

MONTEREY BAY UNIFIED APCD

CARL MOYER PROGRAM

POLICIES AND PROCEDURES MANUAL

October 2015



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District Policy

To improve air quality and promote economic benefits, the Monterey Bay Unified Air Pollution Control District (District) applies for and expends funds from the California Air Resources Board's (ARB) Carl Moyer Program (CMP). The District implements the CMP in accordance with ARB's 2011 CMP Guidelines, including several chapter updates since 2011, and these procedures. The District incorporates by reference expected ARB guideline revisions via a December 2015 mail-out to address the recently signed Senate Bill (SB) 513, which includes the following changes:

- Update to District project application review period
- Additional administrative funds (ARB and Districts)
- Update to liquidation target
- Update to allowable District match projects
 - Settlement agreements
- Removal of 2023 sunset

Other SB 513 changes not addressed in the mail-out will be addressed in the ARB 2017 CMP guidelines update.

MBUAPCD CMP Policies & Procedures Manual

I. Background

ARB’s CMP Guidelines require the District to adopt a Policies and Procedures Manual in order to receive CMP funds. Staff has prepared this Policies and Procedures Manual as a supplement to ARB’s CMP Guidelines, which remain in full force and effect for the District’s CMP. This manual sets forth policies and procedures for District staff use in day-to-day administration of the CMP.

These policies and procedures outline the District’s methods to meet or exceed minimum requirements for the CMP as specified in the CA Health and Safety Code (H&SC), Chapter 9, and as elaborated by ARB in the 2011 CMP Guidelines (Updated July and September 2014) and ARB CMP advisories published to date pertaining to the CMP Guidelines. District staff will use this manual to implement the District CMP.

II. Program Timeline

The CMP Guidelines set a timeline for the CMP. Table 1 presents the details of the CMP. The District is required to meet the CMP obligation and expenditures deadlines for each funding year. The schedule for District grant offers and contract executions are based on these deadlines.

Table 1. MBUAPCD CMP Implementation Timeline

Month	Year			
	2015	2016	2017	2018
January	District accepts CMP applications	-Year 18 application due to ARB -District accepts CMP applications	-Year 19 application due to ARB -District accepts CMP applications	-Year 20 application due to ARB -District accepts CMP applications
February				
March				
April	ARB awards Moyer Year 17 funds	ARB awards Moyer Year 18 funds	ARB awards Moyer Year 19 funds	ARB awards Moyer Year 20 funds
May				
June	-Deadline to expend Year 15 funds -Deadline to obligate Year 16 funds	-Deadline to expend Year 16 funds -Deadline to obligate Year 17 funds	-Deadline to expend Year 17 funds -Deadline to obligate Year 18 funds	-Deadline to expend Year 18 funds -Deadline to obligate Year 19 funds
July				
August	Submit annual report to ARB			
September				
October				
November				
December	Moyer Year 18 solicitation	Moyer Year 19 solicitation	Moyer Year 20 solicitation	Moyer Year 21 solicitation

III. ARB Grant of CMP Funds to the District

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ARB allocates CMP funds to the District each year in accordance with a formula identified in H&SC 44299.2(a). ARB notifies the District of this amount and the match funding required (see below for details regarding the match funding). Each year the District submits to ARB a completed application form with original signature, documentation of the match commitment and District Board resolution for obligating the grant award. The resolution also authorizes the Air Pollution Control Officer (APCO) to implement the CMP, if funding is awarded by ARB.

A. Grant Award and Authorization

ARB determines awards for each air district and specifies the amount of the award for projects and outreach funding. Following execution of the Grant Award and Authorization Form, the District typically has 12 months to obligate and 24 months to expend all funds awarded. For current policy concerning return and reallocation of unexpended funds, see the 2011 CMP Guidelines, chapter 3, section S.

