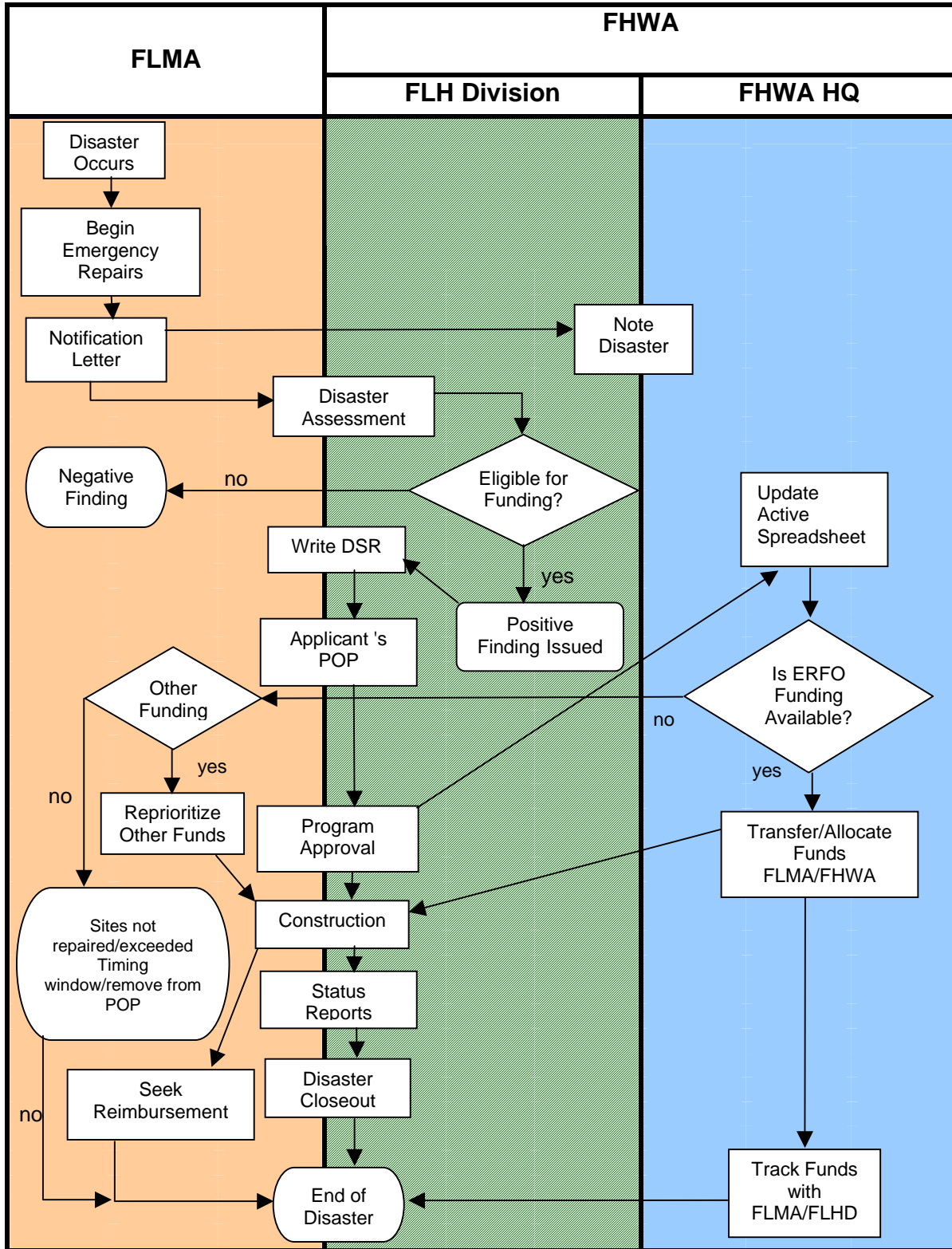


Chapter 2 The Process

2.1 Process Flow Chart



2.2 Damage Occurs - It is the applicant's responsibility to assess damage to their roads and bridges. When it is the applicant's opinion that Federal roads have suffered serious damage by a natural disaster over a wide area or by catastrophic failure, they must immediately notify the Federal Lands Highway Division Engineer of the damage and of their intent to apply for ERFO funds.

Special Note: Photographs of the damage must be taken prior to beginning any emergency repairs to document eligibility or the repairs will become ineligible.

