MAA AND TCM REVENUE OFFSET AND MATCH --
GENERAL TIPS

Appropriate revenue offset and the identification of available matching funds for MAA and TCM are based on the local governmental agencies (LGAs) evaluation and management of the revenue received.

1. Give careful consideration to how the “claiming unit” is defined. A claiming unit is defined as an entity whose costs can be segregated as a separate budget unit. It is important that the specific revenues supporting the claiming unit can also be segregated.

2. Review all current and potential revenue sources to determine the source of the funds and the purpose(s) for which the funding may be used. The source of funds may include both revenue that must be offset and revenue that may be eligible to be used as match. Some revenue sources allow the funding to be used for one or more of a variety of purposes, including both claimable and non-claimable activities.

3. For allocating revenue that must be offset, the purpose of the funding, rather than the positions supported by the funding, is the primary consideration.

For MAA, if the revenue does not pay for any MAA for which the LGA will be claiming, then it is always offset against Cost Pool #3 (refer to PPL No. 98-003, MAA Invoice Instructions, for additional cost pool information). This is done even if the funding partially supports positions that perform MAA. The purpose of the funding is to support the non-MAA activities performed by persons in these positions.

For TCM, if the revenue does not pay for TCM, then it is not included on Worksheet B of the TCM Cost Report. This is done even if the funding partially supports positions that perform TCM. The purpose of the funding is to support the non-TCM activities performed by persons in these positions.

4. A number of revenue sources require that the LGA submit a proposed “Scope of Work.” If the LGA intends to use the revenue as match for MAA and/or TCM, the Scope of Work must include MAA and/or TCM claimable activities.

5. For revenue sources that include revenue that must be offset and revenue that is eligible to be used as match, determine if there is flexibility in the “designation of funds” for certain activities. Can the portion of the funds that must be offset be designated for non-claimable activities, and the portion of the funds eligible to be used as match be designated for claimable activities?

6. Develop and maintain a system for documenting how revenue offset and match decisions were made. Include references to contracts and all calculations. These materials must be retained in the LGA’s audit file.