B. ARB Grant Disbursement Request

Upon execution of the Grant Award and Authorization Form, the District submits an initial Disbursement Request to ARB. The initial disbursement can include up to 10% of the District's allocation or \$200,000, whichever is greater, and all of the administrative funds. The District submits subsequent disbursement requests after obligation of funds to projects.

IV. Match Funding

Air districts participating in the CMP that request more than the minimum allocation of \$200,000 are required to provide match funding (H&SC §44287). The District must commit match funds equaling 15 percent of the CMP funds received. The source of local match funds can include AB2766, AB923 or local mitigation fees. Historically, the District has used AB 923 funds to meet match requirements.

V. Earned Interest

District accounting staff deposits CMP funds received from ARB into an interest bearing account. The funds are separately accounted from any other funding sources. The District allocates earned interest to Moyer projects according to the 2011 CMP Guidelines. Accounting staff tracks the accrued interest and provides this upon request by Planning staff. Planning staff use this information to allocate interest funds to eligible projects and for reports to ARB.

VI. Administration and Outreach Funds

The District is permitted to allocate up to 10% of the total annual CMP funding for administration and outreach costs to implement the program. Administration and outreach funds may be used for costs associated with the tasks such as staff time, consultant fees, printing, mailing, and travel costs. District accounting staff maintains the following documentation of costs required by and in accordance with the 2011 CMP Guidelines:

- Personnel documentation
- Consultant fees
- Printing and mailing expenses
- Travel expenses

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If District staff incurs travel expenses related to the CMP, those expenses are charged to the CMP based on travel costs, per diem rates and policies described in the MBUAPCD Administrative Code. District accounting staff maintains the indirect cost calculation methods.

The District uses outreach funds to inform the public about the grant fund availability, when the District accepts applications and to keep off-road equipment dealers informed of CMP Guideline requirements.

VII. Project Solicitation, Evaluation and Selection

The CMP allows air districts to determine the method of soliciting projects and the types of projects to fund. Currently, the District may consider the following project types for funding:

- Marine vessel engine repower
- Off-road equipment repower
- Off-road equipment replacement
- Agricultural irrigation pump repower, retrofit, or electrification
- Emergency vehicles (fire apparatus)
- On-road heavy-duty vehicle fleet modernization Other Moyer Program eligible projects

If the District implements an on-road fleet modernization program, the District will execute memorandums of understanding (MOU) with salvage yards and dealers and perform administrative requirements contained in the CMP Guidelines, Chapter 5.

The following sections describe the District's method for soliciting, evaluating, and selecting projects.

A. Project Solicitation

The District conducts outreach to each sector listed above, especially small business contacts and dealers/vendors of new equipment and/or engines. Examples of District outreach include:

- Known heavy-duty diesel engine and parts suppliers and service providers
- Mailings to potential applicants
- Press releases
- Public workshops, attendance at fairs and meetings
- One-on-one meetings with applicants
- Posting on District website

Outreach efforts are documented and maintained in the Planning Division files.

Staff conducts workshops and outreach before and/or during the application solicitation phase. The District accepts applications during a 60-day acceptance window in the first quarter each year. (The District posts specific Moyer program event dates on the District website and/or Facebook page.) Staff reviews applications for completeness and will return incomplete applications with an explanation of the missing information within thirty working days of receipt. After the deadline, incomplete applications are made inactive and will not be re-activated. Applicants may re-apply in subsequent years. The District will not accept applications from individuals or businesses that have more than two current grant contracts with CMP funds. The District will also not accept applications from existing Grantees who are failing to meet contract obligations, including low usage for currently funded projects.

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B. Application Evaluation and Project Selection

Each complete grant application received is assigned a unique number and filed for eligibility review.

If the number of complete, eligible applications is insufficient to obligate all CMP funds, the District may use one of the following procedures to obligate remaining funds:

- Work with inactive applicants to complete and evaluate their applications
- Reopen the solicitation
- Use remaining CMP funds for other eligible program(s)
- Carry over unobligated funds to the next year and increase advertising and outreach

After the submission deadline, the District evaluates all applications for eligibility. The following sections describe the District's application evaluation and project selection process.

