-	-
Task 860 - Air Quality Planning	2,766.81	-	2,766.81	1,959.47	11,067.26	6,340.98
Task 870 - Bicycle & Pedestrian Planning	26,912.31	-	26,912.31	25,656.15	107,649.24	55,080.78
Task 880 - Highway Planning	4,763.48	-	4,763.48	5,015.63	19,053.93	9,274.82
Totals: \$	443,498.43	\$ 253,753.05	\$ 697,251.48	\$ 690,309.91	\$ 2,982,194.97	\$ 1,594,633.58

Request for Payment Certification as Required by 2 CFR 200.415:
By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812)

Supporting Documentation is on file at: MPO District

3.3.2.1.2 ITEMIZED EXPENDITURE DETAIL REPORT

The Itemized Expenditure Detail Report demonstrates the costs incurred during the invoice period by budget line items included in the UPWP. FDOT does not prescribe a specific format for preparing an Itemized Expenditure Detail Report; however, it must reflect the service period in which the costs were incurred and be itemized by UPWP task, funding source, and expenditure line items. A recommended

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template for the [Itemized Expenditure Detail Report](#) is available in the Partner Library on the MPO [Partner Site](#).

The expenditure line items reflected on the report must match those provided in the budget table for each task in the UPWP. The [Itemized Expenditure Detail Report](#) must reflect each expenditure line item as shown below:

- ❖ The amount of previous payments made on that line item;
- ❖ The current amount due for that line item; and
- ❖ The remaining balance available.

The MPO must revise the UPWP if the remaining balance for any expenditure line item is less than zero.

The MPO will not be reimbursed for expenses not reflected in the Itemized Expenditure Detail Report.

3.3.2.1.3 PROGRESS REPORTS

An MPO must include a Progress Report in the Invoice Package submitted to the District for reimbursement. FDOT does not provide a template for Progress Reports; however, the report must include the amount of funds expended for the UPWP task and a description of the work activities for that period. For more information on what is contained within the Progress Reports, see [Section 3.3.2.2 Progress Reports](#).

3.3.2.1.4 INVOICE REVIEW, PAYMENT, AND RETURN

Upon receipt of an Invoice Package from the MPO, the District MPO Liaison must follow the steps outlined in the [District MPO Liaison Invoice Review Checklist](#) before submitting it to the District Financial Services Office (FSO). This checklist is available for download by the FDOT District MPO Liaison in the Liaison Toolkit on the [MPO Partner Site](#). The checklist outlines a series of yes/no questions the District MPO Liaison must answer as they review the Invoice Package. This ensures the information in the Invoice Package is accurate and consistent with the UPWP. This review will also ensure the invoice excludes unallowable or non-budgeted costs.

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[Title 23 USC 104\(d\)\(2\)\(b\)](#) states that **no later than 15 business days** after the date of receipt by a state of a request for reimbursement of expenditures made by a metropolitan planning organization for carrying out [23 USC 134](#), the state shall reimburse, from amounts distributed under this paragraph to the metropolitan planning organization by the state, the MPO for those expenditures.

This means the state has **15 business days** to review and issue payment from receipt of an MPO's invoice, if the invoice is complete and accurate. To meet the **15-business-day** deadline, District MPO Liaisons shall have **five business days** to review an MPO invoice and submit it to the District FSO. The District FSO has **five business days** for further processing and submittal to the Department of Financial Services (DFS). The DFS has **five business days** to process payment.

The [Invoice Review Checklist](#) and the [Supporting Documentation Checklist](#) are available for download on the [MPO Partner Site](#). District MPO Liaisons should complete the [Invoice Review Checklist](#) with every FHWA invoice and save it in the contract file for future reference. The District MPO Liaison will complete the [Supporting Documentation Checklist](#) at a frequency determined by the risk assessment in the Annual Joint Certification. When completing the [Supporting Documentation Checklist](#) and reviewing direct expenses, the District MPO Liaison must select at least five direct expense line items for review. Direct expenses must be recorded on the [Itemized Expenditure Detail Report](#).

If there are no discrepancies following the District MPO Liaison's review of the Invoice Package, the District MPO Liaison will save the completed [Invoice Review Checklist](#) in the contract file for future reference and submit the Invoice Package to the District FSO for further processing. The District MPO Liaison must complete and submit the [CFM](#) Summary of Contractual Services Agreement/Purchase Order form to the District FSO with the Invoice Package. Each District FSO has an email inbox for all invoices. The District MPO Liaison should verify the correct address with their District FSO.

If an invoice is incomplete or inaccurate, it will be returned to the MPO, and the **15-business-day** processing timeframe will restart. The District MPO Liaison must work with the MPO to correct the issue(s) and resubmit an updated invoice as soon as possible. If specific items are in question and the issue cannot be resolved

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promptly, the District MPO Liaison may submit the invoice for payment, excluding the disputed items. The items in question should be submitted as part of a subsequent invoice.

In the case where an invoice is incomplete or inaccurate, Section 9.H. of the FDOT/MPO Agreement outlines required actions stating:

“If the invoice is incomplete or lacks the information necessary for processing, it will be returned to the MPO, and the **15-business-day** timeframe for processing will start over upon receipt of the resubmitted invoice by FDOT. If there is a case of a bona fide dispute, the invoice recorded in FDOT’s financial system shall contain a statement of the dispute and authorize payment only in the amount not disputed. If an item is disputed and is not paid, a separate invoice could be submitted requesting reimbursement, or the disputed item/amount could be included/added to a subsequent invoice.”

