

Local Agencies that have indirect cost rate proposal awaiting approval by the Caltrans' Audits and Investigations should continue to submit invoices for eligible direct cost until the indirect cost rate proposal is approved.

In addition to the currently inactive local projects, a "Look Ahead Report" is also available on the website. The Look Ahead Report includes projects that will become inactive by the end of December 2006 and projects that will become inactive by the end of March 2007, if no expenditures are billed. This report provides an opportunity for Local Agencies to be proactive in preventing projects from becoming inactive and the potential loss of federal funds. Our goal is to prevent projects from becoming inactive and not have to depend on FHWA's approval to keep the project from being de-obligated.

Please contact your DLAEs if you have any questions regarding the quarterly review process.
Thanks.

Sincerely,



TERRY L. ABBOTT

Chief

Division of Local Assistance

- c: District Local Assistance Engineers
- Deputy District Directors for Local Assistance
- David Youmans
- Laura Quintana
- Denix Anbiah
- Barry Leaming
- Mary Payyappilly
- Yin-Ping Li