

GUIDELINES FOR STATE HIGHWAY SAFETY GRANT PROGRAMS

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A. BACKGROUND

The North Dakota Department of Transportation Highway Safety Division serves as the State Highway Safety Office for the State of North Dakota. The Highway Safety Division receives funds through the National Highway Traffic Highway Safety Administration (NHTSA) to administer programs to reduce fatalities and injuries from motor vehicle crashes on North Dakota roads.

In accordance with NHTSA guidelines, the Highway Safety Division passes funding along to entities to implement behavioral Highway Safety projects that can achieve measurable Highway Safety impacts. These entities are commonly referred to as sub-recipients or contractors.

This grant guidance serves to provide information to entities applying for or awarded NHTSA funds to assure compliance with required processes and applicable federal regulations.

B. THE NORTH DAKOTA HIGHWAY SAFETY PLAN

1. Introduction

The Highway Safety Plan (HSP) is a planning document, a federal grant request, and a state budget document. The HSP is completed annually by the Highway Safety Division to meet requirements of NHTSA to receive federal highway grant funds.

2. Overview of the HSP and Grant Process

The Highway Safety Division develops the annual problem identification based on data from multiple data sources, including crash, driver, injury, roads, court/adjudication, motor vehicle, seat belt use survey and other data sources. This problem identification process determines the emphasis areas to be addressed through strategies/projects identified for funding through the HSP.

To identify projects to mitigate emphasis area problems, the Highway Safety Division can opt to solicit project proposals for funding consideration. Project proposals are not solicited if the Highway Safety Division has adequate projects identified for inclusion in the HSP to meet emphasis area performance measures.

If proposals are solicited, they are evaluated based on criteria including: (1) response to identified problems, (2) proposed project/strategy, (3) clear objectives, (4) comprehensive evaluation plans, and (5) cost-effective budgets.

The HSP is submitted to NHTSA on or before August 1 for NHTSA approval prior to receipt of funding for the upcoming federal year. Once the HSP is approved by NHTSA, the Highway Safety Division initiates project contracts consistent with the federal fiscal year beginning on October 1 and ending September 30.

Contracts are fully executed when signed by the sub-recipient and the NDDOT Director, typically in the months of September and October, but will have an October 1 start date unless otherwise specified in the contract terms. Contracts delayed for signature in the month of October (for example, a political subdivision's inability to appear before the city/county commission for contract approval) are signed as soon as practicable, with a note to the file explaining the delay, but are still retroactive to the October 1 start date.

Highway Safety Division program managers monitor sub-recipients throughout the contract year via the following activities:

- Conduct risk assessment to determine the level of monitoring prior to issuing contract (See Attachment 2, Risk Assessment form)
- Ongoing contact through emails, phone calls, meetings, and correspondence
- On-site monitoring reviews of project operations, management, and financial systems (See attached Program and Financial Monitoring Report)
- Ongoing review of progress reports
- Ongoing review and approval of claims
- Conduct closeout of contract which includes ensuring that all administrative actions and objectives and goals have been completed by contract end date.

The final step in the annual HSP process is project evaluation to assess the impact of each project on motor vehicle crashes, injuries, and fatalities. Project evaluation results are used to determine if projects should continue or be revised to increase impact.

C. FEDERAL GRANT REQUIREMENTS

The Highway Safety Division's *Grant Application Cover Sheet* allows sub-recipients to acknowledge that they've reviewed and understand the terms of the grant as outlined in the grant guidance. The guidance can be located on the Highway Safety Division's webpage at:

<http://www.dot.nd.gov/divisions/safety/trafficsafety.htm> under "Applying for Funds."

Failure to comply with applicable federal statutes, regulations, and directives may subject sub-recipients to civil or criminal penalties and/or place the state in a high-risk sub-recipient status.

Subrecipients will comply with all applicable state and federal statutes, regulations, and directives in effect with respect to the periods for which the sub-recipient receives grant funding. Applicable provisions include, but are not limited to:

- 23 USC Chapter 4 – *Highway Safety Act of 1966*, as amended
- 2 CFR 200 – *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*
- 23 CFR 1300 – *Uniform Procedures for State Highway Safety Grant Programs*

1. Allowable Costs

Costs are unique to each contract. Costs must be allowable, reasonable, and necessary to complete the scope of work.

Direct Costs

Direct costs include salary and fringe benefits for program staff, supplies, equipment, travel, subcontracts, and other direct costs.

In-State Travel

Mileage. Mileage is reimbursed at the state rate.

Meals and Lodging. Meal and lodging reimbursement is capped at the state per diem rate. However, lodging costs may be approved at a higher rate. A lodging receipt from a commercial place of lodging must be provided in order to receive reimbursement for lodging expenses. Meal receipts are not necessary.

Other Travel Expenses. These expenses may include items such as taxi fares, parking fees, and other miscellaneous expenses. Receipts must be submitted for all miscellaneous expenses.