3.3.2.2 *Progress Reports*

Progress Reports monitor the UPWP implementation, consistent with [23 CFR 420.117](#) and [FTA Circular C 8100.1C](#) (September 1, 2008). The MPO will submit a Progress Report quarterly, within 90 days after the end of each reporting period.

While FDOT does not provide a template or an example Progress Report, the Progress Report shall contain the following:

- ❖ Each FHWA (PL-funded) and FTA (Section 5305(d)/5307) funded task separately;
- ❖ A comparison of actual performance with established goals – Progress Report shows work towards completing the UPWP task; and
- ❖ A description of progress in meeting schedules and milestones.

The MPO’s Invoice Summary and Itemized Expenditure Detail Report must be submitted with the Progress Report.

The MPO will submit the Progress Report to the District MPO Liaison. **Within 90 days** after the end of the reporting period, the Liaison will upload the Progress Reports, along with the Invoice Summary and

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Itemized Expenditure Detail Report, to the [Progress Report page](#) in the Liaison Toolkit. By the end of the quarter, FHWA will access these documents through the [Federal Partners page](#) on the Partner Site. If the information cannot be transmitted by the **90-day** deadline, OPP will notify FHWA and provide it as soon as it becomes available. The District MPO Liaison must also notify OPP if the Progress Report is expected to miss the 90-day deadline for the quarter being reported.

The District MPO Liaison shall review each Progress Report to confirm that it meets the minimum performance standards in the FDOT/MPO Agreement and the UPWP, that reported costs are properly documented, and that reimbursement requests are valid. Each Progress Report must also clearly demonstrate the connection between the UPWP tasks and the expenses listed in the itemized Expenditure Detail Report.

The MPO must report to the District any events that significantly impact the UPWP as soon as they become known. This includes problems, delays, or adverse conditions affecting the MPO's ability to achieve the UPWP's objectives. A description of the action taken or contemplated to be taken and any federal or state assistance needed to resolve the situation must accompany the MPO's disclosure [\[23 CFR 420.117\(d\)\]](#).

3.3.3 Eligibility of Project Expenditures

Federal and state laws and regulations govern the activities eligible for federal and state funding.

According to [23 CFR 420.113](#)., for costs to be eligible for FDOT/FHWA participation, the costs must be:

- ❖ For work performed for activities eligible under the section [Title 23 USC](#) applicable to the class of funds used for the activities;
- ❖ Verifiable from the state DOT's or subrecipient's (MPO's) records;
- ❖ Necessary and reasonable for proper and efficient accomplishment of the project;
- ❖ Included in the approved UPWP or amendment; and

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- ❖ Not incurred before FHWA authorization.

District MPO Liaisons are responsible for ensuring costs incurred by the MPO meet the requirements listed above. District MPO Liaisons should consult the [U.S. Code of Federal Regulations](#), the [Department of Financial Services \(DFS\) Reference Guide for State Expenditures](#), and FDOT's [Work Program Instructions](#) for information on eligible activities.

Per FHWA guidance, STBG funds can be used to support MPO staff salaries if MPO staff are working on Surface Transportation Planning Program activities ([23 USC 133\(b\)\(10\)](#)) or supporting activities ([23 USC 134](#)) and the STBG funds are identified in the UPWP or the approved State Transportation Improvement Program (STIP) to support the selected activities. The details of the task must be thoroughly documented in the UPWP, outlining which activities will be paid using PL funds and which will be paid with STBG funds, unless specified in the STIP.

In addition to ensuring that the activities being performed are eligible under the U.S. Code, District MPO Liaisons are responsible for verifying that all costs are necessary and reasonable for the proper and efficient accomplishment of the project.

District MPO Liaisons have two primary resources available to them to assist with the review of specific costs. [2 CFR 200 Subpart E – Cost Principles](#) clarifies how to define whether a cost is “reasonable” in nature and includes provisions for the allowability and prohibition of specific expenses, such as costs related to conferences or memberships. Additionally, District MPO Liaisons should review the Department of Financial Services (DFS) Reference Guide for State Expenditures for clarification on state requirements related to costs. This reference guide provides guidance on all agreements entered into by the State of Florida, including allowable/unallowable provisions for select cost items.

Sources available for more information on cost eligibility:

[2 CFR 200 Subpart E – Cost Principles](#):

Provides some basic considerations to be considered when reviewing costs for eligibility. Includes a definition of “reasonable costs” and guidance on defining direct and indirect costs. It also provides examples of allowable and unallowable costs.

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Department of Financial Services (DFS) Reference Guide for State Expenditures:

Guides state agencies, such as FDOT, regarding the requirements for disbursing funds from the State Treasury. Includes examples of allowable and unallowable costs.

When federal and state guidelines regarding cost eligibility do not align, the stricter of the two shall prevail. For example, federal regulations allow for the use of federal funds for the purchase of refreshments (food and nonalcoholic beverages) associated with meetings; however, state guidelines, as described in the [DFS Reference Guide](#), prohibit the expenditure of any funds from the State Treasury on refreshments. Therefore, MPOs shall not spend any FDOT-administered funds, including PL funds, on refreshments.

If a specific cost in question is not adequately addressed in these sources, District MPO Liaisons should use the [FDOT Disbursement Handbook](#) for further clarification. The [Disbursement Handbook](#) similarly includes provisions for select items of cost, as applied to FDOT; however, these standards can generally be applied to the MPOs, with discretion. District MPO Liaisons or MPOs may contact the OPP for more information or clarification on cost eligibility.

