Attachment A

Air Pollution Control Program
Clean Air Act Section 105 Cooperative Agreement
Maintenance of Effort (MOE) Worksheet

_____ _____
Recipient FY

	Prospective = App	**Final = FSR**
	App dated: _____	FSR dated: _____
1. Identify total **NON-FEDERAL** program expenditures:	$_____	$_____
2. Identify total **NON-FEDERAL** nonrecurrent:	$_____	$_____
(Breakout expenditures identified in the application, approved in the award, and reported on the Financial Status Report (FSR)) Contractual:	$_____	$_____
Equipment:	$_____	$_____

[Subtract: #2- total **NON-FEDERAL** nonrecurrent amount from #1-total **NON-FEDERAL** program expenditures = #3 MOE.]

3. Recurrent **NON-FEDERAL** expenditures this FY = MOE: $_____ $_____

4. Compare #3 this FY MOE with prior year's MOE:

(a) FY____ actual MOE from prior year's FSR: $_____ (_____)
FSR dated

OR --

(b) FY____ estimated MOE from prior year's app
if final FSR from prior year not received, yet: $_____ (_____)
App dated

Applications:	compare estimated this FY MOE with either prior year's actual MOE from final FSR (if rec'd) -OR- estimated MOE from app if final FSR not received, yet.
Final FSR:	compare actual this FY MOE with prior year's actual MOE from final FSR

5. Is the MOE met? (#3 MOE equal to or more than #4 MOE): App: ____ Yes FSR: ____ Yes

If no, then identify follow-up action:

_____

(AMENDMENTS ONLY)

6. (a) Is there a reduction in the **NON-FEDERAL** amount from the initial award (potential supplanting): _____

(b) If yes, explain course of action

_____

ED_006870_00000192-00001

CAA 105 - AIR POLLUTION CONTROL PROGRAM – SUMMARY

DEFINITIONS:

Recurrent Expenditures - §35.141:

Recurrent expenditures are those expenses associated with the activities of a continuing environmental program. All expenditures are considered recurrent unless justified by the applicant as non-recurrent and approved as such in the grant award or an amendment thereto.

Nonrecurrent Expenditures - §35.141:

Nonrecurrent expenditures are those expenditures which are shown by the recipient to be of a non-repetitive, unusual, or singular nature that would not reasonably be expected to recur in the foreseeable future. Costs categorized as nonrecurrent must be approved in the grant agreement or an amendment thereto.

However, based on our interpretation of the Clean Air Act, the CFR, our Office of Regional Counsel's opinion, and the Inspector General's audit recommendations, we have adopted the following working definition of nonfederal nonrecurrent expenditures: "unique expenses which are adequately justified by the recipient in an application and approved in an assistance award as nonfederal nonrecurrent." Furthermore, R9"s Office of Regional Counsel defines nonrecurrent costs as "unique expenditures are those specifically identified expenses, such as those identified with a task, a contract, or an activity, which would not reasonably be expected to recur in the foreseeable future, taking into account the environment in which the entity operates."

MAINTENANCE OF EFFORT (MOE)

The **MOE** requirement applies to a recipient's **RECURRENT NONFEDERAL** expenditures. (40 CFR 35.146(a))

To receive funds under section 105, recipients must expend annually, for recurrent section 105 program expenditures, an amount of non-federal funds at least equal to such expenditures during the preceding fiscal year. MOE must be maintained at the same level or greater from year to year. (40 CFR 35.146(b)).

Recipients must ensure that the Section 105 funds will supplement not **SUPPLANT** nonfederal funds that would otherwise be available for the Section 105 program. (40 CFR 35.146(e))

Formula to figure out MOE is:

Match amount (required match is 40% of Total Project Costs)
(less) non-federal/non-recurrent amount
= Maintenance of Effort (MOE) level

RECIPIENT'S RESPONSIBILITY REGARDING THE MAINTENANCE OF EFFORT (MOE) LEVEL:

Recipients need to carefully monitor their expenditures throughout the life of the grant. In addition, recipients should notify the Grants Specialist if it is apparent to them that the nonfederal recurrent expenditures of the current year will be less than the nonfederal recurrent expenditures of the previous year.

As a result of the Inspector General's audit finding, the agency is now determining the recipient's compliance with CAA 105 MOE requirements by requesting the recipient to include the following information in the application and the Financial Status Report (FSR) as follows:

In the Application:

1. The recipients must identify the *recurrent* expenditures.
2. The recipients must identify and justify all *nonfederal nonrecurrent* expenditures in their applications (may be listed in a separate sheet).
3. The recipients must include the **MOE Worksheet** with the application - see Attachment A.

In the Financial Status Report (FSR):

1. The recipients must attach a list identifying the actual nonfederal nonrecurrent expenditure to the Financial Status Report (FSR), so that the actual maintenance level may be calculated.
2. On a separate sheet, a reconciliation of budgeted nonfederal nonrecurrent expenditures versus actual nonfederal nonrecurrent expenditures.
3. The recipient must include in the remarks section of the FSR the following statement: "(name of the recipient) certifies that supplanting of the Non-Federal Funds did not occur."

NOTE: Title V cost are UNALLOWABLE some recipients will mention in their app or FSR, "that there are no Title V expenses".

ED_006870_00000192-00002