



U.S. Department of Transportation
Federal Highway Administration

Background on FHWA (Federal-Aid Highway Program) Quarterly Grant Accrual:

On a quarterly basis, FHWA records an accrual for eligible Federal-Aid Highway Program costs. This is a standard internal accounting practice that FHWA is required under federal accounting standards to execute in order to recognize costs in the period they are incurred, even when the corresponding reimbursement requests from States have not yet been submitted or processed. This reporting requirement is in accordance with OMB Circular A136, the Chief Financial Officers Act of 1990 (CFO Act), as amended; the Government Management Reform Act of 1994 (GMRA); and the Accountability of Tax Dollars Act of 2002 (ATDA) and 23 CFR 1.5.

The accrual is an estimate and serves as a sort of placeholder for FHWA's financial statements. It is reversed and replaced with actual reimbursement data once that becomes available in the subsequent quarter. It has no bearing on the amounts States are ultimately reimbursed, their reimbursement timelines, or their program compliance standing.

The process by which this accrual is calculated has three fundamental components:

1. First, the survey you are currently completing is administered annually to a selection of States, typically around 14 per year, to develop a high-level picture of spending patterns and reimbursement timing for FHWA-eligible projects.
2. The information gathered from the survey is then used in the accrual methodology to estimate expenditures incurred by States during the quarter that have not yet been billed to FHWA, but that will be billed and paid in the subsequent quarter. In short, it produces an estimate of accrued but unbilled costs.
3. Finally, after actual expenditures are paid in the subsequent quarter, a look-back analysis is performed comparing actual payments to the prior quarter's accrual estimate to validate its reasonableness.

State Survey Objective:

The objective of this survey is to develop a high-level understanding of the timing and general process by which your State bills FHWA for Federal-Aid Highway Program costs incurred. Specifically, the survey informs the calculation of a State-level weighted average. This is an estimate of the typical elapsed time between when a Federal-Aid Highway Program cost is incurred, when the State processes and submits a reimbursement request, and when FHWA ultimately pays that reimbursement. This weighted average is one input into the broader accrual calculation.

As such, the survey is not an audit of your State's reimbursement processes, nor an evaluation of performance or compliance. There are no right or wrong answers, and responses will not affect your State's funding, reimbursement schedule, or relationship with FHWA in any way. The survey exists solely to help FHWA develop a reasonable internal estimate of its potential liabilities for financial reporting purposes and audit obligations.

Level of Detail Needed:

The goal of this survey is to capture a reasonably accurate picture of your State's reimbursement process. It is not intended to document every nuance, exception, or circumstantial case. We are looking for responses that reflect typical or representative practice in your State, not a comprehensive accounting of every scenario that might arise. We recognize that every State is different and that there are often very important nuances involved in a States billing practices. With that said, the FHWA accrual aims to maintain an average variance of +/- 20%, which most often means that differences between estimated accrual and lookbacks will need to be in the tens of millions to trigger further investigation to understand the context and causes of the difference.

Respondents should feel comfortable providing their best professional judgment based on their general knowledge of how their State operates. If a question doesn't map perfectly to your State's process, answer based on what most closely applies and note any important context in the comments section (Questions 9-15). Do not feel obligated to research exact figures or reconcile minor discrepancies, if something is reasonably accurate based on your experience, it almost certainly is sufficient for our purposes. When in doubt, trust your instincts: what we are seeking is a well-informed estimate based on your knowledge of the existing process.

Federal Highway Administration (FHWA)**Federal-Aid Highway Program (FAHP) Trust Fund Grant Accrual Liability Survey 2026**

State (Please Select Appropriate State)		(Please click the cell to the left and select your State)
Name of State DOT Official Completing Survey:		
Title of Individual Completing Survey:		
Fiscal Year End Date (e.g. June 30, September 30, etc...):		
Frequency of Invoicing FHWA for Federal-Aid Highway Program (# Days/interval):		

Instructions:

For all questions, please provide answers in the grey cell to the right of the question.

For questions 1-8 Please **only use numeric responses. No text should be added** to the response.

Questions 1-8 below are grouped by project cost category, please answer each question with a response that is specific to that cost category. Please provide answers based on current practices for the State over the previous year. (i.e. June 2025 - June 2026)

Written response questions are later in the survey below question 8b, you can provide additional context and explanations there.

Note: Please respond based on typical conditions and exclude one-time or unusual circumstances unless specifically noted.

