How Transportation Projects Are Funded with Federal Dollars

State/MPO Long Range Plan

State/MP0 TIP

Federal Funding of a Transportation Project

- State submits project to federal agency.
- After thorough federal review, federal funds are committed (or obligated) to the project. (No federal funds have been sent to the state at this point).
- Depending on size and complexity, project is advertised, bids reviewed, and contract awarded (approximately four to six week process).
- Work commences.
- State pays contractor for work completed.
- State seeks reimbursement from the appropriate federal agency.
- Federal funds are sent to the state.

AUTHORIZING LEGISLATION

Apportion Dollars to States

Federal Approval of Project Package (Obligation of Federal Dollars)

State Conducts Bidding Process for Contractor Selection

Lowest Qualified Bidder Selected

Work Commences

Contractor Bills State

State Processes Bill and Pays from State Treasury

State Seeks Reimbursement from Federal Treasury

Federal Treasury Transmits
Funds to State

OUTLAY OF FEDERAL DOLLARS