1. Application Evaluation

The District evaluates applications for completeness and compliance with the 2011 CMP Guidelines. Applications that have not included all of the information requested in the application form will not be evaluated. Incomplete applications will be returned with an explanation of the missing information within thirty working days of receipt. After the deadline, incomplete applications are made inactive and will not be re-activated. As part of the evaluation and selection process, the following elements are considered:

a. Baseline engine information

A major aspect of the application evaluation is confirming baseline engine data, reviewing historical use and calculating annual average use. Staff confirms baseline engine specifications with the engine manufacturer's data.

As part of the application evaluation process, staff documents that the baseline engine is operational, based on one or more of the following:

- Maintenance records showing dates and hour meter/odometer readings
- Receipt showing purchase/installation date of current hour meter
- Fuel receipts showing dates of purchase and quantity
- Other means to verify actual use of the equipment/engine during at least the 24 most-recent months

The District may evaluate other forms of documentation based on approval by ARB on a case-by-case basis. The District maintains baseline engine documentation in the project folder.

District staff calculates the average annual use for the baseline engine from records submitted with the application or obtained during application processing. CMP projects must be based within the District's jurisdiction but the emissions reductions and grant amount are calculated from use within California in accordance with the 2011 CMP Guidelines. Marine vessel emissions are calculated based on use within California waters. If the applicant does not provide documentation of annual use, the application will be returned or made inactive.

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For annual use based on hour meter readings, if documentation is not provided, but the original hour meter is still operational and has been in use since an engine was new, the hour meter reading may be divided by the age of the engine to calculate the average annual use. If the hour meter is not the original meter, this calculation may be possible if the applicant supplies the date of the meter installation.

b. Eligible costs

The District reviews the price quotes included with the application and will allow costs for taxes, installation and transportation costs for eligible equipment.

c. Environmental Justice

The District has fewer than one million inhabitants so the District does not track funding allocated to environmental justice areas (Health & Safety Code § 43023.5).

2. Project Selection and Funding Amount

Staff prepares an emission calculation spreadsheet for each eligible project received and uses the calculated emission reductions to determine cost-effectiveness. The District then ranks projects meeting the cost-effectiveness threshold according to annual emissions reductions (tons/year). Staff enters project information into ARB's Clean Air Reporting Log (CARL) to confirm emissions reductions and the funding amount for the top ranked projects that are equivalent to the District's available grant funds. The District calculates the grant-funding amount based on the lowest possible project life. The maximum project life used for funding calculations will be 10 years unless otherwise specified in the CMP Guidelines or by the Health and Safety Code.

Projects will be funded in order from greatest emissions reductions to least. In the event of a tie, the project with a lower project life, including consideration of the grant funds available, will be selected for funding. Grant funds will be limited to one project per applicant (individual or corporation).

The District files the following information in the project folder:

- Project application
- Record of each project's emission reductions and ranking,

The following paragraphs describe specific project-type criteria used to estimate the grant fund amount.

a. Emergency Vehicles (Fire Apparatus)

If fuel logs are used to document fire truck annual use, the applicant may submit the information in a format agreed upon by the applicant and the District. For example, the format may be handwritten logs or spreadsheets.

b. Agricultural irrigation pump engines

The grant-funding amount for agricultural irrigations pump engines will be based on the eligibility requirements of District Rule 1010.

c. Marine vessels

The grant-funding amount for marine vessels is preferred to be based on hours of operation, but the District may allow usage to be based on historical fuel usage (gallons). However, prior to awarding a contract, the District will confirm that grant funding based on historical fuel usage would not exceed the grant-funding amount based on hours of operation. Costs related to the purchase and/or installation of a new transmission may be eligible when it is a necessary part of the engine repower; and an ineligible expense when it is required for maintenance or repair purposes. Ordinarily, a statement from the vendor or applicant that the new reduced emissions engine is not compatible with the existing baseline transmission is sufficient justification for eligibility; the vendor or applicant's statement(s) or other documentation is retained in the project file.

d. Off-road retrofits

The District will offer a waiver for the default retrofit requirement for all off-road equipment projects in the project application.

