Goal: Getting Payments Right

Program or Activity	Reporting Period
Federal Highway Administration H..	Q3 2019

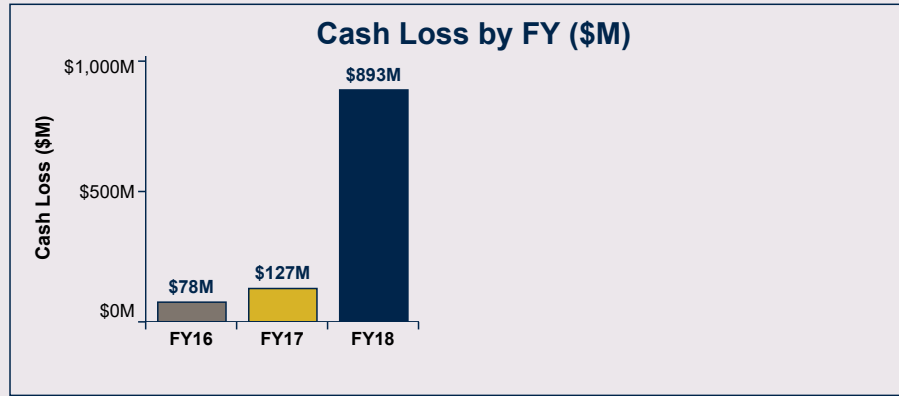| Change from Previous FY ($M)	$766M	⬆

DOT
Federal Highway Administration Highway Planning and Construction

Brief Program Description:
The Federal Highway Administration's (FHWA) Highway Planning and Construction program supports State and local governments in the design, construction, and maintenance of the Nation's highway system. The program includes emergency relief funds.

Cash Loss by FY ($M)

Key Milestones		Status	ECD
1	Finalize estimated cash loss estimation methodology	Completed	Oct-18
2	Identify estimated cash loss amount for FY 2018	Completed	Nov-18
3	Identify true root causes of cash loss	Completed	Nov-18
4	Develop mitigation strategies to get the payment right the first time	Completed	Jun-19
5	Evaluate the ROI of the mitigation strategy	Completed	Jun-19
6	Determine which strategies have the best ROI to prevent cash loss	Completed	Jun-19

Quarterly Progress Goals			Status	Notes	ECD
1	Q3 2019	Complete additional testing of payments to help identify risk areas and determine if risks are widespread.	On-Track	N/A	Nov-19

Recent Accomplishments		Date
1	Complete recovery actions for identified improper payments.	May-19
2	Refine sampling plan to include additional transaction testing.	May-19

FY18 Amt($)	Root Cause	Root Cause Description	Mitigation Strategy	Anticipated Impact of Mitigation
$893M	Administrative or process errors made by: state or local agency	FHWA grant recipients make administrative error when requesting cost reimbursement. The most frequent billing errors are requesting reimbursement for ineligible costs and incorrect calculation of the federal share of costs.	FHWA will advise select grant recipients of the root cause for their IPs and coordinate issue-specific corrective actions with those grantees. Further, FHWA is conducting additional transaction testing in FY 2019 in addition to IPIA testing.	Processes conducted by recipients with identified improper payments are expected to improve and reduce the risk of reoccurrence of payment errors. Additional testing will help identify additional risk areas and determine if risk is widespread.

Cash Loss - Cash loss to the Government includes amounts that should not have been paid and in theory should/could be recovered.