TIMELY USE OF FUNDS POLICY

**INTENT:** The intent of the Timely Use of Funds Policy is to encourage Measure B/Measure BB/Vehicle Registration Fee recipients to expend voter-approved transportation dollars expeditiously on transportation improvements and operations that the public can use and benefit from immediately.

**POLICY:** RECIPIENT shall not carry a fiscal year ending fund balance greater than 40 percent of the Direct Local Distribution revenue received for that same fiscal year for four consecutive fiscal years, by funding program. Non-compliance with this policy may invoke rescission penalties per the Use it or Lose It Policy.

RECIPIENT may seek an exemption from the Timely Use of Funds Policy through the Annual Program Compliance reporting process. RECIPIENT must demonstrates that extraordinary circumstances have occurred and provide a timely expenditure plan that would justify the exemption. Exemption requests must be submitted to ALAMEDA CTC and approved by the Commission.

**IMPLEMENTATION:** Through the Annual Program Compliance reporting process, ALAMEDA CTC will monitor the RECIPIENT’s annual ending fund balance to revenue received ratio, cumulatively across the RECIPIENT’s programmatic categories by fund program, to verify policy compliance.

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Does the RECIPIENT'S annual ending fund balance to revenue ratio exceed the maximum allowed percentage for four consecutive fiscal years?

**YES**

RECIPIENT must submit a Request for Exemption with justification and implementation plan.

Commission considers Request for Exemption as part of Program Compliance Process.

**Approved**

RECIPIENT granted exemption and consecutive fiscal year clock resets.

RECIPIENT shall not carry an ending fund balance greater than the allowable limit for four consecutive fiscal years.

**Denied**

ALAMEDA CTC exercises the Use It or Lose It Policy and rescinds one-year of fund distribution, in part by programmatic category or in its entirety, as determined by the Commission.

**NO**

RECIPIENT is in compliance with the Timely Use of Funds Policy.
USE IT OR LOSE IT POLICY

INTENT: The Use It or Lose It Policy serves as the penalty action for non-compliance with the Timely Use of Funds Policy for Measure B/Measure BB/Vehicle Registration Fee Direct Local Distribution program funds. The Use It or Lose It Policy enforces the timely use of funds requirements to encourage the RECIPIENT to expend voter-approved transportation dollars expeditiously on transportation improvements and operations that the public can use and benefit from immediately.

POLICY: If RECIPIENT does not meet the requirements of the Timely Use of Funds Policy, ALAMEDA CTC may determine that the RECIPIENT does not need Measure B/Measure BB/Vehicle Registration Fee funding. In such a case, ALAMEDA CTC may exercise the Use It or Lose It Policy to rescind the RECIPIENT’s subsequent fiscal year’s Measure B/Measure BB/Vehicle Registration Fee Direct Local Distribution, in part by programmatic category or in its entirety. All such funds rescinded by ALAMEDA CTC shall be placed into an account for redistribution to the same programmatic type.

IMPLEMENTATION: If a RECIPIENT does not meet the provisions of the Timely Use of Funds Policy, ALAMEDA CTC may exercise the Use it or Lose It Policy and rescind the RECIPIENT’s subsequent year’s fund distribution. ALAMEDA CTC will redistribute rescinded funds to other eligible recipients within the same programmatic type. Redistribution will be determined by the existing formula distribution for the respective fund program and programmatic type.

Is the RECIPIENT out of compliance with the Timely Use of Funds Policy and a request for exemption has been denied?

YES

ALAMEDA CTC exercises the Use it or Lose It Policy and rescinds the RECIPIENT’s subsequent year’s fund distribution. The Commission may elect to rescind the RECIPIENT’s fund distribution in part by programmatic category or in its entirety by fund program.

ALAMEDA CTC redistributes rescinded funds to other recipients eligible for the same programmatic type through existing formula.

NO

RECIPIENT is in compliance with the Timely Use of Funds Policy.

No penalty action from the Use It or Lose It Policy required.