3.3.3.1 *Micro-Purchases*

A micro-purchase is the purchase of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed the micro-purchase threshold. Micro-purchase procedures expedite the purchase of low-dollar transactions and minimize cost and administrative burdens [\[2 CFR 200.320\(a\)\(1\)\]](#). On June 18, 2018, the Office of Management and Budget issued a [memorandum](#) increasing the micro-purchase threshold from \$3,500 to \$10,000. The Federal Acquisition Regulation (FAR) sets the micro-purchase threshold and is periodically adjusted for inflation [\[FAR 2.101\]](#). [Technical Memorandum 20-01 Capital Expenditures, Purchasing Thresholds, State Purchasing Contracts, and Asset Liquidation & Disposal](#) provides more information on purchasing thresholds. These thresholds are related to the acquisition of services or supplies. The following section discusses how MPOs should reflect atypical expenses in the UPWP.

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3.3.3.2 *Atypical Expenses*

MPOs shall reflect equipment, supplies, and travel, such as that associated with training and conferences, in the UPWP. Equipment purchases may include items of significant value, such as specialty printers and computer software. Further guidance can be found in [Technical Memorandum 20-01](#), which defines capital expenditures, identifies federally eligible expenditures and purchases, federal and state purchasing thresholds, and provides guidance for obtaining purchase authorizations.

The supporting narrative for direct cost line items in task tables should provide sufficient detail and cost information to determine the purchases' eligibility, necessity, and reasonableness. If this information is not included in the UPWP, the MPO must submit a separate formal request for approval to FHWA before making a purchase. The following sections define typical and atypical equipment, supplies, and travel, and guide how these items should be reflected in the UPWP. **Section 3.3.3.3: Equipment Purchases Using Federal Funds** provides additional requirements specific to equipment purchases.

3.3.3.2.1 TYPICAL V. ATYPICAL EXPENDITURES

Typical and atypical expenditures must be reflected in the UPWP task tables and supporting narrative. Atypical expenditure requests must be summarized as a separate line item from typical expenditures in the task table and be clearly identifiable by FDOT and federal agencies for eligibility determinations. Atypical expenditure requests should also include justification and technical specifications in the UPWP. This information can be included in the UPWP or provided separately. If justification is not provided for an atypical line item in the UPWP, the purchase will require additional review and approval from FHWA/FTA and FDOT. The list of examples below is not comprehensive or all-inclusive.

Typical versus atypical equipment:

1. **Typical:** Equipment less than \$5,000 per unit and affiliated with a project or deliverable (can include executing business or normal operations and managing the MPO). In other words, the equipment can be connected to project work. Technical specifications or justifications are not required to be included in the UPWP. Examples include but are not limited to the following:
 - a. Example 1: A laptop computer
 - b. Example 2: A standing desk

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- c. Example 3: An office chair
2. **Atypical:** It is considered atypical if the cost does not fit the typical category or is equal to or greater than \$5,000 per unit. Atypical expenditure requests should include justification and technical specifications in the UPWP if the MPO is seeking FHWA/FTA and FDOT approval of the item in the UPWP. Examples include but are not limited to the following:
 - a. Example 1: Software and modeling programs
 - b. Example 2: Security systems
 - c. Example 3: Plotting printers
 - d. Example 4: Real estate or real property

Typical and atypical supplies:

1. **Typical:** Supplies required for an office are less than \$1,000 per unit. This can include, but is not limited to, the following:
 - a. Example 1: Notepads and paper
 - b. Example 2: Pens, pencils, and markers
 - c. Example 3: Paper clips, staples, tape
2. **Atypical:** It is considered atypical if the cost does not fit the typical category or is equal to or greater than \$1,000 per unit. This can include, but is not limited to, the following:
 - a. Example 1: Plotter paper and foam boards
 - b. Example 2: Manual/electric binding machine

Typical and atypical travel:

1. **Typical:** Training in the United States that helps you do your job. This can include, but is not limited to, the following: Association of MPOs (AMPO), National Association of Regional Councils (NARC), Transportation Research Board (TRB), model training, or other training.

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2. **Atypical:** Training outside the United States or travel in the United States includes peer exchange and facility or system tours. If an MPO does not have a travel handbook, they must follow the guidance provided in the [FDOT Disbursement Handbook](#). This handbook addresses foreign travel requests.

3.3.3.3 *Equipment Purchases Using Federal Funds*

FHWA will, on a case-by-case basis, allow MPOs to purchase equipment as a direct expense with federal funds. Equipment is any tangible personal property with more than one year of useful life and a per-unit acquisition cost of \$5,000 or more per unit [[2 CFR 200.313](#)]. All equipment purchases, regardless of cost, must be programmed and itemized in the UPWP; however, specific approval by FHWA and the District is not required for equipment costs under \$5,000. All proposed equipment purchases must comply with [2 CFR 200.313](#), [2 CFR 200.314](#), and [2 CFR 200.400\(e\)](#), including [2 CFR 200.439](#). See item three in [Technical Memorandum 20-01](#) for more details regarding purchasing thresholds and the UPWP.