- (a) **Informal Notice of Intent** shall be immediately initiated by the applicant via telephone or email to the Federal Lands Highway Division ERFO Coordinator.
- (b) **Formal Notice of Intent Letter** shall be written by the applicant and submitted to the Federal Lands Highway Division Engineer within (2) weeks following the disaster or catastrophic failure. See Appendix C.1 for a sample letter and C.1.1 for letter instructions.

Special Note: The applicant may request Quick Release of ERFO funds for emergency repairs prior to the approval of ERFO Program of Projects. These funds are only to be used by Agencies to make emergency repairs to re-establish its vital transportation system(s) after a catastrophic failure or major natural disaster. A request for Quick Release shall be reviewed by the Federal Lands Highway Division on a case-by-case basis. See Sections 3.4 and Appendix C.6.

- (c) **Acknowledgment Letter** - The Federal Lands Highway Division Engineer shall respond within one (1) week of receipt of the applicant's formal Notice of Intent letter with an Acknowledgment Letter. See Appendix C.2.

2.3 Disaster Assessment - The ERFO Coordinators for the Federal Lands Highway Division and the applicant must plan and conduct an assessment of the disaster damage and prepare a Disaster Assessment Report. The Disaster Assessment Report shall document the cause and extent of the damage and provides a recommendation to the Federal Lands Highway Division Engineer for either a positive or negative finding. If a Presidential Disaster Declaration has been issued for a disaster, the Federal Lands Highway Division Engineer may waive or limit the disaster assessment efforts.

Special Note: Two Disasters Treated as One - Disasters can occur so closely in time that the damage to roads and bridges is difficult or impossible to evaluate and tabulate as two (2) separate events. In these cases, the applicant should request in a letter to the Federal Lands Highway Division Engineer that the two (2) disasters be recognized as a single event. Treating two disasters as one may simplify the processing of the repair and reconstruction projects by having a

single ERFO finding resulting from the two disasters. This may not be desirable if one or both of the disasters potentially are subject to the \$100,000,000 cap per disaster per State. The supporting data must prove that facilities have suffered severe damage in both disasters and such damage is of sufficient severity to justify ERFO assistance.

(a) Form a Disaster Assessment Team - The ERFO Coordinators for the Federal Lands Highway Division and applicant work together to form a Disaster Assessment Team and develop a plan to perform the Disaster Assessment. The applicant is responsible for the following:

- (1) Prior to the field assessment, identifying the location of most of the damage sites to expedite the disaster assessment.
- (2) Current bridge inspection reports for potential bridge damage.
- (3) Providing maps of the road system and identifying eligible roads.
- (4) Obtaining details of the cause of the failure, responsible parties, and impact of the damage for catastrophic failures.
- (5) Gathering available pertinent data on the cause and extent of the damage such as:
 - (i) Rainfall.
 - (ii) Runoff data.
 - (iii) Dates of disaster occurrence.
 - (iv) Parties who may be responsible.
 - (v) Impact of the damage sites and/or facilities.
 - (vi) Information regarding the damage.
 - (vii) Provide general maps of the damaged area.
 - (viii) Obtain photographs of specific damage in each area.

(b) Field Assessment - The Disaster Assessment Team will:

- (1) Review representative damage in each area cited by the applicant in the Notice of Intent Letter to determine the extent, type, cost, impact and eligibility of the damage.

- (2) Develop a preliminary estimate of how much it will cost to repair damaged sites and/or facilities to their pre-disaster conditions.
- (c) **Disaster Assessment Report.** The Federal Lands Highway ERFO Coordinator will prepare the Disaster Assessment Report for submission to the Federal Lands Highway Division Engineer. The report must either support or dispute whether the natural disaster or catastrophic failure is eligible for ERFO funding and provide a recommendation of either a positive or negative finding. See Appendix C.3
- (d) **Submit the Disaster Assessment Report** to the Federal Lands Highway Division Engineer as soon as possible (normally within two (2) weeks of the date the assessment is completed). The Report shall include the following elements:
- (1) The intensity of the natural disaster or catastrophic failure.
 - (i) The severity of the event. In the case of flooding, the report shall include available information regarding high water elevations, stream-gage data, and rain-gage data. This information is not required if a Major Disaster Declaration by the President is issued.
 - (ii) The nature, cause, and seriousness if it is a catastrophic failure. Explain if the failure was caused by gradual and progressive deterioration or the lack of maintenance. If appropriate, give the names of parties that may have contributed to the failure. Also state if insurance, cost share, or other compensation will pay for any of the repairs.
 - (2) Dates of the occurrence.
 - (3) Extent of the affected area, including areas outside the lands administered by Federal agencies.
 - (4) Description of the damage to Federal roads and other roads (Federal-Aid highways, State, county and city).
 - (5) Copies of emergency relief reports and newspaper articles, as available.
 - (6) Copies of Presidential Disaster Declarations and/or Governor Proclamations.
 - (7) Approximate cost of repairs or reconstruction of the damage.

