



Document: **Obligation Authority Management Process**

Adopted: **October 13, 2021**

whatcom council of governments

WCOG Obligation Authority

Each year the Whatcom Council of Governments (WCOG) receives an allocation of federal funds to support regional transportation investments through the Surface Transportation Block Grant (STBG) and Transportation Alternatives (TA) programs. WCOG is responsible for ensuring that obligations of these funds are delivered in a timely manner as guided by Washington State Department of Transportation's (WSDOT) *Local Agency OA Policy* and corresponding delivery targets. Currently, the local agency annual obligations delivery targets are equal to the annual allocation of federal funds received.

The **goal** for WCOG is to deliver annual obligations equal to the annual delivery target by the July 31st statewide policy deadline. Furthermore, obligations delivered in excess of the delivery target position WCOG to receive redistributed funds (federal funds received from other states) and/or reallocated funds (sanctioned funds received from other regions).

Failure to meet the annual obligations target may result in sanctioned funds – a reduction of a local agency's STBG allocation equal to the obligation shortfall applied in the following year's federal fiscal year (FFY) cycle.

Key Dates and Deadlines

September – December: WCOG prepares the Transportation Improvement Program (TIP) and assists WSDOT's development of the Statewide Transportation Improvement Program (STIP) to include a listing of projects prepared to obligate funds in the federal fiscal year to, at minimum, meet the obligations delivery target. Additionally, the WCOG Policy Board and TTAG will begin to discuss contingency projects that can obligate funds in case any project currently planned for obligation is delayed.

December – February: project managers notify WCOG TTAG that their project has, or may have, issues in obligating their project as planned. Subsequently, contingency projects planned to advance will be prepared and submitted to the policy board for action.

March and May Policy Board meetings: these policy board meetings are the opportunities to make any needed changes in the TIP and STIP. This will allow project managers the necessary time to draft a local agency agreement (LAA) in coordination with WSDOT Local Programs office and deliver the fully signed LAA package to WSDOT headquarters.

May – July: assess the likelihood of successful project obligations delivered by the July 31st statewide policy deadline. Prepare list of projects, to include specific amount to request, that qualify to receive additional funding should funds be made available following successful delivery of July 31st deadline.

August: upon successful delivery of obligations by the July 31st deadline, WCOG will submit list of qualifying project(s) to WSDOT (by August 10th) for redistributed or reallocated funds. Redistributed or reallocated funds made available to WCOG must be obligated by September 15th.

September 15th Close: the final deadline to obligate projects (current planned, contingency and/or redistributed or reallocated) in the federal fiscal year cycle to avoid loss of funds.

Contingency projects or additional funding opportunities

WCOG and TTAG will prepare projects that can meet the prerequisites necessary to obligate funds by policy deadlines. Projects will generally be identified through TTAG from the following:

1. Current TIP and STIP projects planned for later years that can advance early
2. Current obligated and active projects that can utilize additional funding
3. Unfunded projects identified in the TIP and/or regional plan that can move forward to obligate

Consequences of Projects Failure to Obligate

Failure of a project to obligate funding by their award deadline and/or failure to provide notice of project delay by the key dates and timelines listed in the WCOG Obligation Authority may result in policy board action to rescind project award and move funding towards another project.