

UNDERSTANDING OF REQUIREMENTS FOR FEDERAL AID RECIPIENTS

Applicants should keep in mind that receipt of federal funds requires compliance with the following federal and state requirements (Note - this is not an exhaustive list):

1. **Equal Opportunity** requirements (non-discrimination) for construction contracts in excess of \$10,000 apply to a wide range of project elements, including contracting opportunities. A non-discrimination agreement must be signed as part of the award process, and records must be kept to show compliance. Disadvantaged Business Enterprise (DBE) requirements might apply.
2. Minimum wage requirements (**Davis-Bacon Act**) and anti-kickback requirements (**Copeland Act**) for construction contracts in excess of \$2,000, records must be kept to show compliance.
3. No use of federal funds for lobbying, for construction contracts in excess of \$100,000.
4. National Environmental Policy Act (**NEPA**).
 - a. The National Environmental Policy Act requires federal actions (including local transportation projects receiving federal aid) to be evaluated for potential impacts to the environment. Idaho Transportation Department (ITD) and the FHWA jointly conduct this review.
 - i. For major actions that significantly affect the quality of the human environment, an Environmental Impact Statement (EIS) must be prepared. This is a lengthy (and expensive) process that requires consideration of alternatives, analysis of impacts, and compliance with a series of public notice and comment periods.
 - ii. For projects in which the significance of the environmental impact is uncertain, an Environmental Assessment (EA) must be prepared. This document is more limited in scope than an EIS, and the procedure is not as lengthy. If it is determined, through the EA process, that there will not be significant impacts, a Finding of No Significant Impact (FONSI) is issued. If it is determined that there will be significant impacts, an EIS must be prepared.
 - iii. Most federal aid projects qualify for a "categorical exclusion," meaning that the project will not have a significant effect on the human environment. For these projects, neither an EIS nor an EA need be prepared. Federal regulations have identified several project types that typically receive a categorical exclusion (such as installation of utilities along a road; construction of bicycle and pedestrian paths; landscaping; installation of fences, signs, pavement markings and traffic signals, where no substantial land acquisition or traffic disruption would occur; alterations to facilities to make them accessible to elderly and handicapped persons; and other types of projects). Even though a proposed project might fall within an exclusion category, applicants must obtain clearance from ITD.
 - iv. Contact District Environmental Staff (listed at <http://itd.idaho.gov/enviro/District.Staff.htm>) for assistance with navigating the environmental review process.

5. Compliance with audit requirements:
 - a. An entity expending \$500,000 or more in a year in combined Federal awards (including any funds received from Federal sources outside ITD: US federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements) requires an A-133 Single Audit or program-specific audit each fiscal year.
 - b. An entity whose annual budget (from all sources) exceeds \$250,000 and expends any amount in a year in Federal awards are required to have a full and complete audit of financial statements each fiscal year.
 - c. An entity whose annual budget (from all sources) exceeds \$100,000 but does not exceed \$250,000 and expends any amount in a year of Federal awards has a minimum requirement of a financial statements audit on a biennial basis. Biennial audits shall include an audit of each fiscal year since the previous audit.
 - d. An entity whose annual budget (from all sources) exceeds \$50,000 but does not exceed \$100,000 and expends any amount in a year of Federal awards has a minimum requirement of a financial statements review on a biennial basis. Biennial review shall include a review of each fiscal year since the previous review.
 - e. An entity whose annual budget (from all sources) does not exceed \$50,000 and expends any amount in a year of Federal awards has a minimum requirement of a financial statements review by ITD on a biennial basis. Biennial ITD reviews shall include a review of each fiscal year since the previous review.
6. Compliance with **Americans with Disabilities Act** requirements. This includes a compliance Self-Evaluation, and for agencies with 50 or more employees, an ADA Transition Plan. Transition Plans identify physical obstacles to accessibility, describe methods to make facilities accessible, specify a schedule for completion, identify a responsible official, estimate the cost of each modification, and record completion dates.
7. Compliance with U.S. Office of Management and Budget (OMB) circulars on allowable costs, as follows:

For the costs of a:	Use the principles in:
State, Local or Indian Tribal Government	2 CFR 225
Private, nonprofit organization other than an (1) institution of higher education, (2) hospital, or (3) organization named in 2 CFR 230 as not subject to that circular	2 CFR 230
Educational institution	2 CFR 220
For-profit organization other than a hospital and an organization named in 2 CFR 230 as not subject to that circular	48 CFR Part 31 , Contract Cost Principles and Procedures, or uniform cost accounting standards that comply with cost principles acceptable to the Federal agency.

8. Compliance with Federal Transit Administration, ITD, or Valley Regional Transit grant administration team reimbursement requirements. In most cases, recipients must request reimbursement of an expense within 60 days or the expense will not be reimbursed. ITD has up to 30 days to issue the reimbursement.
9. Compliance with minimum liability insurance requirements. Contractors must have comprehensive public and general liability insurance of at least \$500,000.00 per occurrence, and \$1,000,000.00 aggregate.

I, _____, from _____ (agency) have read the information above and understand the intent, and realize there are many other federal requirements to follow if this project is funded with federal funds. The information above is merely a summary of federal requirements for a federal-aid project. This project is proposed considering the federal requirements above.

Project Name: _____

Signed: _____

Dated: _____