- (8) Photographs of typical damage and appropriate maps showing the location of each area and extent of damage.
- (9) Copies of ERFO coordinators trip reports.
- (10) A discussion of the impact of the subject damage. For example, a destroyed bridge with limited traffic has little impact, but a bridge serving as the principal access to homes, large tracts of land, or carrying large amounts of traffic will have a significant impact.
- (11) A concluding statement indicating that a natural disaster has (or has not) caused serious and widespread damage to Federally owned roads or a catastrophic failure has (or has not) occurred resulting in serious damage to Federally owned roads. Include a specific recommendation for a finding. If a Positive Finding is recommended, include a discussion to support the Positive Finding for disasters that do not meet the \$700,000 threshold.

2.4 Disaster Finding. The Federal Lands Highway Division Engineer will make a Disaster Finding determination not later than two (2) weeks after receipt of the Disaster Assessment Report.

- (a) **Positive Finding** will be issued by letter from the Federal Lands Highway Division Engineer to the applicant committing ERFO funds to repair eligible damage subject to availability. The positive finding letter will establish the disaster number. See Appendix C.4.
- (b) **Negative Finding Determination.** The Federal Lands Highway Division Engineer must advise the applicant by letter when the damage is not eligible for the ERFO program. See Appendix C.5.

Special Note: Eligibility questions that cannot be resolved by the Federal Lands Highway Division and the applicant may be appealed through the Division of The Office of Federal Lands Highway Associate Administrator with copies to the Director, Office of Program Development and the ERFO Program Manager. The appeal should be submitted within two (2) weeks of the receipt of the Negative Finding.

2.5 Damage Survey Report (DSR) - After the Federal Lands Highway Division Engineer determines that an eligible natural disaster or catastrophic failure occurred, Damage Survey Reports must be prepared and submitted for approval.

Special Note: For some disasters, the Damage Survey Report(s) may be prepared while making the disaster assessment.

- (a) **Develop a Plan.** The Federal Lands Highway Division ERFO Coordinator will develop a plan that discusses joint briefing meetings and Damage Site Survey Team organization.
- (b) **Assemble Damage Survey Team.** The team will consist of applicant and Federal Lands Highway Division personnel. In a case where the Federal Lands Highway Division is unable to provide team personnel, the applicant personnel will be authorized to perform the Damage Site Survey. See Section 2.5(e) for alternative procedures for conduction and preparing the Damage Survey Report.
- (c) **Conduct Damage Site Survey.** Appendix C.8 contains a list of recommended equipment to be used by the Damage Survey Team.

Special Note: The applicant must provide two area maps showing each damage site, properly numbered, corresponding to the Damage Survey Report Number (see Appendix C.9.1 and C.9.2). Upon completion of site inspections, one map shall be furnished to the applicant and the other to the Federal Lands Highway Division to accompany copies of completed Damage Survey Reports.

- (d) **Prepare Damage Survey Report.**
 - (1) The Damage Survey Team shall make a detailed inspection of each damage site and prepare a Damage Survey Report.
 - (2) The Damage Survey Report shall describe the extent and cause of the damage, propose a repair, and estimate the cost of the repair. The Damage Survey Team members shall sign the report. The Federal Lands Highway team member shall indicate if they think the site is eligible or ineligible. For detailed instructions in completing Damage Survey Reports see Appendix C.9. The team shall gather the following data:
 - (i) The extent and nature of the damage.
 - (ii) Emergency repairs completed or those necessary.
 - (iii) Permanent repairs necessary to restore the site to its original condition.
 - (iv) Justification for betterments, if proposed.
 - (v) Cost estimates for eligible activities.
 - (vi) Repair options if applicable.

