



**THOMAS P. DiNAPOLI**  
COMPTROLLER

STATE OF NEW YORK  
**OFFICE OF THE STATE COMPTROLLER**  
110 STATE STREET  
ALBANY, NEW YORK 12236

**GABRIEL F. DEYO**  
DEPUTY COMPTROLLER  
DIVISION OF LOCAL GOVERNMENT  
AND SCHOOL ACCOUNTABILITY  
Tel: (518) 474-4037 Fax: (518) 486-6479

**December 2015 (Originally Issued October 1991)**

**To: Chief Fiscal Officers**

**From: Division of Local Government and School Accountability**

**Subject: Consolidated Local Street and Highway Improvement Program**

---

**Please provide copies of this bulletin to others who may need this information.**

---

### **Purpose of Bulletin**

This bulletin provides updated information on the accounting for aid received from the Consolidated Local Street and Highway Improvement Program (CHIPS), superseding an earlier bulletin issued by the Office of the State Comptroller for local governments in New York State. This bulletin incorporates threshold changes and updated account codes used for reporting. All previous guidance has been incorporated into this bulletin.

### **Background**

Legislation was passed which restructured the Consolidated Local Street and Highway Improvement Program (CHIPS) to provide that the aid be split into two programs:

1. a direct grant to municipalities which shall be paid April 25, June 25, September 25 and December 25 and can be used for any Operations and Maintenance (O&M) highway purpose or, at the legislative or governing board discretion, for capital highway improvement, and
2. a highway capital reimbursement grant program with eligible project cost being reimbursed after submission of a claim to the Department of Transportation (DOT).

Also, the threshold above which capital projects financed in whole or in part by CHIPS must be let to outside firms is \$250,000. This means contracts below \$250,000 could be done by the municipality's own workforce. For work done by outside contractors, please note that contracts for public work are still subject to the requirements of General Municipal Law, §103 which states that any contract \$35,000 or above must be awarded after public advertisement for sealed bids, unless an exception applies.

## **Accounting and Recording**

As in the past, the accounting will be in the fund that normally finances such expenditures (County Road Fund; City General Fund; Town Highway Fund; Village General Fund), or the funds may be transferred to, or recorded directly in, the Capital Projects Fund. Under both programs, the revenue will continue to be recorded in account 3501 "St Aid, Consolidated Highway Aid" and capital expenditures will be recorded in account 5112.2 "Perm Improve Highway, Equip & Cap Outlay." The 915 "Assigned Unappropriated Fund Balance" shall only be needed when the governing board has decided to use the direct grant portion of CHIPS for a capital purpose and the revenue is received in one fiscal year and is to be expended in the following fiscal year.

## **Additional Information**

If you have questions pertaining to CHIPS as described in this bulletin, please contact the State Comptroller's regional office that serves your local government.