State DOT labor force account (i.e. labor directly attributable to FHWA projects):**Question 1a**

Describe your payroll cycle for your State DOT Labor:

If payroll cycles are used to bill labor costs to FHWA, please input the number of days in the payroll cycle (e.g. weekly = 7, 15 = bi-weekly, monthly = 30)

OR

If other time keeping means are used to track labor costs for billing FHWA, please input the frequency in days that this information is generated.

Question 1b

On average, how many days after the end of a payroll cycle are labor costs billed to FHWA?

Example: If a payroll period is bi-weekly and runs between August 16 and 30th, you would input 14 for question 1a. If you then bill FHWA on September 5th, you would input 6 for question 1b. Therefore, it would take, in this example, 20 days to bill FHWA for payroll costs incurred on August 16th.

Federal Highway Administration (FHWA)**Federal-Aid Highway Program (FAHP) Trust Fund Grant Accrual Liability Survey 2026****Payments for Right-of-Way acquisition:****Question 2**

How many days from the acquisition of ROW does it take, on average, to bill FHWA for those costs? Base your answer on a typical ROW acquisition, understanding that these do vary from project to project.

Note: ROW acquisition costs are incurred when a signed agreement transfers the rights to a local or state government and obligates the acquiring entity to make a payment.

Reimbursements of Contractor Labor and Material Charges: For State-managed projects only (i.e. exclude locally administered projects, which will be reported in Question 5 and 6).**Question 3**

How many days does it take for a contractor's incurred costs to be billed to the state (i.e. how many days occur, on average, from when a contractor incurs a cost to when the state either receives an invoice from the contractor, or when an approved engineering estimate is accepted by the state for payment)?

Question 4

How many days, on average, from receiving either contractor invoices, or an approved engineering estimate, does it take to bill FHWA?

Note: Accrual for the FHWA federally eligible reimbursable costs incurred but not reported as of any quarter end include all costs incurred by contractors or sub contractors and accepted by the grantee's engineers, as well as invoices submitted by contractors to the grantee (State DOT).

Locally Administered Projects:**Question 5**

How many days, on average, occur between when a local government incurs project costs and when they bill the State?

Question 6

How many days, on average, from receiving a local government billing does it take to bill FHWA for that billing?

Example: A local government contracts out construction of a road. The contractor of the local government performs services for the period of July 1st through July 30th (average service period date of July 15th) and bills the local government on August 15th. The local government then pays the contractor and bills the State on August 28th. The State pays the local government and bills FHWA on September 5th. In this example, we would count the days from the average service period date to the date the State receives a bill (August 28th) which results in 44 days. In this example, 44 would be the response to questions 5. Then we would take the number of days between the State receiving the bill (August 28th) and the date the State bills FHWA (September 5th) or 8 days. In this example, 8 would be the response to question number 6. Therefore, the total average time that it takes from a cost incurred for a locally administered project to the time FHWA is billed would be 52 days for this example.

Federal Highway Administration (FHWA)**Federal-Aid Highway Program (FAHP) Trust Fund Grant Accrual Liability Survey 2026****Other Cost Categories:****Question 7**

Are there any other significant category where funds are being expended?

- a. Either indicate **none** or **list your expense category(ies)**
- b. How many days, on average, does it take from the time a cost is incurred to the time you bill FHWA for these costs?

Question 8

Once you create an invoice in the FHWA Current Bill for FHWA payment, how many days, on average, does it take to receive FHWA payment?

Question 8b

Please complete the 'Percentage of Spending' column in the table below with expected Federal-Aid Highway Program expenditures by expenditure category expected in the federal fiscal year. **Ensure the total at the bottom is 100% and has no decimal.**

Do not edit the fields in Column C, the 'processing time in days' column will automatically populate based on your responses to the questions above.

Expenditure Category	Percentage of Spending	Time in days from incurring costs to receiving payment from FHWA**
State DOT labor force account (labor directly attributable to FHWA projects)		0
Payments for Right-of-Way acquisition		0
Reimbursements of contractor labor and material charges		0
Locally Administered Projects***		0
Any other significant category where funds are being expended? Please list category:		0
Total*	0%	

* - The total should equal 100%; and the total processing time is computed by weighting each given expenditure category by the percentage of the total cost it will represent, on average, in a combined billing to FHWA.

** - **Do not enter numbers into this column.** The time in days from incurring costs to receiving payment from FHWA will be automatically calculated based on your answers to the previous questions. Please note that question 8 intends to compute the number of days, on average, from when a bill is uploaded to FHWA and when that bill is paid by FHWA. This amount is automatically added to each cost category in the table above.