- (3) The Damage Survey Report must contain the following:
 - (i) An assigned number. (See Appendix A, DSR Number)
 - (ii) List of emergency repairs already completed at the time of the detailed site inspection.
 - (iii) Any additional emergency repairs.
 - (iv) Description of permanent repairs that were not accomplished as emergency repairs.
 - (v) High quality color photographs for each site properly numbered and referenced to a particular damage site and ultimately to a Damage Survey Report.
 - (vi) Sketch of damage and proposed repairs.
- (4) The applicant must submit the original Damage Survey Report to the Federal Lands Highway Division Engineer for approval.
- (5) Combining Sites. It may be appropriate to prepare a single Damage Survey Report for a road or a segment of road. The team will identify each site by mile post and prepare a cost estimate complete with recommended repairs and pictures for each site. The Damage Survey Report form will represent a summary of the costs to repair the damage sites along the total length of road. Sites may not be combined to meet the \$5,000 threshold. Sites such as bridge replacements and major landslides shall have a separate Damage Survey Report.
- (e) **Alternate Procedures for Conducting Site and Preparing the Damage Survey Report.** Because of Federal Lands Highway Division personnel shortages, the Federal Lands Highway Division ERFO Coordinator may use this alternate procedure to conduct the detailed site inspections. At a minimum, such alternate procedures will provide that:
 - (1) Applicant personnel will conduct the detailed site inspections and prepare the Damage Survey Reports.
 - (2) Federal Lands Highway Division personnel will review all Damage Survey Reports and may conduct field reviews of selected sites to determine the accuracy of the damage description, eligibility of the proposed repair, and suitability of the repair cost estimate.

- (3) Based on the results of these reviews, the applicant will make appropriate changes to the Damage Survey Report as deemed necessary by the Federal Lands Highway Division ERFO Coordinator.
- (f) **Amended Damage Survey Reports** must be completed when the following applies:
 - (1) The applicant wants to revise the scope of approved repairs. Examples of scope revisions that require amended Damage Survey Reports include:
 - (i) Adding or deleting betterments.
 - (ii) Revising the roadway cross-sections.
 - (iii) Extending the repair limit.
 - (iv) Abandoning the road.
 - (2) The cost variance (estimated to actual) is more than \$20,000 for Damage Survey Reports less than \$100,000.
 - (3) The cost variance (estimated to actual) is more than 20 percent for Damage Survey Reports over \$100,000.
 - (4) When multiple sites have been combined into a single Damage Survey Report, and if the area is inaccessible because of weather, snow or flooding, and requires deferring repair work on some sections of the damage route, the repair of the deferred sections shall be separated from the projects that can be repaired promptly. Revised Damage Survey Reports shall be prepared and submitted.

2.6 Program of Projects (POP) Proposed by the Applicant must be submitted to the Federal Lands Highway Division Engineer within ninety (90) days after receipt of the Positive Finding letter unless an extension is granted in writing by the Federal Lands Highway Division Engineer. The submittal must contain the following:

- (a) **Program of Projects Letter** transmitting the completed Damage Survey Reports and the Program of Project Table, and requesting ERFO funds be made available for the repair of damaged sites. See Appendix C.10.
- (b) **Program of Projects Table** is a list of all the Damage Survey Reports submitted for approval. See Appendix C.11.

2.7 Program of Projects Approval Letter establishes the maximum amount of funds that will be made available, subject to availability, for the repair of eligible damage. The approved Program of Projects shall be completed within thirty (30) calendar days of receipt of the applicant's Program of Projects. See Appendix C.12. In this letter, the Federal Lands Highway Division Engineer shall:

- (a) **Identify Projects** in the applicant's proposed programs that are approved, including any required changes.
- (b) **Identify Future Project Approvals** required by the Federal Lands Highway Division Engineer such as plans, specifications, and estimates; concurrence in award; rejection of bids, and project acceptance. Project selection will be based on project complexity, cost and past performance and may include randomly selected projects.
- (c) **Identify Work the Federal Lands Highway Division Agrees to Perform.**
- (d) **Provide Approval of the Use of Force Account** when it is determined that it is in the best interest of the public.
- (e) **Cap the approved program amount** for Forest Service and Bureau of Land Management Roads during periods of funding shortage. Repair of maintenance level 2 administrative roads will not be included in the approved program of projects unless justified on a case by case basis.

