

INSTRUCTIONAL MEMORANDUMS

To Local Public Agencies



To: Counties	Date: May 2, 2016
From: Local Systems Bureau	I.M. No. 2.140
Subject: Transfer of Farm-to-Market Funds to the Local Secondary Road Fund	

Contents: This Instructional Memorandum (I.M.) outlines the restrictions and procedures for a county to transfer Farm-to-Market (FM) funds to its Local Secondary Road Fund, as per Iowa Code Section [309.10](#).

Restrictions

- A proposed transfer amount cannot exceed the unobligated balance, or 50% of the county's estimated FM annual allocation, whichever is less.
- The county cannot have a temporary allocation (be "borrowed ahead") of FM funds under Iowa Code Section [310.27](#).
- The county's Secondary Road Program cannot propose total expenditures from its local fund for construction on the FM System in excess of the competitive bid threshold for Horizontal Infrastructure, as shown on the [Bid and Quote Thresholds for Iowa Cities and Counties web page](#).
- The county must have met the minimum transfer under the local effort provisions of the Iowa Code Section [312.2\(5\)](#) for the period covered by the last Annual Report.
- The transfer funds must be used for contract work involving the construction and reconstruction of local secondary roads, where the estimated cost is greater than the competitive bid threshold for Horizontal Infrastructure. Transfer funds shall not be used for day labor, engineering, right-of-way, and other non-construction costs on local secondary roads. For BROS projects, only the 20% local match is eligible for the FM transfer.
- The proposed transfer request may only be made annually in the originally approved Secondary Road Budget.
- The balance of the statewide FM Account must be sufficient to match Federal funds.

Procedures

If the restrictions above have been satisfied, the procedure to request an FM transfer is described below:

1. List the proposed transfer amount on line 6, sheet 2 of the proposed Secondary Road Budget. Note that omissions and/or errors of this amount cannot be corrected by an amended budget and there are no carryovers for this item. If a transfer project did not get started or completed in the same fiscal year, re-list the budgeted amount again the following year and have the same restrictions.
2. List the proposed transfer projects in the construction program and designate them according to the instructions for completing the construction program.
3. Prior to July 1 each year, the Iowa Department of Transportation's (Iowa DOT) Local Systems Bureau will notify you of approval, revision, or disapproval of the proposed transfer amount. DOT approval of the Budget shall be considered notification.
4. Transfer payments for eligible individual project costs can be requested through the Iowa DOT's Local Systems Field Engineer (LSFE) by either of the following ways:
 - a) After the project letting, the contract amount can be requested for a transfer payment; or
 - b) Upon project completion, all eligible costs can be sent to the appropriate LSFE for a transfer payment.
5. The total for all transfer requests cannot exceed the original budgeted amount.
6. After the Iowa DOT's LSFE reviews and approves the request, the voucher will be sent to the Iowa DOT's Finance Bureau for the transfer payment.