

TIMELY USE OF FUNDS

Commonly Used Name	STIP Timely Use of Funds	AB1012	Cooperative Work Agreement (CWA)	Federal Inactive Projects	10-Year PE & 20-Year R/W Rule
Applicability	All STIP funds (federal and/or state)	RSTP & CMAQ	All Local Assistance Funds	All federal-aid projects	All federal-aid projects
Applicability level	Each project phase	Region Apportionments	Each encumbrance of funds	Project level	Project level
Emphasis	Project Delivery	Obligation of funds	State Budget Authority	Funds expenditure	Project Delivery
Authority	SB45 of 1997	AB 1012 of 1999	Gov. Code 16304	23CFR 630.106	23CFR 630.112
Enforcing Agency	CTC	CTC	DOF	FHWA	FHWA
Rule	Funds must be allocated by CTC in the year programmed. Project development phase expenditures must occur by end of 2 nd FY following allocation date. Projects must be awarded within 6 months from construction allocation. Project must be completed within 3 years of the award.	RSTP & CMAQ funds apportioned to Regions must be obligated within 3 years from the year of apportionment. Otherwise, CTC may re-distribute available funds to other project(s).	Federal and state funds must be expended within six years from the appropriation year located in the finance letter or the project supplement.	Local Agencies must invoice FHWA based on their tier of unexpended funds: >500k once/yr 50-500k once/2yrs < 50k once/3yrs	Once fed funds are obligated for PE phase, the project must move to R/W phase or construction phase within 10 years. Once fed funds are obligated for R/W phase, the project must move to construction phase within 20 yrs.
Possible Extension	CTC may approve up to 20 month extension for each of the deadlines	CTC may approve up to a six-month extension.	Department of Finance may extend liquidation up to eight years based upon proper justification.	FHWA may approve extensions upon receiving proper justification.	FHWA may approve extensions upon receiving proper justification.