The District notifies applicants via email or telephone of their prospective grant amount once staff enters project information into CARL. It is the decision of the applicant to accept or deny the grant amount.

VIII. Project Pre-Inspection

District staff conduct a project pre-inspection after an applicant accepts the grant amount, but before contract execution. The pre-inspection verifies that the baseline engine is operational, meaning the engine must be in condition to perform its intended purpose. Staff will also verify the baseline engine serial number, horsepower, and model year. Lack of a legible serial number may make the project ineligible for funding.

For off-road equipment, pre- and post-inspections can be completed on the same day through the observation and documentation of the baseline equipment, replacement equipment, and the destruction of the baseline equipment. See also the Off-Road Equipment Replacement Plan.

An inspection will only be scheduled for a time when the project applicant can provide a safe environment for staff to conduct the inspection. For example, engines shall only run during the inspection to verify operability. The applicant must also ensure that engines have not been operated within several hours prior to the inspection to avoid excessive engine temperature.

At the time of the inspection, the applicant must be able to direct Air District staff to the exact locations of equipment identification plates, hour meters and fuel gauges. All required paperwork must be available during the inspection. The pre-inspection form includes information such as make, model, year, horsepower, fuel type, engine family, engine tier, serial number, application number, and date. As part of the inspection, District staff will photograph the baseline engine. Inspection forms, including photos, are stored electronically in the project folder. If the engine identification is illegible, the pre-inspection form will be used to document baseline engine information to uniquely identify the engine.

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The District has the following additional policies regarding pre-inspections:

- The District may allow public agencies to provide documentation of the baseline engine(s) subject to District verification.
- The District may allow fire departments to provide documentation of the baseline engine(s) subject to District verification.
- For equipment and/or engines located outside of District boundaries, District staff may request staff of the air district in which the equipment is temporarily located, to conduct the pre-inspection. Likewise, District staff may conduct pre-inspections within the District's boundaries for other air districts at their request.

IX. Obligation of Funds to Projects

Upon confirmation of project eligibility, District staff mails the applicant a written offer and contract for signature by the applicant within 30 days.

If the grantee fails to sign the contract within the 30-day period, staff contacts the applicant to determine whether an extension should be granted. An extension of the signature date may be granted if this would not extend the project completion date past the District's expenditure deadline for CMP funds. If no extension is granted, the grant offer will be rescinded, the application will be made inactive, and the funds will be reprogrammed to the next-highest ranked project.

X. Contract Development

ARB requires that all CMP contracts contain the elements listed in the 2011 CMP Guidelines chapter 3, section Z. These elements include party names, date, contact information, contract term, project specifications, payment provisions, reporting requirements, and repercussions for noncompliance. The District reviews the format and content of CMP contracts internally prior to sending to applicants. This review begins with District counsel approving the contract template prior to planning staff preparing project-specific contracts. Planning staff prepare project-specific contracts that are reviewed by the Planning Supervisor prior to submitting to the grantee.

In addition to the CMP contract requirements, District contracts contain the following additional provisions:

- A. Warranty requirements
- B. Property insurance for all projects.
- C. Grantee specifies whether payment should be made either by: (a) 1-party check to Grantee or (b) 1-party check to vendor identified in the contract.
- D. No grant funds shall be given to any member of the District's Board of Directors. This requirement is also extended to members of the District's Advisory Committee, Hearing Board, any other District committee, and staff of the District.

