

RTF Funding Transfers and Loans

STP Allocation Balance

STP funds are allocated and tracked by RTF

- MDOT finance does not limit STP utilization by individual counties within that RTF

Must have allocation balance to obligate funds

Carryover balance varies greatly by RTF and I can provided that to the RTFs

If projects are obligated higher than programmed the STP funds are first come first serve within the RTF

In Pro Rata, the last project obligated might not have enough STP funds to cover the programmed amount

The individual RTF will need to decide how to handle this

Possible Strategies

RTF could rule that the federal portion of engineers estimates are capped and any increase in total project cost has to be made up with local funds.

This would have to hold true for award as well

RTF can borrow funds from other RTFs

- This will effect the next years allocation or whatever year payback is designated
- Would have to decide if this effects the agencies or counties that went over thier programmed amounts in obligation or shared by all RTF agencies

Allocation can be Advance Construct

- This would effect the next years available RTF allocation
- RTF would have to decide which projects the next year would have programming reduced

Project closeouts affect allocation balance too

- If the RTF has not carryover balance this could also create a shortfall of allocation balance available
- Agencies should notify their RTF of closeouts that come in high or low

Funding within an RTF

Breakdown by county is an aid to the RTF

RTF committee decides who uses the funds each year

- Example: One county might utilize the allocation target one year and then not program anything the next year
- These arrangements are not tracked by MDOT

A county can trade RTF for State D

- Example: county A might not have projects on an All-Season route. They could agree to trade a portion of their State D funds to county B in exchange for utilizing more of the RTF's STP funds
- In this case the MDOT RTF coordinator must be notified so the State D transfer can be made

State D Transfer

The MDOT RTF Coordinator must be notified of any State D transfers

- State D funds are allocated and tracked by County

Action can be Taken at the Regional RTF meeting and be recorded in the minutes

- RPA needs to bring the action to MDOT RTF attention when submitting the monthly report

Outside of an RTF meeting the counties involved can get approval from the local RTF and then send a request to the RTF coordinator via e-mail

- Provide a description of the transfer including all relevant information
- E-mail reply of concurrence from the participating Local RTF Chair is also required to finalize the agreement
- MDOT RTF Coordinator facilitates the transfer and sends out the confirmation
- MDOT coordinator tracks transfers and payback
- Payback transfers will be submitted to MDOT finance by the MDOT RTF Coordinator for the appropriate year

Agreement template in the RTF guidelines, Appendix E can also be used for State D transfers

STP Transfers Between RTFs

Agreement template in the RTF guidelines

Appendix E

Outline the amount borrowed

Payback amount and year

Signed by each RTF Chairperson

MDOT RTF coordinator facilitates transfer

Sends confirmation

Facilities payback

Appendix E
Sample Borrowing and Lending Agreement
Fund Transfer Agreement between RTFs

Below is an outline of required information and language to be utilized as template for an agreement between RTF's Task Forces (RTF's). Approval is required by the MDOT RTF Coordinator and Program Advisory Board Chairperson, prior to project completion. This form may also be used for the transfer of DOT funds, however, it is not required (see Section 8 (Borrowing and Lending of Funds)).

All transfer agreements shall address the following issues:
 Amount and type (use STP) of funds to be borrowed/lent
 Amount and type (use STP) of funds to be repaid
 Disposition of or responsibility for any cost (net savings or overruns) that may occur with the project being funded by the borrowed funds
 Any other potentially foreseeable issues that may affect funding requirements

Date:

By execution of this agreement STP A agrees to allow RTF B to obligate \$XXX of STP A's Federal/State Funds during fiscal year 2020. In return RTF B agrees to allow RTF A to obligate \$XXX of RTF B's Federal/State Funds during fiscal year 2020.

This agreement is a voluntary agreement between the two task forces and both task forces understand that the availability of future federal aid is not guaranteed.

MDOT, in its role of program management, will strictly interpret the meaning of transfer agreements and is the sole authority for resolving disputes that may arise from a transfer agreement.

Signatures:
 RTF A Chairperson
 RTF B Chairperson
 MDOT Rural Task Force Coordinator

Bid Savings

Definition of Bid Savings

STP fund balances are tracked by RTF

Bid savings must be identified at this level, not by individual projects

In the RTF projects that are obligated or awarded higher than programmed can offset bid savings in other projects.

In order to program bid savings

- Must look at the status of all projects in the specific RTF
- Obligated amount must be less than the target by RTF

Bid Saving that are not utilized will remain in the RTF allocation balance

Reminder: the total STP funds **programmed** by RTF can not exceed the specific FY target for that RTF

Identifying Bid Savings

Use the current stage of each project

First look to Award amount

Then Obligated amount

Then Programmed

Total of all projects at their current stage

Excel Example

Reflected in Monthly Status Report

Column will be added to the RTF Monthly Status Report starting in April each year
SMART Summary report will be utilized once it is available