Out-of-State Travel

Meals and Lodging. Meal and lodging reimbursement is capped at the domestic per diem rate established by the U.S. General Services Administration in accordance with location of travel. A lodging receipt from a commercial place of lodging must be provided in order to receive reimbursement for lodging expenses. Meal receipts are not necessary.

Other Travel Expenses. These expenses may include items such as taxi fares, parking fees, and other miscellaneous expenses. Receipts must be submitted for all miscellaneous expenses.

2. Unallowable Costs

The following costs are not allowable. This list is NOT all-inclusive. See 2 CFR 200.420 through 200.475 related to *General Provisions for Selected Items of Cost*. Federal and state regulations apply.

- Office furnishings and fixtures (desk, chairs, filing cabinet, fixed lighting/lamp, etc.)
- Mainframe computers
- Bad debts
- Contingencies
- Contributions and donations
- Costs incurred by advisory councils or committees
- Entertainment (this includes gift certificates or tickets for any entertainment venue including sporting or musical events)
- Fines and penalties
- Food
- Interest and other financial costs
- Legislative expenses
- Fund raising and investment management costs
- Lobbying
- Planning and administrative costs of application, bid, or proposal preparation

- Costs incurred after the last date covered by the contract
- Vehicles (including ambulances)
- Vehicle and equipment maintenance
- Police officer uniforms and firearms
- Alcoholic beverages
- Alcohol/drug treatment costs
- Other activities or items that are not related to traffic Highway Safety

3. Equipment Management

Any purchase of equipment using contract funds must receive prior approval through the Highway Safety Division.

For equipment approved for purchase with a useful life of more than one year and an acquisition cost of \$5,000 or more, the following applies.

Sub-Recipient Property Management Systems

Sub-recipients must establish and administer a system to procure, control, protect, preserve, use, maintain, and dispose of property furnished to them by the Highway Safety Division or purchased through a grant, sub-grant, or other agreement in accordance with their own property management procedures, provided that the procedures are not in conflict with the standards contained in this section or federal property management standards procedures specified in 2 CFR 200.313, *Equipment*, as appropriate.

Equipment and other property acquired under a grant agreement for use in Highway Safety projects shall be used and kept in operation for Highway Safety purposes.

State Agencies: See *Highway Safety Division Inventory* below.

Local Agencies and Other Non-State Sub-Recipients: Standards for property management described in 2 CFR 200.313 will be used in documenting equipment purchased under a grant agreement.

The contractor shall seek disposition instructions from the Highway Safety Division prior to disposing of any item of equipment purchased. (Disposition is addressed in detail on page 8.) The sub-recipient may follow their own existing property management standards if they exceed the requirements set out in 2 CFR 200.313.

Sub-Recipient Property Records Requirements

The sub-recipient property management requirements include, but are not limited to, the maintenance of accurate property records. Such records will include:

- A description of the property
- Manufacturer's serial number, model number, federal stock number, national stock number, or other identification number
- Inventory number

- Source of the property (including grant or agreement number)
- Indication of with whom title is vested (generally vests with the sub-recipient)
- Acquisition date
- Percentage (at the end of the budget year) of federal participation in the cost
- Location, use, and condition of the property and the date the information was reported
- Unit acquisition cost
- Ultimate disposition date in accordance with 2 CFR 200.313(e) (including date of disposal and sales price or the method used to determine current fair market value)

Sub-Recipient Inventory

Sub-recipients will maintain an inventory control system to ensure adequate safeguards to prevent loss, damage, or theft of the property. Sub-recipients will provide a copy of their inventory policies and procedures to the Program Manager upon request. Sub-recipients will institute adequate maintenance procedures to keep the property in good condition.

Highway Safety Division Inventory

North Dakota Century Code 54-27-21, Fixed asset minimum reporting value, establishes the requirements that all state agencies must follow regarding asset reporting, and reads:

“All state departments, agencies, boards, bureaus, commissions, industries, and institutions shall include all fixed assets under their control in their financial statements, except those having a value of five thousand dollars or less. The state auditor is authorized to provide for the written exemption of specific fixed assets having a value of more than five thousand dollars when an exemption is justified upon generally accepted accounting principles.”

When a grant-funded item that exceeds the \$5,000 threshold is in the control of the Highway Safety Division, the Highway Safety Division must include the item in the NDDOT’s fixed asset reporting.

To track grant-funded equipment purchases, the Highway Safety Division uses a Microsoft Excel spreadsheet which includes the purchasing agency, make and model, serial number, purchase date, and cost. The Highway Safety Division verifies the status of the equipment with the grant-funded entity every two to three years. The results of the verification process are also tracked on the spreadsheet.

To verify equipment status, an email form letter is sent to each agency having possession of Highway Safety Division-funded equipment. The letter requires a response from the agency to certify via electronic response the status of the equipment (i.e., in use or not in use). A response also confirms the equipment is still in the agency’s possession.

The Office Manager is responsible to track equipment through disposition or estimated useful life has been exceeded, whichever occurs first.

