

WHAT IS THE OBJECTIVE OF THE ANNUAL PERFORMANCE EXPENDITURE REPORT (APER)?

Each State department of transportation (DOT) is required to submit an APER to the local Federal Highway Administration (FHWA) division office, per 23 Code of Federal Regulations (CFR) 420.117(b).⁽¹⁾ APER serves as a mechanism to monitor the State Planning and Research, Subpart B (SPR-B) work program.⁽²⁾

An APER assists both the State DOTs and FHWA division offices with monitoring activity performance and helps to ensure research funds are being appropriately expended, as specified in 23 CFR 420.117(a).⁽¹⁾ One of the key responsibilities of the FHWA division office SPR-B coordinator is to ensure State DOT research programs are compliant with 23 CFR Part 420.⁽³⁾



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WHAT YOU SHOULD LOOK FOR IN AN APER?

APER formatting and structure can vary widely by State DOTs. While regulations prescribe certain elements to be included in APERs, the elements may be accomplished in various ways. State DOTs should work with their local FHWA division offices to ensure that the appropriate standards and organizational expectations are met. The FHWA division office is responsible for overseeing the SPR-B work program submission process and should verify that the State DOT and any subrecipients submit an APER that includes the following (at a minimum) per 23 CFR 420.117 (b):⁽¹⁾

- (i) Comparison of actual performance with established goals;
- (ii) Progress in meeting schedules;
- (iii) Status of expenditures in a format compatible with the work program, including a comparison of budgeted (approved) amounts and actual costs incurred;
- (iv) Cost overruns or underruns;
- (v) Approved work program revisions; and
- (vi) Other pertinent supporting data.

APER ELEMENTS

APER structure is at the discretion of the FHWA division office and State DOT. The following are several considerations when developing an APER.

Performance, goals, schedule, and expenditure reporting

An essential element of an APER is reporting actual performance against the estimated goals. This element provides additional information on the program and project status. This section typically includes FHWA-approved program revisions, budget variances, project status, and deliverables completed during the fiscal year (FY) reporting period to provide insight and context.

23 CFR 420.117(b)(1)(i-iii)⁽¹⁾

The State DOT must submit performance and expenditure reports, including a report from each subrecipient, that contain as a minimum:

- (i) *Comparison of actual performance with established goals;*
- (ii) *Progress in meeting schedules; [and]*
- (iii) *Status of expenditures in a format compatible with the work program, including a comparison of budgeted (approved) amounts and actual costs incurred.*

Project Information

Agencies may select the method that most effectively communicates their activities, including spreadsheets, tables, or other documentation to provide project-level information about status, expenditures, fund matching, and progress.



Some offices choose project-level reports providing basic identifying information (e.g., project number, primary investigator, project duration, status, and funding) and expenditures, along with a narrative summary of the project goals and progress. Other States provide a detailed spreadsheet to report research progress and expenditures, supplying all required information on projects, including the agreement status (open or closed), research project number, agreement number, vendor or agency, FY, program description, project description, agreement amount, expenditures (total dollar amount and percent of total), percent completed, project start and end dates, and extension information.

23 CFR 420.117 (b)(1)(iv-vi)⁽¹⁾

The State DOT must submit performance and expenditure reports, including a report from each subrecipient, that contain as a minimum: ...

- (iv) Cost overruns or underruns;
- (v) Approved work program revisions;
- (vi) Other pertinent supporting data.

APPENDIX: APER REVIEW CHECKLIST

The APER review checklist is a tool to ensure that the submitted APERs meets the minimum requirements, per 23 CFR.⁽¹⁾ This checklist helps to track expenditures, potential cost overruns, and other project milestones in research projects.

APER REVIEW CHECKLIST			
Years:			
APER Minimum Requirements Per 23 CFR 420.117 (b)(1) ⁽¹⁾	Yes/No	Page No.	Comments From Division
Comparison of actual performance with established goals			
Progress in meeting schedules			
Status of expenditures in a format compatible with the work program, including a comparison of budgeted (approved) amounts and actual costs incurred			
Cost overruns or underruns			
Approved work program revisions			
Other pertinent supporting data			

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REFERENCES

1. National Archives and Records Administration. 2023. "What are the program monitoring and reporting requirements?" 23 CFR 420.117. <https://www.ecfr.gov/current/title-23/chapter-I/subchapter-E/part-420/subpart-A/section-420.117>, last accessed August 8, 2024.
2. National Archives and Records Administration. 2023. "What are the requirements for research, development, and technology transfer work programs?" 23 CFR 420.207. <https://www.ecfr.gov/current/title-23/chapter-I/subchapter-E/part-420#sp23.1.420.b>, last accessed August 8, 2024.
3. National Archives and Records Administration. 2023. "Planning and Research Program Administration." 23 CFR Part 420. <https://www.ecfr.gov/current/title-23/chapter-I/subchapter-E/part-420>, last accessed August 8, 2024.

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