The following information is required for FHWA to approve the purchase of equipment costing \$5,000 or more. This information shall be provided from the MPO to the District MPO Liaison **before** the purchase of the equipment:

- ❖ A list of the equipment to be purchased with its description and cost;
- ❖ The specifications or a detailed description of the equipment;
- ❖ Documentation that the MPO has performed a cost comparison between multiple sources for the equipment;
- ❖ Justification for the purchase and the proposed purpose/use of each piece of equipment; and
- ❖ Reference to the equipment purchase in the UPWP.

District staff will review the MPO's proposed purchase acquisition and forward their recommendation to FHWA. FHWA will consider the MPO's equipment purchase proposal and provide an approval or denial.

The MPO must not procure equipment that uses federal funds for \$5,000 or greater before FHWA's approval.

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FHWA and FDOT require the MPO to maintain records of all property obtained through federal funding. [\[2 CFR 200.313\(d\)\]](#) A physical inventory of the property must be taken at least **once every two years**. The results must be reconciled with the MPO's property records. Property records for equipment must include the following:

- ❖ Description of the property;
- ❖ Serial or other identification number;
- ❖ The source of funding for the property (including the Federal Award Identification Number);
- ❖ Title owner;
- ❖ Acquisition date;
- ❖ Cost of the property;
- ❖ Percentage of Federal participation in the project costs for the Federal award under which the property was acquired;
- ❖ Location, use, and condition of the property; and
- ❖ Disposition of the property, including the date of disposal and sale price (if applicable).

A control system must be developed to ensure adequate safeguards to prevent property loss, damage, or theft. Any loss, damage, or theft must be investigated. Equipment purchased with federal funds must be disposed of in accordance with state laws and procedures, as specified in [2 CFR 200.313\(e\)](#). MPOs' accounting procedures outline the proper disposal of assets.

3.3.4 Indirect Cost Rate

As a subrecipient of federal transportation funding, MPOs must maintain and submit to FDOT a Cost Allocation Plan for direct costs as part of the Indirect Cost Rate Proposal. The approved Cost Allocation Plan and Certificate of Indirect Cost must be included as an attachment to the UPWP.

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A subrecipient desiring to claim indirect costs under Federal awards must prepare an indirect cost rate proposal and related documentation to support those costs ([2 CFR 200.414\(c\)](#)). Proposals must be submitted within six months after the close of the second fiscal year at the end of the UPWP unless the subrecipient either has an existing negotiated indirect cost rate from the federal government or elects the **de minimis** rate ([2 CFR 200.414\(f\)](#)). The **de minimis** rate is set at **15 percent** by the federal government and recognized by the state. The indirect cost rate proposal must follow the guidelines established by this handbook and federal requirements ([2 CFR 200.414](#)). FDOT's Office of Comptroller (OOC) can review and approve indirect cost rate proposals.

The Federal Office of Management and Budget (OMB) published [2 CFR Part 200](#), "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards," effective December 26, 2014, that gives specific duties to the pass-through entity ([2 CFR 200.414\(d\)](#) and [2 CFR 200.332\(b\)\(4\)](#)) for subrecipient monitoring and management ([2 CFR 200.331-332](#)). Specifically, [2 CFR 200.332\(b\)\(4\)](#) requires that every subaward of federal funds from the pass-through entity (i.e., FDOT) to the subrecipient (i.e., MPO) must include, among other elements, an indirect cost rate.

Effective October 1, 2024, the de minimis rate increased to **15 percent** (the previous de minimis rate was 10 percent).

- ❖ **New Awards:** Recipients and subrecipients may use the 15 percent de minimis rate for any award executed on or after October 1, 2024.
- ❖ **Existing Awards:** If FHWA determines there are sufficient funds to support the 15 percent de minimis rate, recipients may apply it to an existing award.
 - **Note:** Recipients may not retroactively apply the new 15 percent de minimis rate to costs incurred before amending the FDOT/MPO Agreement.
- ❖ **In summary**, for the 2-year UPWPs MPOs approved in July 2024 (i.e., existing awards), the FHWA Florida Division Office will need to determine if there are sufficient funds to support the 15 percent de minimis rate and, if so, FDOT/MPOs need to amend the FDOT/MPO Agreement to reflect the change. Once the amendment is processed, MPOs may apply the new de minimis rate

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to their costs. There are no additional PL funds. As such, MPOs may modify the UPWP to shift funds as needed.

Additionally, the Single Audit Threshold in 2 CFR Part 200 has increased from **\$750,000** to **\$1 million**. The updated threshold may not affect all MPOs. Still, each MPO is responsible for determining the amount of federal and state financial assistance expended based on its accounting records. Each MPO is encouraged to coordinate with its District MPO Liaison and its finance and accounting staff annually to determine if the MPO will be required to prepare and submit a Single Audit Report.

3.3.4.1 *Method for Calculating Indirect Costs*

The Uniform Guidance discusses three methods for allocating and computing indirect cost rates: **(1)** the simplified allocation method, **(2)** the multiple base allocation method, and **(3)** the direct allocation method. FDOT recommends using the simplified allocation method because many, if not all, MPOs' major functions benefit from its indirect costs to approximately the same degree.

The allocation of indirect costs may be accomplished by **(1)** classifying the total costs for the base period as either direct or indirect and **(2)** dividing the total **allowable** indirect costs (net of applicable credits) by an equitable distribution base. This process results in an indirect cost rate, which distributes indirect costs to individual federal awards.

Both direct and indirect costs **must exclude** capital expenditures and unallowable costs. However, unallowable costs **must be included** in the direct costs **if they represent activities to which indirect costs are properly allocable**.