2.8 Revisions to the Program of Projects - If the total estimated cost of a disaster exceeds the amount of the approved Program of Projects by more than ten (10) percent, a revised Program of Projects must be submitted to the Federal Lands Highway Division Engineer for approval as soon as possible. The agency responsible for submitting the revised Program of Projects varies as follows:

- (a) **Applicant** - When the applicant is the lead agency for the repair of a project, the applicant must request a revision to the Program of Projects, at the earliest possible opportunity, to ensure that funds are available in accordance with Federal law, for approval by the Federal Lands Highway Division Engineer.
- (b) **Federal Lands Highway Division** - When the Federal Lands Highway Division is the lead agency for the repair of a project, the Federal Lands Highway Division Engineer will revise the Program of Projects and notify the applicant of any changes to the approved Program of Projects.
- (c) **Programming Delayed Work** - If an area is inaccessible because of weather, snow, or flooding, and requires deferring repair work on some

sections of damaged routes, the repair of the deferred sections shall be programmed as separate projects. If necessary Damage Survey Reports shall be prepared and submitted for projects that can be promptly started and completed.

(d) **Revised Damage Survey Reports** that propose an increase or decrease to the estimated cost of repair must be approved by the Federal Lands Highway Division Engineer and the Program of Projects must be revised as follows:

- (1) When the applicant is the lead agency for the repair of a projects, the applicant must request a revision to the Program of Projects, at the earliest possible opportunity, to ensure that funds are available in accordance with Federal law, for approval by the Federal Lands Highway Division Engineer.
- (2) When the Federal Lands Highway Division is the lead agency for the repair of a project, the Federal Lands Highway Division Engineer will revise the Program of Projects, notify the applicant of any changes and obtain concurrence to the approved Program of Projects.

2.9 Request Federal Lands Highway Division to Perform Work. All requests for the Federal Lands Highway Divisions to perform work on ERFO projects in addition to those requested at the time of program approval must be made in writing by the applicant to the Federal Lands Highway Division Engineer. The Federal Lands Highway Division Engineer shall inform the applicant by letter within thirty (30) calendar days, of the work that the Federal Lands Highway Division agrees to perform. When the Federal Lands Highway Division performs work for ERFO repairs, ERFO funds are allocated directly to the appropriate Federal Lands Highway Division.

2.10 Fund Availability - Even though the funding level is approved in the Federal Lands Highway Division Engineer's Program of Projects Approval Letter, ERFO funds may or may not be available. If ERFO funds are not available, the applicant is expected to use other funds to cover the cost of the approved repairs.

2.11 Preparation of Construction/Project Documents - Construction documents (plans, specifications, and estimates) may be prepared by either the applicant or by the Federal Lands Highway Division. All Federal Lands Highway Division Projects shall incorporate "ERFO" in the project number, regardless of any other funding source used.

(a) **Environmental Compliance** - The lead agency must comply with all Federal, State, and local environmental laws and permit requirements

dealing with issues such as wetlands, resource conservation, clean water, endangered species, farmland, and cultural resources.

- (1) Emergency Repairs: Regardless of which agency administers the project, emergency repairs are categorically excluded from requirements to prepare an Environmental Assessment or Environmental Impact Statement. See Federal Highway Administration's implementing regulations for the National Environmental Policy Act, specifically, 23 Code of Federal Regulations, 771.117(c)(9), emergency repairs under the ERFO program.
 - (2) Permanent Repairs: The National Environmental Policy Act compliance (Categorical Exclusions, Environmental Assessment, or Environmental Impact Statements, and Record of Decision) is the responsibility of the lead agency administering the project.
 - (3) When the applicant prepares an Environmental Assessment or Environmental Impact Statement for Federal Lands Highway administered projects, the applicant shall request the Federal Lands Highway Division's participation as a cooperating agency. This request shall be addressed to the Federal Lands Highway Division Engineer.
 - (4) When the Federal Lands Highway Division administers an ERFO project that includes environmental compliance responsibilities, Title 23, Code of Federal Regulations 771 will be the basis of the environmental process. The Federal Lands Highway Project Development and Design Manual would provide additional environmental guidance. The applicant normally would participate as a cooperating agency at the Federal Lands Highway Division's request.
- (b) **Repairs not eligible for ERFO Funding.** If ineligible repairs are added to an ERFO project the Applicant must complete the following:
- (1) Inform the Federal Lands Highway Division Engineer of the funding source, in writing, prior to project completion. Failure to notify the Division Engineer may jeopardize ERFO funding.
 - (2) Ensure that separate accounts are established.
 - (3) Charge repairs not eligible for ERFO funding to non-ERFO accounts.

