



## **Carl Moyer Program Advisory 04-008**

### **Allocating Residual Funds**

*This page updated May 10, 2004*

#### **What are residual funds?**

Residual funds are the funds left over at the end of the obligation process. There are two ways a district may have residual funds. One, when an air district awards and obligates funds to a project that withdraws from the program prior to completion or is required to return the funds for noncompliance. The district then re-obligates these funds to another project. This situation typically occurs after the fiscal year when the funds were awarded to the district and obligated to projects. Two, is when a small amount of funds, less than would be required funding for a typical project, remain at the end of the district's grant process.

#### **Which guidelines and reporting requirements should be used when re-obligating residual funds from a previous fiscal year?**

The most current guidelines should be used when re-obligating funds. These contain the most current emission factors and criteria for calculating emissions. This still allows the districts the option of using stricter criteria for evaluating projects.

The districts should also use the current reporting spreadsheet to report on these projects, taking care to indicate the fiscal year (FY) when the funds were allocated to the district. For instance, if FY 2002-2003 funds are reallocated in FY 2003-2004, they still should be reported as FY 2002-2003 funds in the "Year of Funding" column of the appropriate worksheet.

The ARB staff is available to assist districts in assuring that Carl Moyer Program requirements are met when redirecting previous FY residual funds.

#### **How can districts use small amounts of remaining funds?**

Districts can use small amounts of remaining funds a couple of different ways. One way districts can use those funds is to find an applicant on the district's waiting list from the current fiscal year who is willing to accept a smaller grant than requested. Several districts have had success doing this.

District can also use these funds to help fund projects during the following fiscal year. This is only allowed as long as the funds are not commingled and the two funding sources are accounted for and reported on clearly. For example, in a district's annual report for FY 2002-2003, a \$10,000 project grant that is funded partially with \$2,500 in FY 2001-2002 funds would clearly indicate the amounts from each year (\$7,500 for FY 2002-2003 and \$2,500 for 2001-2002) in the "Year of Funding" column of the appropriate worksheet.