

Post Obligation

Cost Increases

STP Active Program Management Policies

Policy Overview

Policy G.3.c of the STP active program management (APM) policies outlines post obligation cost increases. If a project requests additional funds on a phase after obligation, certain criteria must be met before approval of the cost increases can be granted, which include:

- 75% of the already obligated funds have been expended.
 - **OR, for construction phases only**, the duration of the construction contract is less than the number of business days left in the federal fiscal year (FFY) at the time of the request.

The purpose of the policy is to ensure that the additional funds are approved and programmed only in the year they will be authorized. The 75% expenditure provision is used to align with IDOT's practice of not requesting additional federal authorization for a phase until already obligated funds are expended. The working days provision is used to estimate the likelihood of the work extending beyond the end of the FFY. If the contract extends beyond the end of the FFY, it is unlikely that the additional federal authorization will occur in the current FFY.

Granting conditional approvals

Recognizing that the thresholds won't always align with selecting body meeting dates, conditional approvals can be granted to projects before they meet the 75% expenditure threshold. Conditional approvals can only be made for the current FFY and will expire at the end of a FFY. A new request would need to be made in the next FFY and another approval (conditional or final) granted at that time.

Project monitoring

Expenditure tracking: To monitor expenditures, the [IDOT contractor payment information portal](#) can be used in conjunction with the bottom section of the eTIP obligations tab for the project. Search for the project by using the contract number to view the percent of the contract that is completed. Contract numbers are available in the IDOT Transportation Bulletin that applies to the project (available [here](#).)

Working days tracking: To determine if a project satisfies the working days threshold, the total number of working days left in the FFY will need to be calculated. A date calculator, such as the [timeanddate webpage](#), can be used to determine the number of working days left in the FFY (09/30 end date), excluding weekends and holidays. If the contract is for less than the remaining working days, then expenditures are likely to occur within the current year, and approval of the cost increase can be granted.

Updates to funding agreements and the TIP

Even if a conditional approval is granted from a selecting body, the additional funds can't be entered into the TIP until the project has reached one of the thresholds for approval. This also means that the PPI and amended agreements can't be submitted.

Once a conditional approval is granted, the programmer should closely monitor the project for when it reaches the 75 percent expenditure threshold. Once it has met the threshold, the programmer can issue a final cost increase approval to the project sponsor, add the funding into their STP-L program, submit a TIP amendment for the increase, and update the PPI and funding agreements for the project.

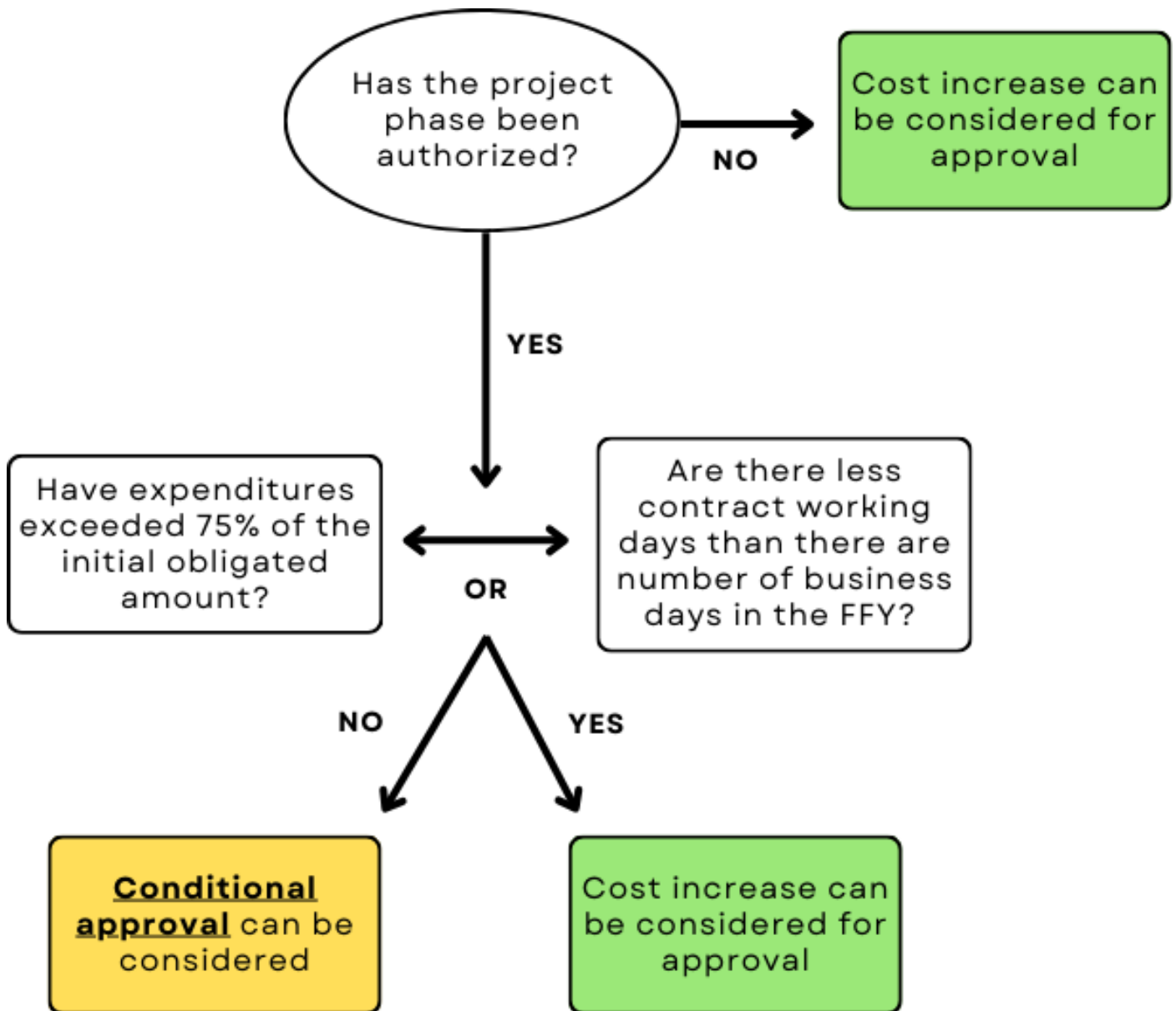


Figure 1: Decision points for approving post obligation cost increase requests