

Local Entity Payment Checklist

This checklist is to assist the local entities in preparation of their billing packets to CDOT. All items may not apply to your particular entity. Our goal is to reimburse local entities as quickly as possible, and a well-organized and complete billing packet helps to expedite payment.

Invoice from local entity

- ✓ Project and Project Code
- ✓ Project Location
- ✓ Invoice number and billing date
- ✓ Previous Billed, Current Billing, and Billed to date
- ✓ Local Agency Costs
- ✓ Consultant or Sub-grantee costs
- ✓ Federal, state or grant portion
- ✓ Match portion
- ✓ Net payment due
- ✓ Signature of local entity representative

Copies of invoices from local agency contractors

- ✓ The specific document the contractor used to invoice the local agencies. The local agency is responsible for ensuring that the backup matches the invoice and is eligible for reimbursement.
- ✓ If the local agency pays the contractor a discounted amount, the full amount cannot be reimbursed to the local agency, only the discounted amount, less the local agency match.
- ✓ Please ensure all payment vouchers from the local agencies state “ok to pay” or some notation of when paid or approved by, etc.
- ✓ Invoice(s) should match payment amounts.
- ✓ A CDOT employee knowledgeable about the work being invoiced has to approve the local agency invoices in order for CDOT to make payments; the invoice must be paid within 45 days of receipt according to state statute.
- ✓ Statements are not acceptable in lieu of an invoice.

Copies of checks

- ✓ All of the following are acceptable - copies of cancelled checks, check registers, approved accounting system generated expenditure ledgers showing check number or Electronic Funds Transfer (EFT) and date paid.
- ✓ CDOT needs to ensure that expenditures incurred by the local agencies have been paid by the local agency to their contractors, ***before*** CDOT is invoiced by the local agency.
- ✓ It is against federal rules to bill CDOT before local agency contractors are paid.

Expenditure ledger – An expenditure ledger needs to be submitted of the local agency’s financial accounting system displaying the accounting coding of all incurred expenditures that are eligible for reimbursement.

- ✓ CFR 49 part 18 Section 18.20 Standards for financial management systems requires the local agencies to have approved accounting systems so this should not be difficult to generate by project. The expenditure report is a good summary page if there is substantial documentation.
- ✓ If the local agency has copies of the invoice(s) and cancelled check(s) you do not need the expenditure ledger also, but the invoices must be marked as approved for payment.
- ✓ If the approved accounting system expenditure report is provided, this shows all of the expenditures so there is no question of whether these were paid. Excel spreadsheets are not approved expenditure reports except in a few programs.
- Time sheets** are required for all employees working on projects with a breakdown of hours worked by day displaying all projects worked for the day, week, month, or time collection period. The time sheet must also be signed or approved either in ink or electronically.
 - ✓ Backup documentation for payroll expenses includes the time sheet and an hourly or salary rate or a payroll ledger indicating hours, wages, and benefits. The rate only needs to be submitted once and will be referred to for future invoices.
 - ✓ If there is sensitive information such as social security number or addresses, please redact that information.
 - ✓ If the local agency uses a temp agency and submits the invoice from the temp agency for reimbursement, CDOT needs the same documentation the agency would use for approval before the local agency paid the temp agency.
 - ✓ If the local agency used a quarterly or semester-based system of timekeeping, the local agency cannot bill monthly for payroll expenses (this is especially true for colleges and universities). The local agency needs the backup from the timekeeping system and payroll records which would allow the local agency to bill quarterly or by semester.
- In kind matches** – If an entity wishes to use in-kind match, it must be approved by CDOT and the federal awarding agency prior to any work taking place.
 - ✓ If an in kind match is being used for the local match; please attach a copy of the approval of in kind match, showing the approved amount and type of match.
 - ✓ Expenditure ledger from local agency must also show the in-kind match in their general ledger. CDOT needs a copy of this general ledger showing the in-kind match.
 - ✓ If the local agency is using in-kind match on invoices to CDOT, attach a drawdown page indicating how much of the in-kind match has been used.
- Indirect costs**
 - ✓ If indirect costs are being requested, please submit a Federal/CDOT approved indirect letter. The letter must also state what indirect costs are allowed and at what percentage. The indirect letter only needs to be submitted once and will be retained on file for future invoices.
 - ✓ If indirect costs are requested for reimbursement, a copy of the general ledger showing all direct costs and backup documentation for those costs. Example - payroll charges and benefits – need general ledger showing the payroll costs and benefit costs instead of time sheets for the employees or a copy of the payroll journal.
- Fringe Benefits**
 - ✓ If fringe benefits are being requested, please submit a Federal/CDOT approved fringe benefit approval letter on federally funded projects.