***- Exclude "swaps" from the calculation of Percentage of Spending for Locally Administered Programs. "Swaps" are defined as local projects for which federal funds were at one time approved and funding provided within a given fiscal year. But prior to execution of the local program the state swapped state transportation funds for federal-aid highway funds thereby rendering the projects subject to applicable state and local, rather than federal requirements. Consequently, there should be no billings to FHWA included for "swapped" locally administered projects.

Federal Highway Administration (FHWA)**Federal-Aid Highway Program (FAHP) Trust Fund Grant Accrual Liability Survey 2026****Other Informational Questions:**

Please provide written responses to these additional questions. It is acceptable to also submit supplemental documents when you submit this survey, particularly if they can provide additional examples or context for your responses to questions 9-15.

Question 9a

With respect to your payment requests from FHWA, are reimbursement requests made for the entire balance of costs eligible for reimbursement at that time, or for some subset of those costs? If reimbursements are for a subset of costs, what is your rationale for billing for a subset of these requests? (e.g. thresholds, timing cycles, resource constraints)

Question 9b

What factors affect the number of payments you request on a monthly basis? (Ex. formal policy or statutory requirement, cash management strategy, operational capacity, other?)

Question 10a

Does your state have outstanding GARVEE bonds? If YES, proceed to Question 10b.

Question 10b

Provide a listing of your outstanding GARVEE bonds with the following information for each bond: (1) Approved project number(s) associated with each bond, (2) Principal amount, (3) Periodicity of payments (e.g. Monthly, Quarterly, Semi-annual, Annual), (4) Due date(s) for periodic payment(s), omit year, (5) Payment amount at due date, and (6) Expected date for expiration of the bond.

Question 11a

Have there been any system changes, software updates, staffing changes or process changes since you last answered this survey that may have impacted invoicing to FHWA? Please explain in detail or provide documentation to explain the changes.

Question 11b

Over the past three fiscal quarters, has the timing of your FHWA billing process been generally stable, moderately variable, or highly variable? Please describe the primary drivers of variability.

Question 12a

Does the State experience periods of accelerated reimbursement activity? (E.g. spikes in disbursements, higher than usual volume of requests)

Question 12b

For the current fiscal year, has the State experienced any changes in billing practices or timing compared to prior years? If so, please describe the changes and their causes to the best of your ability.

Federal Highway Administration (FHWA)**Federal-Aid Highway Program (FAHP) Trust Fund Grant Accrual Liability Survey 2026****Question 13a**

Please describe the State's overall approach to Advanced Construction.

How would you characterize the timing of AC conversions to reimbursable status?

Would you say they are primarily event driven (i.e. driven by obligation authority availability, project milestones?), Periodic (i.e. annually, semi-annually, quarterly), or Ad-Hoc?

Question 13b

When does the State typically convert Advanced Construction to Federal-aid funding? (E.g. Primarily in the 1st quarter (Oct-Dec), 2nd quarter (Jan-Mar), 3rd quarter (Apr-Jun), 4th quarter (Jul-Sep), or Evenly throughout the year)

Question 13c

For the most recent fiscal year, approximately what percentage of your total AC conversions occurred during the primary quarter identified in 13b?

Question 13d

When Advanced Construction is converted to federal-aid, how long does it take for the State to typically begin requesting reimbursement? (E.g. Immediately, 1-3 months, 3-6 months, 6-12 months, more than 12 months, or not currently tracked)

Question 13e

How are reimbursements for AC conversions typically requested? (E.g. Lump sum, gradually over multiple months, based on project milestones, or some other way)

Question 14a

Has your State received additional obligational authority through the August Redistribution process in recent fiscal years? If yes, is it occasional or do you receive it most years?

Question 14b

When your State receives obligational authority through August Redistribution, how is it typically used? (i.e. accelerate existing authorized projects, increase federal share of existing projects, convert advance construction to reimbursable status, authorize new projects at the tail end of a fiscal year)

Question 14c

How does the State typically use additional Obligation Limitation available through August Redistribution? (E.g. it is used to determine timing of obligations or reimbursement patterns)

Federal Highway Administration (FHWA)**Federal-Aid Highway Program (FAHP) Trust Fund Grant Accrual Liability Survey 2026****Question 14d**

After receiving additional Obligation Limitation from August Redistribution, how long on average does it take the State to submit reimbursement requests for related expenditures?
(E.g. 0-15 days before end of federal fiscal year, 15-30 days before end of federal fiscal year, or by COB on final day of fiscal year (September 30))

Question 15

Are there any other factors that influence what a grantee's accrual should be at any point in time, beyond those factors already discussed?

States selected

AR
CA
CO
CT
HI
MS
NC
OH
OK
OR
PA
TN
UT
VA
WA