

XI. PROJECT COMPLETION

XI.1. Project Closing Documentation

When the project is completed, the LPA must submit a completed Project Closure Form. There are currently separate closure forms for OLP-Administered projects and District-Administered projects; these are found, respectively, at the links below and a copy of each is provided as an attachment to this chapter:

OLP-Administered: <http://transportation.ky.gov/Organizational-Resources/Forms/TC%2020-19.docx>

District-Administered: <http://transportation.ky.gov/Program-Management/Documents/LPA11%20-%20Attach%202%20-%20District%20Project%20Closure%20Form.docx>

The completed project closure form and pictures documenting the completed project must be submitted to the Administering Office. The LPA will not receive its final reimbursement payment until these documents are received. The Administering Office will use these documents and pictures to close the project with FHWA. **The Administering Office must forward the Notice of Completion and closing documentation to the KYTC Office of Budget and Fiscal Management (Cheryl Cole) to ensure closeout in FMIS.** If any funds remain, they will be re-encumbered to the respective program's funds. The LPA will not be permitted to enlarge the scope of its project, even if funds remain.

XI.2. Maintenance and Easements

For infrastructure projects, the LPA is responsible for maintaining its Federal-aid project facilities on a non-profit basis (per the maintenance plan in the MOA). The cost of future maintenance for a project will be the sole responsibility of the LPA. As mentioned in **Chapter I**, all arrangements for funding long term maintenance should be included in the MOA between the LPA and KYTC.

The LPA's maintenance responsibilities may be reinforced in an easement the LPA may be required to grant to KYTC. Infrastructure projects involving historic property may require a historic preservation easement. KYTC will make the decision to require that a maintenance or preservation easement be provided on a case by case basis depending on the amount of the award at stake and the sensitivity of the project.

Easements will describe the condition of the project at the time its construction is complete and will require that the LPA or any future owner of the property maintain the project in that condition. Information regarding the condition of the property at the time its construction is complete will come from the project closeout documentation unless the project requires a historic preservation easement. For these easements, the LPA must obtain a baseline document describing the condition of the property by hiring a prequalified historic preservation consultant. Once the baseline document is created, the LPA must submit the baseline document to its Administering Office. Using this document, KYTC will draft the historic preservation easement for the LPA's signature. The easement will require that the LPA or any future owner of the property maintain the project to that condition.

In the event the LPA or current property owner fails to maintain its project, the easement will give the KYTC the right to enter onto and maintain the property and charge the LPA or the current owner for any costs it incurs in doing so.

All easements must be signed by the LPA and KYTC. KYTC will record the easement in the property records in the county in which the project is located. The LPA should sign the easement document before final reimbursement.

XI.3. Audits and Record Retention

LPA projects are subject to audit by KYTC and the Kentucky Auditor of Public Accounts. Also, FHWA may elect to conduct a comprehensive audit of any project receiving Federal-aid funding. LPAs are required to retain all records relating to their federally funded projects for **three (3)** years following formal acceptance and closure by KYTC. Copies or electronic versions of the documents are acceptable in accordance with statute.¹ The retention period begins at the time KYTC submits its last expenditure report for the period **and** the final project closing documentation is completed in FHWA’s Financial Management Information System (FMIS).² **The Administering Office shall inform the LPA of the date that the project is closed in FMIS which could be up to 6 months after the Project Closure Form is submitted.** For as long as the records are retained, KYTC, FHWA and the Comptroller General of the United States, or any of their authorized representatives shall have the right to access the records in order to make audits, examinations, excerpts, and/or transcripts.³ KYTC, FHWA, and the LPA must at all times comply with OMB Super Circular 2 CFR 200.

¹ 2 CFR 200.335.

² More complete information regarding when the retention period begins can be found in 49 CFR 18.32(c).

³ 2 CFR 200.336.