- (c) **Simplified Plans, Specifications, and Estimates Procedures** - The Federal Lands Highway Division Engineer or applicant may prepare abbreviated plans and simplified project procedures that may expedite ERFO repairs.

2.12 Construction Timing - ERFO projects by their very nature must be constructed promptly.

(a) Emergency Repairs:

- (1) Since it is in the public interest for emergency repairs to be performed as soon as possible, such repairs may be started without prior approval from the Federal Lands Highway Division Engineer and shall be completed within 60 days after accessibility to the site.

Special Note: Photographs of the damage must be taken prior to beginning any emergency repairs to document eligibility.

- (2) The method of contracting to be use may be determined by the applicant.

(b) Permanent Repairs:

- (1) Force Account projects must be completed by the end of the second fiscal year following the fiscal year in which the disaster or catastrophic failure occurred.
- (2) Contracted projects must be awarded by the end of the second fiscal year following the fiscal year in which the disaster occurred. This requirement provides the applicant with between 25 and 36 months to award the construction contract for permanent repair project and to begin construction.

- (c) **Time Extensions** - Projects not under contract for permanent repair by the end of the second fiscal year following the fiscal year of the disaster shall be withdrawn from the Program of Projects and considered non-emergency permanent repairs, unless the Federal Lands Highway Division Engineer approves a time extension. If the damage persists with no correction for an extended period of time, it will eventually become unreasonable to continue to classify it as a disaster-related emergency regardless of the reason for the delay.

- (1) The applicant is responsible for submitting suitable justification for time extension to the Federal Lands Highway Division Engineer

for approval at least sixty (60) days prior to the end of the second fiscal year following the year of the disaster. See Appendix C.16.

(2) The Federal Lands Highway Division Engineer may grant a time extension (see Appendix C.17) if the applicant advanced the project on a priority basis, if the project will likely be under contract before the end of the time extension, and if one of the following conditions exists:

(i) A new disaster enlarges eligible sites or prevents access to the site.

(ii) Repairs are delayed due to ongoing litigation.

(iii) Significant environmental or public involvement delay the project.

(3) Time extensions shall **NOT** be granted for the following reasons:

(i) Lack of available ERFO or agency funds

(ii) Delays caused by the applicant's force account crews.

(4) When time extensions are granted, the applicant is responsible for submitting time extension requests at least sixty (60) days prior to the end of each fiscal year thereafter, until the project is under construction.

(d) **Completion of Permanent Repairs** and closeout that exceeds a period of 4 years from the date of the occurrence shall be justified in writing to the Federal Lands Highway Division Engineer.

2.13 Reports - The applicant must submit two reports each year for each ERFO disaster.

(a) **Disaster Repair Status/Closeout Report** must be completed by the applicant and sent to the Federal Lands Highway Division Office by December 31 of each year. See Appendix C.20.

(b) **Annual ERFO Funds Request** serves as a statement of upcoming needs for the next fiscal year and must be submitted to the Federal Lands Highway ERFO Program Manager by September 15th. See Appendix C.18.

2.14 Closeout - The Federal Highway Administration expects that all ERFO projects will be completed by the end of the fourth year following the year of the disaster. The Federal Lands Highway Division Engineer will begin closing out projects at the end of the fourth year following the year of the disaster. If all projects are not complete, a partial closeout of the disaster may be conducted.

- (a) **Disaster Repair Status/Closeout Report** - This report serves as the applicant's annual Status Report and final Closeout Report. When all projects have a date listed under the final column (Date Closed), the report is the applicant's final Closeout Report. At final closeout the report must identify the actual costs of repair for each Damage Survey Report. Individual sites that are combined into a single construction contract may be reported together. Force Account work may be reported on a road-by-road basis. Combining costs from multiple Damage Survey Reports, other than as stated above, is not permitted. See Appendix C.20.
- (b) **Partial Closeout** - At the request of the Federal Lands Highway Division Engineer or the applicant, partial closeout of completed site repairs for the disaster may be initiated prior to completion of other site repairs. The partial closeout may include a review of ongoing construction projects as well as completed projects.
- (c) **Federal Lands Highway Division Review** - The Federal Lands Highway Division Engineer will review the Disaster Repairs Status/Closeout Report for consistency with the approved Program of Projects and conduct follow-up field reviews as needed. Individual Damage Survey Reports will be selected based on the following:
 - (1) Actual costs greater or less than 20% of the approved Program of Projects amount.
 - (2) High cost or technically complex projects.
 - (3) Force account projects.
 - (4) Representative of the majority of projects.
- (d) **Field Review Notification** - The applicant will be notified when projects are selected for an in-depth field review. For the selected projects, the applicant shall assemble contract documents and all financial records that support the costs submitted in the Closeout Report.
 - (1) Contract Documents including plans, specifications, permits, contract changes, contract payments, release of claims, and NEPA documentation.

