

INSTRUCTIONAL MEMORANDUMS

To Local Public Agencies



To: Counties	Date: March 17, 2017
From: Local Systems Bureau	I.M. No. 2.120
Subject: Temporary Allocation of Farm-to-Market Funds	

Content: The purpose of this Instructional Memorandum (I.M.) is to outline the procedure for implementation of the Iowa Code Section [310.27](#), which makes the Iowa Department of Transportation (Iowa DOT) the managing authority for temporary allocations of Farm-to-Market (FM) Road Funds.

A county wishing to receive a temporary, advance allocation (borrowing ahead) of FM funds shall include any affected projects as part of its County Five Year Program (CFYP).

The Iowa DOT action will be based on the provisions of the [Iowa Administrative Code \(IAC\) 761 Chapter 170](#).

If the following conditions exist, the county should not initiate this action.

1. The county has proposed a transfer of FM funds to the local fund under the provisions of Iowa Code Section [309.10](#).
2. The total funds raised by the county pursuant to the Iowa Code Section [312.2\(5\)](#) are not at least 75 percent of the maximum funds the county could have raised.

The county shall consider the following when initiating this action:

1. Prepare cost estimates for projects with a degree of accuracy that will allow the Iowa DOT to make FM Fund balance projections using the county estimates.
2. Every effort must be made to let projects as scheduled. Dates indicated for project lettings will be a factor in FM Fund balance projections.
3. Carefully analyze the county's limitations imposed by the Iowa Code Section [310.27](#), stating temporary allocations are not to exceed the allocation for the current fiscal year plus the four succeeding fiscal years.
4. The cash balance in the FM account may require that temporary allocations be less than four fiscal years or not at all. See the current "Farm-to-Market Borrowing Restrictions" memo issued by the Local Systems Bureau. Borrowing restrictions are put in place by the Local Systems Bureau, in cooperation with the Iowa County Engineers Association Executive Board and the FM Fund Rules Guidance Committee. The Local Systems Bureau has final authority over the FM Borrowing Restrictions.
5. The county must complete the FM worksheet in Transportation Project Management System ([TPMS](#)), and it must be approved by the Local Systems Project Development Engineer, to verify the project will meet the current "Farm-to-Market Borrowing Restrictions" before the project will be considered for letting.