3.3.4.2 *Indirect Cost Rate Allocation Bases*

Two types of acceptable allocation bases exist: **(1)** direct salaries and wages (including all, some, or no fringe benefits) and **(2)** modified total direct cost (MTDC). However, an alternative allocation base may be considered depending on a subrecipient's unique circumstances.

It is acceptable for different entities to use different MTDCs if the use is consistent and representative of indirect costs. The MTDC allocation base includes total direct costs **minus** specified items. (**2 CFR 200.414**).

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3.3.4.3 *Indirect Cost Rates*

Subrecipients wishing to be reimbursed for indirect costs using a federally approved indirect cost rate agreement must submit this agreement to FDOT for filing. In general, only those MPOs that are hosted by agencies that receive direct federal funding in some form (not necessarily transportation) will have a federally approved indirect cost rate available, negotiated between the federal funding agency and the MPO's host agency.

A subrecipient that has never had a negotiated indirect cost rate may elect a **de minimis** rate, currently set at 15 percent of modified total direct costs, which may be used indefinitely ([2 CFR 200.414\(f\)](#)). Should a subrecipient elect the **de minimis** rate, it must be used consistently for all federal awards until the subrecipient chooses to negotiate a rate, which they may do at any time. No indirect cost rate proposal would be required. Still, the subrecipient must submit its cost policy statement and a completed De Minimis Certification form to the FDOT Comptroller's Office for review and approval.

If a subrecipient submits an indirect cost rate proposal for approval, FDOT recommends incorporating a "fixed rate with carryforward" into the methodology used to develop the rate. This approach involves a true-up to account for any over- or underpayments in the next cycle. At year-end, the difference between the actual indirect costs and costs charged based on the fixed rate (positive or negative) is carried forward into the next fiscal year as an adjustment to that year's rate.

Subrecipients who do not wish to be reimbursed at the **de minimis** rate and do not have a federally or state-approved indirect cost rate will charge all eligible costs as direct costs and will be reimbursed for such. Instead of charging a rate to cover indirect expenses, all indirect costs must be reflected in the UPWP budget details as direct expenses. To reduce the burden of distributing these costs across the UPWP tasks and minimize UPWP amendments and modifications, subrecipients are strongly advised to include all administrative and overhead costs in one task or set of tasks in the UPWP.

Note: Approved rates must be applied to all the direct costs for each task in the UPWP.

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3.3.4.4 *Submission of Indirect Cost Rate Proposal*

Subrecipients should thoroughly review the cost principles at [2 CFR 200.400\(e\)](#) and the indirect cost rate proposal appendix ([Appendix VII to Part 200, Title 2](#)) before submitting an indirect cost proposal.

A final indirect cost rate proposal, based on actual costs and supporting documentation, must be developed and submitted annually as soon as possible after the close of books for the fiscal year-end, but no later than six months after the fiscal year-end. The following items must be included in the submission of the Indirect Cost Rate Proposal.

- ❖ The proposed rate, including subsidiary work sheets and other relevant data, are cross-referenced and reconciled to the financial data.
- ❖ A copy of the financial data (financial statements, comprehensive annual financial report, executive budgets, accounting reports, etc.) upon which the rate is based. In a subsequent proposal, FDOT will recognize adjustments resulting from using unaudited data, where appropriate, for indirect costs.
- ❖ The approximate amount of direct base costs incurred under federal awards. These costs should be broken out between salaries, wages, and other direct costs.
- ❖ An organizational chart showing the agency's structure during the period the proposal applies, along with a Cost Policy Statement. (Only revisions need to be submitted with subsequent proposals once this is submitted.)
- ❖ Certificate of Indirect Costs. Someone at the Chief Financial Officer level or higher of the subrecipient must sign this certification.

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3.3.4.5 *Approval of Indirect Cost Rate Proposal*

FDOT will negotiate with a subrecipient (i.e., an MPO) and approve the indirect cost rate, unless the subrecipient is required to negotiate with the federal government or elect a **de minimis** rate. Indirect costs can only be charged to an award based on an approved indirect cost rate. The approval will be formalized by a rate agreement signed by an FDOT official (or designee) and the Chief Financial Officer or higher-level official of the subrecipient. These agreements and all grants and contracts are housed in the Florida Department of Financial Services [Florida Accountability Contract Tracking System \(FACTS\)](#). Each agreement will include:

- ❖ The approved rate and information directly related to the use of the rate (for example, effective period and distribution base);
- ❖ General terms and conditions; and
- ❖ Special remarks (for example, the composition of the indirect cost pool).

Please note that the approved rate will take effect at the start of the next fiscal year. For example:

Fiscal Year End	Rate Submission Deadline	Effective Date
State: June 30	December 31	July 1
Federal: September 30	March 31	October 1

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3.3.4.6 *Recovery and Final Rate Adjustments of Indirect Costs*

Recovery of indirect costs is subject to submitting an indirect cost rate proposal, determining the availability of funds, determining statutory and administrative restrictions, and obtaining approval from FDOT. Recovery means the payment of an MPO's indirect costs.

Sometimes, an MPO may be over- or underpaid relative to the actual indirect costs. Subrecipients must closely monitor indirect costs and indirect cost recoveries. The indirect cost rate is the subrecipient's best projection to make the indirect cost recovery equal to the indirect cost incurred on a fiscal year basis. Depending on the timing of indirect and direct base costs incurred, there will be over-recoveries in some months and under-recoveries in others. **It is important to note** that indirect costs cannot be drawn based on cash needs but only on the approved indirect rate applied to the applicable direct cost base. Any amounts drawn above those authorized by the indirect rate methodology are unallowable and can result in additional specific conditions as authorized by [2 CFR 200.207](#), as applicable.