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- E. The District will file a UCC-1 (lien) on all grant-funded projects prior to payment of invoice or reimbursement and the District will file a UCC-3 (lien release) within 10-days of contract expiration.
- F. Grantee shall provide notice of UCC-1 filing to prospective purchasers of funded equipment or financial institutions.
- G. Grantee shall notify the District within five days if the grantee files a petition for relief under bankruptcy law.

Consistent with CMP Guidelines, funds are considered obligated from the date of APCO (or designee) signature on the offer letter. The District retains the original contract and provides a copy to the grantee.

XI. Project Post-Inspection

The District conducts post-inspections to verify that the project equipment matches the information described in the grant contract. District staff and/or contracted consultants conduct post-inspections after project implementation prior to payment approval. Two important aspects of the post-inspection are verifying that the baseline engine is rendered permanently unusable/irreparable and verifying that the new engine matches the specifications in the contract. As described above in Section VIII, the pre- and post-inspections for off-road equipment can be completed during the same inspection day.

An inspection will only be scheduled for a time when the project applicant can provide a safe environment to conduct the inspection. For example, engines shall only run during the inspection to verify operability. The grantee must also ensure that engines have not been operated within several hours prior to the inspection to avoid excessive engine temperature.

At the time of the inspection, the applicant must be able to direct Air District staff to the exact locations of equipment identification plates, hour meters and fuel gauges. All required paperwork must be available during the inspection.

Similar to pre-inspections and depending on the engine location, District staff may request other air districts to conduct the post-inspection or the District may be asked by other air districts to conduct post-inspections. The District verifies the following information during the post-inspection. This information is recorded on a post-inspection form and is stored in the electronic project file folder along with the post-inspection photographs on the District's O drive.

- A. The baseline engine serial number matches what was recorded in the pre-inspection.
- B. The replacement engine matches the specifications listed in the contract.
- C. New equipment/engine information is documented with photos using the same photographic documentation procedures described in "baseline pre-inspection."
- D. The project engine complies with CMP eligibility criteria and grant contract requirements.
- E. District staff shall verify that the existing equipment is rendered permanently unusable and irreparable. This is accomplished when the engine block has been made inoperable by

means of a hole, 2 inches minimum diameter, broken into the block. District staff shall confirm that the engine is the same that was inspected during the baseline inspection and that the engine was destroyed through photo documentation during the post-inspection.

In some cases, the grantee may use a vendor to provide professional services to accomplish contract obligations. District staff may verify destruction of the baseline engine/equipment through photographs submitted by the grantee or vendor. These photographs must show the engine, not installed in any equipment and with a hole, 2 inches minimum diameter, broken into the block. Photographs must show a legible serial number on the destroyed engine. District staff may also verify the identity of the engine using photographs or, at the discretion of District staff, may require shipment of the destroyed engine to a location within the District for inspection by District staff prior to reimbursement.

XI. Payment of Projects (Expenditures)

Once a contract is executed and the post-inspection is completed, the grantee can submit grant invoices for payment. Contracts specify a required timeframe for grantees to request reimbursement. Should the grantee fail to implement the project according to the schedule, staff will contact the grantee, evaluate the circumstances and determine a course of action that may include a contract extension or termination. The District may extend the reimbursement period at its discretion. In most cases an extension will not go past the applicable due date for obligation of funds in the ARB CMP Guidelines. The District may allow a longer extension if cumulative tracking shows the District is in compliance with obligation deadlines.

Partial payments for invoices less than the total grant amount may be made for one or more complete project(s) funded under a single contract. A post-inspection and invoice approval must be made for each project prior to partial payment approval. However, the District does not withhold a portion of the grant amount for progress payments.

An entire grant contract is considered liquidated only after all projects in the contract have been paid. The fund liquidation timelines are discussed in Section II Program Timeline.

