NHTSA
Regional Operations and Program Delivery
Grant Management and Oversight Guidance

Guidance	**Maintenance of Effort**
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Associate Administrator, Regional Operations and Program Delivery

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Citation:

PUBLIC LAW 112–141 (MAP-21) requires the State to maintain its aggregate expenditures from all State and local sources for programs at or above the average level of such expenditures in fiscal years 2010 and 2011 to qualify for highway safety funding under certain Section 405 grants; Occupant Protection Grants, State Traffic Information System Improvement Grants, and Impaired Driving Countermeasures Grants. As a condition of receiving grant funds, States will be required to certify in their Section 405 grant applications that they meet the applicable MOE requirements. *23 CFR 1200.21(d)(5); 23 CFR 1200.22(f), 23 CFR 1200.23(d)(2); Appendix D*

Guidance:

1. Calculating Maintenance of Effort

The State must calculate its aggregate expenditures from State and local sources (as defined below) for programs at or above the average level of such expenditures in fiscal years 2010 and 2011 in the relevant traffic safety area (i.e., occupant protection, traffic safety information system improvements and/or impaired driving countermeasures). The expenditures of these fiscal years are averaged to create an expenditure baseline that must be met by the State during each grant year. For example, if a State calculates that it has $100,000 in eligible expenditures for impaired driving in both fiscal years 2010 and 2011, then the State must certify and document that it will spend at least $100,000 in State funds in the current grant year to receive a Section 405 impaired driving countermeasure grant.

Highway safety activities that must be counted towards the MOE requirement include anything listed as an eligible use of grant funds under the MAP-21 occupant protection, state traffic safety information system improvements, and impaired driving countermeasures Grants.

In the MOE calculation, the State MUST include the following:

- Direct State expenditures, State expenditures through contract, or State expenditures as a result of providing grant(s) to a local subdivision of the State.
- **Under this guidance, NHTSA is making clear that the only expenditures for local sources to be included in MOE calculations are the amount of State grant funds provided to local subdivisions (and subsequently expended by those local subdivisions).**

- Related indirect expenditures such as office personnel, accounting or human resources personnel, office space, supplies, and utilities.
- State expenditures and local expenditures - including local funds used to meet State match requirements
- MAP-21 eligible expenditures
- Allowable costs compliant with 2 CFR Part 225* (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards) and NHTSA's Highway Safety Funding Guidance
- A consistent basis for comparison of expenditures must exist between the baseline period and the fiscal year of review.

In the MOE calculation, the State MUST NOT include the following:

- Other Federal awards
- Costs reimbursed with NHTSA grant funds
- Local funds, except for State grant funds provided to local subdivisions
- Expenditures that are not MAP-21 eligible

2. Certification

Under Section 405, each State must submit a certification in the NHTSA grant applications that the State will maintain its aggregate expenditures from all State and local sources for the applicable grant program.

This requires that a State must:

- Spend at least the same dollar amount in State and local costs for traffic safety (occupant protection, impaired driving countermeasures, traffic safety information improvements system grants) that it spent, on average in fiscal years 2010 and 2011; and,
- Document expenditures that were not funded with Federal grant dollars.

3. Documentation

The State must maintain auditable documentation to substantiate that it meets all MOE requirements under the grant program.
Documentation shall:

- Identify and describe sources used as a basis to determine the State expenditure level;
- Be reviewed annually;
- Be provided at an aggregate level for the Federal fiscal year;
- Be accurate, valid, and reliable to the best of the State agency's recordkeeping systems and knowledge; and,
- Be available for inspection.

**Note: 2 CFR Part 225 will be updated to 2 CFR Part 200 when new implementing regulations are issued.*

Note that, in addition to documenting State funding sources for MOE under Section 405 programs, States are required to identify sources of funds that contribute to the achievement of their program targets under Section 402. *23 CFR 1200.11 (c)(1)*

4. Waiver

A State may not reduce spending below the expenditure baseline for an applicable grant program; however, NHTSA has the authority to waive or modify this requirement for not more than one fiscal year for each grant program. NHTSA expects that waivers will be granted only under exceptional or uncontrollable circumstances. A request for a waiver must be submitted in writing by the Governor's Representative for Highway Safety to the Regional Administrator.