

FHWA Corrective Action Plan (CAP)

Recipient: NJ DEP

Program Recreational Trails Program (RTP)

Date: February 2026

1. Introduction

This CAP addresses findings from the FHWA internal review of NJDEP's RTP-funded projects. The review identified areas where project documentation, material usage and labor reporting did not fully meet Federal requirements including:

- Insufficient documentation supporting the installation and use of trail markers, signage, and other materials funded by RTP.
- Labor and staff time charged to RTP project without accompanying work logs, work orders, or detailed activity records
- Unallowable expenditures, including stockpiled materials that were not installed or used during the approved project performance period.

The CAP outlines required corrective actions to ensure compliance with applicable Federal statutes and regulations, including:

- 23 USC 206 - Recreational Trails Program funds must be used to provide and maintain recreational trails;
- 23 CFR 630.112 – Recipient must comply with all Federal laws and regulations; and
- 2 CFR 200 – recipients must maintain record that document that expenditures are allowable, necessary, and allocable.

2. Projects Reviewed

Project	Status	Award	Expenditures
MTWF174 (20RECMTX) – Wharton State Forest motorized Trail Maintenance	Closed	\$174,300	\$137,511.44 (all materials)
NMPF201 (20RECSRX) Southern Region Trail Maintenance Supplies	Closed	\$33,500	\$33,496.06 (all materials)
NMPF224 (22RECCSTX)– Southern Region Trail Stewards	Active	\$222,000	\$77,296.67 (materials & labor)

3. Finding Summary

Finding 1: NJDEP purchased thousands of decals explicitly prohibiting vehicles, ATVs, and motorcycles. NJDEP states they were used to delineate motorized trail boundaries, but no installation records, work logs, or maps exist to substantiate this claim.

Finding 2: 845 trail posts were purchased on November 22, 2023; the project was certified complete December 15, 2023 (23 days later). However, during NJDEP's follow up response to FHWA on 1/16/26, NJDEP indicated ~300 posts remained in inventory at closeout.

Questioned Cost / Payback: \$6,030 – these posts were stockpiled and not used within the projects period of performance and are therefore unallowable expenditures under RTP.

Federal requirement (2CFR200.405 and 200.403) require costs to be allocable to the project and used during the project period. The 300 stockpiled posts are therefore not eligible for Federal reimbursement.

NJDEP failed to prove maintenance due to lack of records. No work logs were completed to indicate exact locations of where 845 posts were installed – therefore it's impossible to verify if the posts were used for eligible boundary delineation.

Finding 3: Labor charged to Trail Stewards project (NMPF224) project lacks:

- Daily work logs
- Work orders
- Maps
- It is noted that timesheets were provided upon follow up request, however the above documents will also be needed to substantiate time and effort on a Federal project.

Documentation should be improved to fully meet 2CFR200. The FHWA NJ Division office will work with NJDEP on what this looks like.

Finding 4: On FPN NMPF201, 900 decals were purchased on 4/13/21 indicating “monitoring cameras in use” for \$414.00. NJDEP indicated these decals were intended “to enhance trail management and user experience by promoting awareness of monitoring and encouraging responsible trail use”. However, NJDEP cannot provide documentation supporting that the placement of each decal was consistent with the RTP intentions or that each decal directly contributed to eligible trail maintenance activities.

Without documentation, FHWA cannot verify that the “Monitoring Cameras in Use” decals were used for eligible activities under RTP. NJDEP will need to develop an SOP to address documenting locations where decals are placed in support of trail maintenance activities.

4. Corrective Actions Required

Action #	Corrective Action	Responsible Party	Start Date	Completion Date	Deliverables
1	Repay \$6,030 for 300 stockpiled trail posts from MTWF174 that were not installed during the project	NJDEP	As soon as possible after FAIN is issued	Within 120 days	Repayment through PR-20 voucher. Note project will need to be reopened in FMIS first.
2	Develop procedures that will document locations and dates for signage and trail posts funded by RTP going forward. This could include work logs, trail segments, dates, and narratives linking materials to maintenance activities	NJDEP	As soon as possible	120 days	An SOP or process that is documented. Inform project managers of this new requirement
3	Implement daily work logs and detailed labor documentation for all staff charged to RTP projects including tasks performed, locations and hours worked	NJDEP	As soon as possible	120 days	Examples provided to FHWA. Inform project managers of this new requirement
4	FHWA NJ Division to assign an SME and Finance SME to review all scopes of work, amendments and reimbursement requests	FHWA NJ Division	As soon as possible	Ongoing	All projects must be preapproved by FHWA SME prior to going into FMIS. We'll provide a process document on this.
5	Update FMIS project descriptions to provide enhanced transparency regarding project activities	NJDEP	Immediately for all new projects	Ongoing	FHWA can provide technical guidance to help with this

6	Require justification for all materials and supply purchases, that would detail how each item contributes to RTP maintenance or improvement objectives	NJDEP	As soon as possible	120 days	An SOP or form that will include justifications for purchases. Provide FHWA the SOP or example when created.
7	PR-20 Voucher backup. NJDEP to submit all supporting backup to FHWA with each submitted PR-20.	NJDEP	Starting with the next PR-20 voucher submission	Ongoing	FHWA to verify supporting documentation tracks back to project activity prior to approving PR-20

5. Expected Outcomes

- Repayment of unallowable costs (\$6,030).
- Complete, verifiable documentation of materials and labor supporting RTP eligibility that can be traced directly back to Federal projects.
- Improved transparency and accountability for all RTP-funded projects.
- Compliance with 23 U.S.C. 206, 23 CFR 630.112, and 2 CFR 200.
- FHWA/NJDEP increased meetings and coordination.