Planning and accounting staff process payments for projects by reviewing and tracking invoices and expenditures for each project. The following outlines the District's steps for invoicing and payment:

- A. Grantee must submit grant invoices within the timeframe specified in the contract, unless extended.
- B. Grantee mails grant invoice(s) directly to accounting staff. Reimbursement of grant invoices will be based on the documentation provided by grantee. Once accounting staff has approved grant invoice documentation, the invoice is logged as pending payment and is passed on to planning staff.
- C. Planning staff verifies project completion in accordance with the grant contract and confirms consistency between grant invoice requirements and the submitted invoices. Planning staff sends the invoice for review and approval by the Planning Supervisor who forwards it to the APCO (or designee) for approval. The Grant Invoice packet will include the following items:
 1. Transmittal cover sheet with stamps of approval

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2. Grant Invoice
 3. Vendor invoice(s)
 4. Copy of Inspection Report (front cover without attachments)
 5. Copied pages from the grant contract:
 - Page 1
 - Instructions for Payment
 - Signature page
- D. After APCO (or designee) approval, the invoice is processed for payment by accounting staff.
- E. Payments are made within 21 days of APCO (or designee) approval.
- F. Once the grant invoice is paid, documentation of payment is maintained by accounting and planning staff. The completed invoice packages are filed by check date in the accounts payable files and retained by accounting staff. Planning staff track invoices and expenditures by CMP funding year.
- G. Accounting staff produces a monthly grant expense report showing the budget, amount expended to date, and amount remaining of each individual grant. Planning staff reviews the report to confirm details in the planning tracking spreadsheet. Accounting staff and planning staff meet regularly to discuss issues such as discrepancies in expended amounts and invoice processing procedures.

XII. Project Monitoring

Project monitoring includes annual use reporting and District project audits. Annual use reporting is an important on-going method for the District to monitor the progress of projects in achieving emission reductions. Project audits verify that CMP-funded equipment complies with the grant contract. The following sections describe the details of the annual use reporting and project audits.

- A. Grantee annual reporting
- Annual reporting is required by CMP Guidelines and is a critical element of project monitoring to ensure emission reductions are achieved. Requirements for reporting annual use differ for previously funded CMP projects. For example, grantees of early CMP projects were required to report use during only the first five years of the Project Life. CMP funded projects funded beginning in Year 13 are required to submit annual reports for the term of the contract.

The District conducts annual reporting activities in the first quarter of each year. In January, the District mails out usage forms to all active grantees for whom a report is required. The reports are due back to the District no later than the first Friday in March. Grantees report total annual use, percent of time engine operated within California and percent of time engine operated within the District. Grantees must report usage in the units shown in the grant contract (hours or gallons). Records must be maintained in a form that demonstrates actual usage. For example, fuel purchase receipts can be used to document fuel throughput. To document operating hours, the engine hour meter reading can be recorded at the beginning of each month or quarter.

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The grantee annual report is reviewed for completeness, accuracy, and compliance with the project's requirements. The District maintains hardcopy annual use report forms in separate binders and organized by reporting year.

District staff shall make reasonable efforts to obtain the necessary information from grantees who fail to return a timely and complete usage report.

For projects which have at least twenty-four (24) months of complete historical usage documented and verified by the District, minimum annual usage is not required to be specified in the contract. Such historical usage must be documented for at least the twenty-four (24) consecutive months immediately prior to the application date. The District will consider the two prior calendar years as meeting the 24 consecutive month time period. For example, an application received by the March deadline in 2015 would be able to use the 2013 and 2014 annual usage to meet the 24-month criteria.