Example of Indirect Cost Recovery:

After the Cost Allocation Plan is run for the period (typically the month), the intermediate cost pools are cleared, resulting in all costs being charged indirectly or directly to a funding source. A portion of these direct costs will comprise the indirect cost base, depending on whether salaries and benefits or modified total direct costs are chosen. The table below presents hypothetical financial information for a month following the implementation of the Cost Allocation Plan. Total indirect and base costs (in this example, salaries and benefits) from the ledger have been selected. Assuming a rate of 29.95%, the indirect cost recovery for the month would look like this:

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Example MPO								
SAMPLE Application of Rate to Recover Indirect Costs								
Salaries and Benefits Base								
	Indirect	Axxx	Bxxx	Cxxx	Dxxx	Exxx	Fxxx	Total
Monthly Indirect Costs	38,213							
Base Expenses:								
Salaries and Benefits		34,963	17,253	17,490	8,678	22,734	17,162	
Indirect Cost Rate (29.95%)		0.2995	0.2995	0.2995	0.2995	0.2995	0.2995	
Indirect Cost Recovery		10,471	5,167	5,238	2,599	6,809	5,140	35,425
Over/(Under) Recovery	(2,788)							

Note: In this month, indirect recovery is less than indirect costs. In other months, recovery will exceed costs. However, on an annual basis, the recovery should (nearly) equal costs.

After year-end, the subrecipient will perform a “true-up.” Any difference between actual and recovered indirect costs will be carried forward to the next fiscal year as an adjustment to that year’s rate.

Example True Up Calculation(s) of Indirect Costs at Fiscal Year End						
Actual Costs	Recovered Costs	(Over)/Under	Rate Calculation		Final Adjusted Rate	
458,556	458,556	0	458,556	<i>actual + over/under</i>	32.31%	
			1,419,360	<i>allocation base</i>		
458,556	425,100	33,456	492,012	<i>actual + over/under</i>	34.66%	
			1,419,360	<i>allocation base</i>		
458,556	490,556	(32,000)	426,556	<i>actual + over/under</i>	30.05%	
			1,419,360	<i>allocation base</i>		

*Over/(Under) Amount is added to Actual Costs for rate calculation

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3.4 UPWP Closeout

According to 2 CFR 200.344, FHWA funds obligated and unexpended at the end of the two-year UPWP must be closed out within 90 days of the grant termination. The grant is based on the state fiscal year (**July 1 to June 30**). Based on this timeline, FDOT has until **September 30** to submit the final invoice and closeout documents to FHWA. It is essential to begin this process before **September 30**. Do not wait until the deadline to start the process. MPOs must submit their final invoices by September 30 to allow FDOT sufficient time to process the invoices for payment. With a two-year UPWP, this termination occurs every other year (e.g., 2024, 2026, 2028). Therefore, closing out the grant between years one and two is unnecessary.

Note: Funds are de-obligated twice in a UPWP cycle. The first is in the **spring** of year two of the UPWP to free up the remaining funds for year one of the new UPWP. The second de-obligation occurs during **closeout** in September after the UPWP cycle has ended (**June 30**) and a new UPWP has taken effect (**July 1**).

The District MPO Liaison initiates the closeout procedures after the MPO submits the final invoice for the two-year UPWP (the details of this process are provided in the paragraph below). If an MPO anticipates not submitting its final invoice to the District in time to complete the closeout process by **September 30**, the MPO must notify the District. If the District anticipates not completing the closeout by mid-September, it must request, in writing, a time extension from FHWA. **Once granted, the extension will be suitable for only 30 days.** After 30 days, an additional extension may be requested and granted if necessary.

Federal Aid Technical Bulletin 16-03 describes the process for closing out a PL fund project:

- ❖ After the MPO submits the final invoice, the District MPO Liaison sends a letter to the MPO's staff director stating FDOT's desire to close out the account and requesting the MPO to confirm the amounts expended. This letter includes a confirmation form and provides the authorization and level of reimbursements provided to the MPO for the fiscal year. FHWA Funds Closeout Letter (**Form No. 525-010-07b**) and the FHWA Funds Closeout Confirmation Form (**Form No. 525-010-07a**) are available for download from the **FDOT Procedural Document Library**.

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- ❖ Upon receipt of the confirmation letter and form, the MPO must promptly review its financial records. Any discrepancies must be noted and then resolved before signing the confirmation form. The signed confirmation form is then returned to the District.

Figure 3.3 summarizes the steps in the UPWP closeout process. More information is available in the Desktop Procedure on the [MPO Partner Site](#).

Figure 3.3 Steps to Closeout a Two-Year UPWP

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August 1

Send reminder to MPO that the UPWP must be closed out by September 30. If the MPO is not able to submit a final invoice by mid-September, the MPO should submit a formal letter requesting a 30-day extension prior to September 30.

It is important that the MPO include all charges with dates of service up to June 30 with the final invoice. The MPO's new FDOT/MPO Agreement has a beginning date of July 1 and charges with dates of service prior to this date are not eligible for reimbursement under the contract. Keep in mind the date of service (when the work was done) is different than the date paid.

