

	<b>2019 Local Federal Fund Exchange (LFFE)</b>

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- 2019 changes**
- Updated Agreement template
  - Updated Guidelines
  - Payment of non-federal funds is triggered by the transfer of STP allocation by MDOT finance
  - Allow county and city/village to make agreement to include City Village STIP projects in exchange
    - City/village project would be paid for with a portion fo exchanged funds
  - Expansion to 30 exchanges allowed for 2019

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- Process overview**
- Identify exchange partner
  - Negotiate the exchange rate and details
  - Notify MPO/RTF of intent to exchange funds
  - Sign agreement
  - Submit agreement to MDOT RTF coordinator
  - STP allocation is transferred by MDOT Finance
  - Notification of transfer is sent to the Parties involved
  - Purchasing county pays the selling county
  - Selling county completes the Selling County Information Excel file and submits it to MDOT RTF coordinator

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### Identify Exchange Partner

- Preliminary arrangements can be made pending the availability of Federal funds in the year of the agreement.
- CRA developed a website to help find exchange partners
  - limited to CRA members access

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### Negotiate the Exchange Rate and Details, notification

- The exchange rate is negotiated between the parties involved
- Each County notifies their respective MPO or RTF
- Purchasing County can program the anticipated exchange amount as local funding on the intended project
  - changed to STP funding once the allocation transfer is made
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### Agreement

- Sign agreement
- Purchasing County submits signed agreement to MDOT RTF coordinator
  - Indicate project or projects the purchase funds will be applied
- Agreements cannot be processed until after the STP RTF funds are announce for that FY
  - Usually 2<sup>nd</sup> week of October

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### Agreement

- Agreements are subject to any adjustments due to allocation or project selection
- If amount changes less than 10 percent the "Confirmation of Availability of Federal STP Funds for Obligation" needs to be executed
- If greater than 10% the agreement may be renegotiated

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### STP transfer

- RTF coordinator requests transfer from MDOT finance
  - If purchaser is in an RTF transferred to that RTF allocation balance
  - If purchaser is an Urban County transferred to that counties STP rural allocation
- RTF coordinator send confirmation e-mail to all parties including LAP and RPA
- The Purchaser submits payment to Seller within 30 days of transfer confirmation.

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### Seller project information

- Selling county completes the Selling County Information Excel file and submits it to MDOT RTF coordinator
- Pull up Spreadsheet
- Information used for annual report
  - Basis for any changes to the program
  - Demonstrate that federal 3 C process is followed
  - Demonstrate effectiveness of the program

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### Key points

- Project selection completed through RTF process
- Exchanges based on STP programmed in the Sellers STIP projects
- Federal funds obligated in the year of agreement
- Non-federal funds can be banked for two years
- Agreements should be in place by March 31<sup>st</sup> to ensure obligation of purchasers project/s
- This is not necessary for exchanges within the same RTF
  - There is no transfer to be made because the STP funds are designated by RTF
  - Can use the agreement template if you wish but does not count as exchange and MDOT will not track

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