If project requirements are not met and/or emission reductions are not achieved, the District is required to address the project's non-performance. District actions to address nonperforming projects include, but are not limited to:

- Extending the project contract for additional years (provided the extension complies with applicable CMP Program Advisories).
- Requiring Grantee to payback project funds to the District proportional to the loss in emission reductions.
- Transferring ownership of the engine/equipment to another grantee committed to complying with the contract terms.
- Recalculate the project's cost-effectiveness based on decreased usage per 2011 CMP Guidelines, chapter 3, section FF.4(E).
- Grant a waiver according to the following:
 - In instances where annual usage is significantly lower than anticipated due to unforeseen circumstances beyond the control of the engine owner, the owner may request a waiver from the District. The request must include documentation acceptable to the District showing the need for a waiver and verification that low use of the grant-funded engine did not result from the grantee using higher-polluting equipment. Documentation and approved waivers shall be filed in the project folder.

B. Project Audits

In the second quarter of each year, the District audits projects as prescribed by the CMP Guidelines. The District will include at least one off-road equipment replacement project in the list of projects audited.

XIII. Project File Set-Up and Maintenance

The District retains program, project and fiscal files including paper and/or electronic documentation. Administrative records for a given funding year must be retained, at a minimum, until the applicable funding year liquidation deadline. For example, CMP Year 13 (fiscal year 2010-11) administrative records must be retained at least until June 30, 2015.

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Some files pertaining to administering the CMP are retained in Planning Division files, while others are retained in Administrative Division files. Planning Division and Administrative Division responsibilities for file creation and maintenance are described below.

A. Planning Division

Planning staff are responsible for programming, contracting and payment-approval for CMP projects. Planning staff tracks project implementation, annual project usage, and retains program files.

Project folders maintained in the Planning Division and electronically on the District's server are used to store application forms, formal written communications with the grantee, inspection forms, photographs, and documentation required by grant contracts including: certificates of warranty, insurance, and UCC-1 filings. Project folders also contain funding eligibility data including documentation of how baseline and project engine information (e.g. horsepower) were determined.

The following documentation must be maintained in the project files for a minimum of two years after the end of the contract term or a minimum of three years after final payment, whichever is later:

- File for each project selected for funding
- Executed project contracts and contract amendments
- Pre-inspection form
- Post-inspection form, including additional information required for retrofit devices
- Copies of invoices and documentation of payment
- Waivers for low use as needed

Applications that were not selected for funding must be retained for a minimum of three years after receipt.

In addition to hardcopy files, planning staff also maintains electronic files associated with the CMP. This includes the District database of project information, the ARB CARL database, spreadsheet for fiscal tracking and spreadsheet to analyze annual use data.

B. Administrative Division

Accounting staff processes and retains records and accounts of CMP fund balances, obligations and expenditures.

Fiscal files are identified by the general ledger numbering system within the District accounting software. This number uniquely identifies each grant within the system.

CMP fiscal files consist of a completed pay package, which includes grant invoice packet with supporting documentation, approvals, and accounting voucher. The accounting voucher also contains the check number and the date the check was mailed. This package is filed in the Accounts Payable files alphabetically by grantee.

XIV. **Program Structure, Organization, and Coordination with ARB**

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The District's CMP is primarily administered through the Planning Division. The organization of District staff in the CMP is shown in Figure 1. An important aspect of the District's CMP is the District internal quality control (QC) checks used throughout the process. These QC checks include:

- internal review of the contract language
- invoice review by planning, management, and accounting staff
- fund obligation and expenditure confirmation between accounting and planning staff
- periodic meetings to evaluate the progress of the CMP

Planning staff retains in the project folders correspondence with ARB regarding their interpretations, clarification, guidance, or possible deviations from the CMP Guidelines.

ARB invites District staff to attend CMP Incentive Program Implementation (IPI) team meetings once a quarter or as needed. District staff also attends other CMP program meetings by teleconference or in person.

As part of their oversight responsibilities, ARB staff may perform desk reviews of the District CMP program, on-site monitoring and audits. An audit of the District's program may involve other state agencies, such as the Department of Finance and State Bureau of Audits. Audits may be fiscal, programmatic or both. Audit preparation is specific to whatever entity is performing the audit and what documents and analyses are requested prior to the audit.