District MPO Liaison processes final invoice

District MPO Liaison process final invoice. Payment to the MPO should be made within 40 days to avoid penalty. **(See Desktop Procedure Step 2)**

Best practice is to review expenditures and encumbrance balance with each invoice.

District MPO Liaison confirms in FIDO that the final invoice has been paid by FDOT

Project recommendations are sent to stakeholders and the public to get their input. **(See Desktop Procedure Step 3)**

District MPO Liaison prepares Close-out letter and Close-out form

District MPO Liaison prepares Close-out letter and Close-out form (form 525-010-07) and forwards to the MPO for review and signature. **(See Desktop Procedure Step 4)**

District MPO Uploads Close-out form to FACTS

Once the MPO signs the Close-out form and returns it to the District, the District MPO Liaison uploads the form to FACTS. **(See Desktop Procedure Step 5)**

District MPO Liaison prepares Contract Status Change and FHWA Funds Close-out Internal Memo

District MPO Liaison prepares Contract Status Change and FHWA Funds Close-out Internal Memo and sends it to the distribution list on the memo. **(See Desktop Procedure Step 6)**

District Financial Services will unencumber remaining funds when they receive the contract close-out documents.

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Once the signed confirmation form is received from the MPO, the District MPO Liaison shall load the confirmation letter and form into FDOT's Enterprise Electronic Document Management System (EEDMS) Work Program Loading Dock and email the forms to OPP. Access to the EEDMS Work Program Loading Dock can be obtained through the Automated Access Request Form (AARF) and the Federal Aid Management Office. Obtaining access may take some time, so it is best to initiate the request as soon as possible.

Once the signed confirmation form is uploaded to EEDMS, the District MPO Liaison writes a closeout memorandum to the following offices:

- ❖ **The District Federal-Aid Coordinator:** Requests to prepare an Authorization Request to reduce the fund authorization for the MPO's UPWP to the level of reimbursements provided to the MPO for the two fiscal years.
- ❖ **The District Financial Services Office:** Requests to unencumber any remaining balance. This request must include a completed Contract Status Change Form, reflecting the amount to be unencumbered, a request to change the contract status to '50' (closed status), and a request to close the contract.
- ❖ A letter is sent to the **Office of Work Program and Budget**, for informational purposes.
- ❖ The **Office of Policy Planning** is notified for informational purposes.

Once all these steps are complete, the District Federal-Aid Coordinator notifies the Office of the Comptroller (OOC) that the project is ready to advance to Ready Final Voucher project status. For more information, including links to forms and templates, please refer to the Desktop Procedure on the [MPO Partner Site](#).

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3.4.1 UPWP Amendment for Funds the MPO Chose to De-obligate at Closeout

MPOs initiate UPWP closeout after **July 1**, after the old two-year UPWP ends and a new two-year UPWP takes effect. The closeout process for the old two-year UPWP must be completed by **September 30** (i.e., 2024, 2026, etc.), when the new UPWP is in effect. Part of this process includes de-obligating unexpended funds. These funds are available in year two of the new two-year UPWP (i.e., 2025, 2027, etc.) after the MPO processes a UPWP amendment to add the funds to the new UPWP. The MPO and District should keep in mind:

- ❖ MPOs must process a UPWP amendment that FHWA approves to add the funds to the new UPWP. This typically occurs after **July 1** in the second year of the new UPWP (i.e., 2025, 2027, etc.). The FDOT/MPO Agreement must also be amended;
- ❖ Funds will be available after **July 1** (i.e., 2025, 2027, etc.) in year two of the new two-year UPWP; and
- ❖ De-obligation also occurs before UPWP closeout. That process is discussed in **Section 3.2.4 De-Obligating Funds for the Next UPWP**.

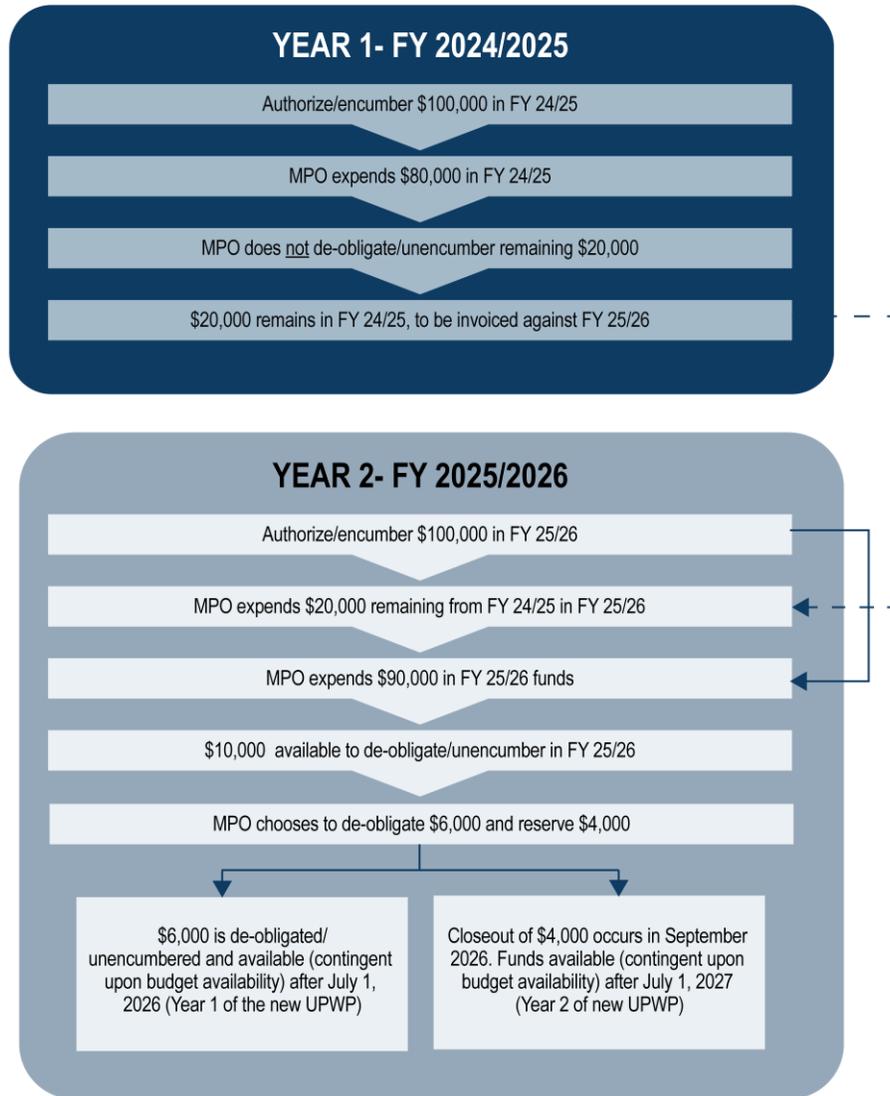
After FDOT and FHWA approve the de-obligation request, the Central Office, Office of Work Program and Budget, will adjust the MPO's account and increase the MPO's available PL balance by the dollar amount of closeout funds.

