


TO:  <b>MODIFIED BY EI 75-087</b> <b>EFFECTIVE 12/8/1975</b>	<h1>ENGINEERING INSTRUCTION</h1> <p>NEW YORK STATE DEPARTMENT OF TRANSPORTATION</p>
Distribution: <input checked="" type="checkbox"/> Main Office <input checked="" type="checkbox"/> Regions <input type="checkbox"/> Special	Code: <u>  EI 75-52  </u> Date: <u>  August 5, 1975  </u>
APPROVED:   <hr/> DEPUTY CHIEF ENGINEER (CONSTRUCTION SUBDIVISION)	Supersedes:

This instruction describes the new procedure which will be used to grant salvage credits to the FHWA. When a contract calls for removal of an existing Federally funded installation, and the salvageable material is turned over to the State, the FHWA receives a credit for the value of the material.

Presently, such credits are handled within the Contract Accounting System by fiscal share manipulation, exception coding or offsetting positive and negative items in 100% State and FHWA-participating shares. Such fiscal adjustments are necessary in order for the system to handle State-FHWA transactions resulting from salvage credits\* without affecting contractor payment.

A new procedure has been established, which will utilize the Current Billing System to pay FHWA salvage credits, without processing them through the Contract Accounting System. Transfer of funds for the credit will be initiated by a memorandum to the Revenue Unit, Audits and Accounts Bureau, detailing the value of the credits and the fiscal shares to which they apply. Such credit transactions should not be reported on the CONR 22.

Most salvage credits are recognized prior to PS&E submission and will be handled by Final Plan Review. In those rare instances where they arise during construction, notification of the Audits and Accounts Bureau will be made by the Construction Subdivision.

\*Note the difference between FHWA salvage credits and credits owed to the State by the Contractor. Often called "salvage credits" when they relate to salvaged material used in or removed from the work, such credits belong in Contract Accounting, since they affect contractor payment.