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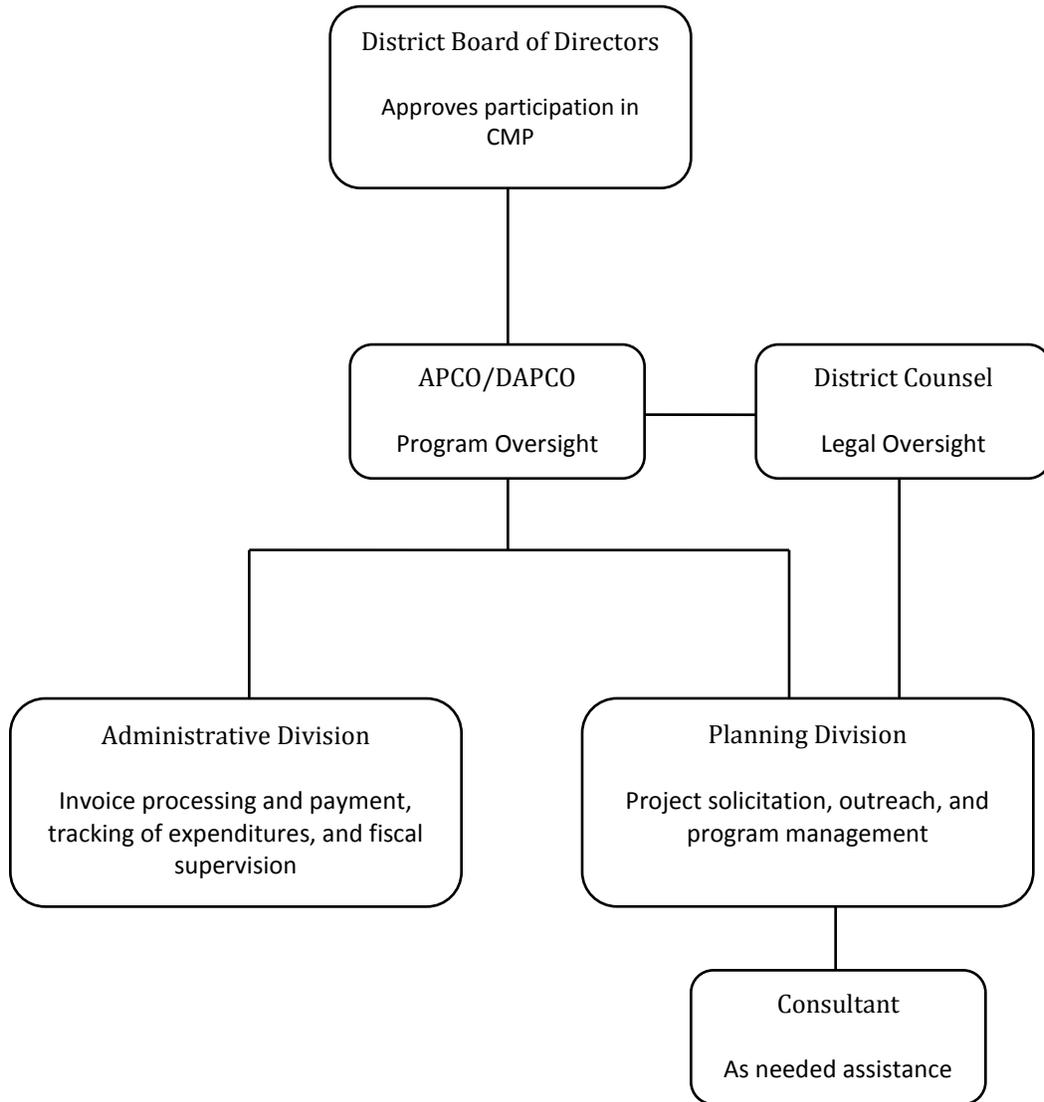


Figure 1. District CMP Organization Chart