While there is no requirement that the state physically inventory grant-funded activity, the Highway Safety Division does complete this to some degree through on-site monitoring processes. The Highway Safety Division's *On-Site Monitoring Report* has an area for Program Managers to document responses to the following equipment-related questions and issues:

- Was equipment purchased during this contract agreement period?
- Was written approval from the state office obtained prior to equipment purchase?
- Does the sub-recipient have a system in place to tag, control, protect, preserve, use, maintain, and inventory (annually) the property?
- Is equipment still accounted for and being used for designated Highway Safety purposes?
- Verify the source documentation for all expenditures over \$5,000.
- Is equipment certification current?

Disposition

Equipment shall be used by the sub-recipient in the program or project for which it was acquired as long as needed, including after the project or program is no longer supported by federal funds. Upon completion or termination of a traffic Highway Safety grant or sub-grant, or if it is determined by the Highway Safety Division that equipment is no longer needed for the purpose for which it was acquired, the equipment may, at the option of the Highway Safety Division, become the property of the Highway Safety Division.

Permission for any other disposition must be obtained from the Highway Safety Division before any action can be taken regarding the equipment. However, equipment which is no longer tracked by the Highway Safety Division does not require approval of the Highway Safety Division for disposal.

The Highway Division may determine that a unit of equipment is no longer appropriate for tracking by using the following criteria:

- The equipment is no longer used or needed for the original purpose;
- The equipment is damaged beyond repair or salvage; or
- The equipment has passed its expected useful life.

A Depreciation Guide for the estimated useful life of typical traffic Highway Safety equipment has been developed for use by the Highway Safety Division to determine useful life.

D. GRANT APPLICATION INFORMATION

1. Eligible Entities

Grants are awarded to governmental agencies (city, county, state), tribal governments, and for-profit and non-profit organizations.

2. Funding Period

Grants run congruent to the federal fiscal year which is October 1 through September 30 each year.

3. Grant Application Process and Format

Grant documents, including the application, the application cover sheet, and grant guidelines can be located at the following web link under “Applying for Funds.”

<https://www.dot.nd.gov/divisions/safety/trafficsafety.htm>

A *Grant Application Cover Sheet* should be completed and signed by the proposed Project Director and the Authorizing Official of the agency making the application. If the agency is subsequently awarded a grant, the Authorizing Official listed on the cover sheet is the authority who should sign the contract issued by the NDDOT.

Applicants are encouraged to read all grant application instructions carefully and to follow them closely. If you have any questions, contact a Highway Safety Division staff member (see Page 10).

4. Required Policies –

To support the state and national priorities of increased seat belt use and decreased impaired and distracted driving, the Highway Safety Division requires all contracted entities to have a seat belt use, drug and alcohol driving, and distracted driving/texting policies for agency personnel. In addition, to these policies please see the attached Program and Financial Monitoring Report for the list of policies required.

Highway Safety Division program managers will locate and review the policies during scheduled on-site and/or virtual monitoring visits. Absence of any policy may result in the Highway Safety Division withholding payment until said policy is put into place.

5. Submittal

Applications should be submitted by May 30 for consideration for funding in the following fiscal year (October 1 – September 30). Applications can also be submitted during a fiscal year. Consideration will be provided for funding in the year of application or the following fiscal year as funding allows.

Applications should include appropriate signatures and can be submitted via email to dottrafficgrp@nd.gov or mail to:

North Dakota Department of Transportation
Highway Safety Division
608 East Boulevard Avenue
Bismarck, ND 58505-0700

6. Risk Management

Agencies receiving a notice of grant award from the Highway Safety Division may need to provide the following risk management assurances: (1) a general liability insurance policy, (2) workers compensation, and (3) proof of automobile liability insurance.

A government agency covered through the North Dakota Insurance Reserve Fund will meet the risk management provisions of the NDDOT.

7. Certifications and Assurances

As part of the contract execution process, recipients must comply with the Certifications and Assurances provided as Attachment 1, which will be Appendix B of the Contract.

E. Reporting Process

Each agency funded through the Highway Safety Division must report on contract activities and submit a monthly or quarterly report and request for reimbursement as specified in the contract.

Generally, the following rules are established for reporting and reimbursement.

- Expenses are paid on a reimbursement basis only. No advances are permitted.
- If a written narrative is required, it must be submitted within 30 days of the end of the month/quarter worked.
- The voucher must be submitted within 30-45 days of the end of the activities for the month/quarter (as specified in the contract scope).
- With few exceptions, contracts require a final report. An equipment purchase, such as radar, may only require a copy of the invoice.
- The final report is due no later than November 14 (45 days after the end of the federal fiscal year). **A reimbursement request made after this date will not be reimbursed.**

F. Questions

Grant questions can be directed to the Highway Safety Division by calling 701-328-2402 or emailing dottrafficgrp@nd.gov.

ATTACHMENT 1
CERTIFICATIONS AND ASSURANCES

ATTACHMENT 2
RISK ASSESSMENT

ATTACHMENT 3

PROGRAM AND FINANCIAL MONITORING REPORT