- (2) Financial Records, such as payroll, travel, per diem, materials, supplies, equipment rental, and equipment hours, must be properly documented and made available for each selected Damage Survey Report.
- (e) **Field Review Agenda** - The applicant's performance in the administration of the ERFO Program will be reviewed and evaluated. The applicant should be prepared to answer the following questions:
- (1) General - What degree of support and oversight did the main (Regional/State) office exercise? Were projects given prompt attention and priority over non-emergency work?
 - (2) DSR Scope - Were projects built in agreement with the approved DSR's?
 - (3) Completion Time - Were the construction projects awarded by the second fiscal year following the year of the disaster? Were Force Account projects completed by the end of the second fiscal year following the disaster? Were time extensions requested and approved for delayed work?
 - (4) DSR Revisions - Were the DSR's revised when appropriate (e.g., 20% cost differential, change in scope)?
 - (5) NEPA - What type of NEPA documentation was prepared? What obstacles were encountered in completing the NEPA or biological assessments?
 - (6) Engineering - How was engineering handled (e.g. in-house, contract)? Were the design plans and specifications adequate? Did the plans and specifications have peer or program manager review for compliance with the approved DSR scope? Were reviews conducted by the Federal Lands Highway Division if noted in the Approved Program of Projects?
 - (7) Materials and Supplies - What kinds of materials and supplies were purchased? Were they eligible? Are all materials supported with adequate documentation? How were agency furnished materials accounted for?
 - (8) Repairs - How were the repairs handled, (e.g. in-house, contracts)? Were Permanent Repairs approved prior to construction? Were repairs consistent with the approved DSR's? If contract modifications occurred, are they adequately documented? Were there any salvaged items or materials? How were they reused?

- (9) Accounting
- (i) Records - Is there adequate detail to determine if the charges are appropriate (e.g., location of work, who worked, time worked, and material placed or removed)? Are the agency submitted final costs supported by their financial records?
 - (ii) Non-eligible work - If projects included non-eligible work were ERFO and non-ERFO accounts set up? Were the accounts adjusted at project completion to reflect actual expenses?
 - (iii) Other funding sources - Are ERFO funds being used to replace other funding sources (e.g. repairs programmed prior to the disaster, damaged caused by legally responsible parties, share cost roads)?
 - (iv) Force account rates - Are the equipment rental rates reasonable and what schedule are the rates based on?
 - (v) Right-of-way acquisitions and litigation - What kind of documentation is available to track this kind of work?
- (f) **Federal Lands Highway Closeout Report** - The Federal Lands Highway Division Engineer will prepare a report summarizing the results of the office and/or field review. Adjustments to the applicant's Closeout Report will be made if non-eligible costs were submitted. If the results of the field review indicate that additional projects should be reviewed, the applicant will be notified and additional follow-up field reviews will be conducted as needed. The Federal Lands Highway Division Engineer will notify the applicant and the Federal Lands Highway ERFO Program Manager when the ERFO Disaster should be closed.
- (g) **Closeout Letter** - The Federal Lands Highway Division Engineer will summarize the results of the closeout review in the Closeout Letter, revise the amount of the approved Program of Projects, and request that the Federal Lands Highway ERFO Program Manager begin funding reconciliation with the applicant's headquarters. See Appendix C.21.
- (h) **Funds Reconciliation** - Based on the Federal Lands Highway Closeout Letter, the Federal Lands Highway ERFO Program Manager will reconcile funds with the applicant's headquarters.

- (1) Funds will either be transferred to or withdrawn from the applicant.
- (2) If ERFO funds are not available, the disaster will not be totally closed out until the funds become available and are transferred to the applicant.