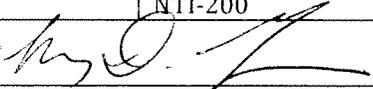


NHTSA

Regional Operations and Program Delivery

Grant Management and Oversight Guidance

Guidance	Local Benefit
Date of Issuance	12-1-2011
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Signature  Date 12/1/2011
 Associate Administrator, Regional Operations and Program Delivery

Citation:

Highway Safety Grant Funding Policy, Part 1, C and 23 CFR § 1250.4 (c) - *When Federal funds apportioned under 23 U.S.C. 402 are expended by the State or a State agency for the benefit of a political subdivision, such funds may be considered as part of the local share, provided that the political subdivision benefitted has had an active voice in the initiation, development, and implementation of the programs for which such funds are expended. In no case may the State arbitrarily ascribe State agency expenditures as "benefitting local government." Where political subdivisions have had an active voice in the initiation, development, and implementation of a particular program, and a political subdivision which has not had such active voice agrees in advance of implementation to accept the benefits of the program, the Federal share of the cost of such benefits may be credited toward meeting the 40 percent local participation requirement.*

Where no political subdivisions have had an active voice in the initiation, development, and implementation of a particular program, but a political subdivision requests the benefits of the program as part of the local government's highway safety program, the Federal share of the cost of such benefits may be credited toward meeting the 40 percent local participation requirement. Evidence of consent and acceptance of the work, goods or services on behalf of the local government must be established and maintained on file by the State, until all funds authorized for a specific year are expended and audits completed.

Guidance:

Under the regulations, Section 402 funds expended by the State for the benefit of a political subdivision may count towards meeting the 40 percent participation requirement for political subdivisions. The requirements are clear that the State may not arbitrarily ascribe these types of State agency expenditures as benefiting local government, and that evidence of consent and acceptance of goods, services, and work on behalf of the local government must be established and maintained on file by the State.

When the State proposes to use the salary and benefits of a State employee towards meeting the 40 percent requirement, the State should ensure that the required documentation is in place before any work is carried out and that it evidences that the local government consented and accepted the work of the State employee on its behalf. The required documentation also should explain how the work benefits the local government's highway safety program. Activities performed at the State level such as grant management to ensure that State law and/or program requirements are met do not appear to meet these requirements. The activities are not considered to be carried out on behalf of the local government or provide a direct benefit to the local government's highway safety program. Accordingly, if the specified documentation requirements are not met, the salaries of State employees should not be counted towards meeting the 40 percent requirement.