The Central Office, Office of Work Program and Budget, notifies OPP when the closeout process is complete.

An example timeline of the authorization/encumbrance/de-obligation/closeout process can be found in **Figure 3.4**.

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Figure 3.4 De-Obligation and Closeout Process Example



3.4.2 Closeout of FTA Funds

Please note that FTA funds (excluding FTA 5305(d) funds that are converted to FHWA PL funds through the CPG) **do not** undergo the same closeout process as FHWA funds. FTA funds are managed as a

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statewide grant and are not closed until all work approved under that grant has been completed. Please coordinate with your District Transit Office to check the status of an FTA grant. Once all work under the FTA grant is completed, the Central Office Transit Office manages the grant closeout process.

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3.5 References

Table 3.10 Federal and State Statutes and Codes

PLANNING AND RESEARCH PROGRAM ADMINISTRATION

Citation: [23 CFR Part 420](#)

Description: Describes the policies and procedures for administrating activities undertaken by State departments of transportation (State DOTs) and their subrecipients, including MPOs, with FHWA planning and research funds.

UNIFIED PLANNING WORK PROGRAMS

Citation: [23 CFR 450.308](#)

Description: Describes the funding for transportation planning and the development of UPWPs.

METROPOLITAN TRANSPORTATION PLANNING

Citation: [23 USC 134](#)

Description: Describes the transportation planning process for MPOs.

STATEWIDE PLANNING

Citation: [23 USC 135](#)

Description: Describes the transportation planning process for State DOTs.

EFFICIENT ENVIRONMENTAL REVIEWS FOR POLICY DECISION-MAKING

Citation: [23 USC 139](#)

Description: Describes the environmental review process for transportation projects.

UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS

Citation: [2 CFR Part 200](#)

Description: Establishes uniform administrative requirements, cost principles, and audit requirements for Federal awards to non-Federal entities.

FLORIDA SINGLE AUDIT ACT

Citation: [s.215.97, FS](#)

Description: Establish uniform State audit requirements for State financial assistance provided

by State agencies to non-state entities to carry out State projects.

FINANCIAL MANAGEMENT

Citation: [31 USC Subtitle III](#)

Description: Describes the financial management of Federal funds.

PROGRAM GUIDANCE FOR METROPOLITAN PLANNING AND STATE PLANNING AND RESEARCH PROGRAM GRANTS

Citation: [Federal Transit Administration \(FTA\) Circular 8100.1D](#)

Description: Program guidance and application instructions for applying for grants under the Metropolitan Planning Program (MPP) and the State Planning and Research Program (SPRP) authorized under [49 USC 5305](#). The circular guides the Consolidated Planning Grant (CPG) Program.

AGREEMENTS FUNDED WITH FEDERAL OR STATE ASSISTANCE

Citation: [s.215.971, FS](#)

Description: Discusses requirements for an agency agreement that provides Federal or State financial assistance to a recipient or subrecipient.

ALLOWABILITY, REASONABLENESS, AND NECESSITY OF COSTS

Citation: [s.216.3475, FS](#)

Description: Describes how each agency shall maintain records to support a cost analysis, which includes a detailed budget submitted by the person or entity awarded funding and the agency's documented review of individual cost elements from the submitted budget for allowability, reasonableness, and necessity.

METROPOLITAN PLANNING ORGANIZATIONS

Citation: [s.339.175\(9\), FS](#)

Description: Describes the transportation planning process for MPOs in Florida, including the requirements for the UPWP.

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CREDIT FOR NON-FEDERAL SHARE

Citation: 23 USC 120

Description: Permits a state to use certain toll revenue expenditures “soft match” as a credit toward the non-federal matching share of all programs authorized by Title 23 (except Emergency Relief Programs) and for transit programs authorized by Chapter 53 of Title 49, US