

MAG CLOSE OUT PROCESS

BACKGROUND

Current guidelines for the year end closeout process were approved by the Regional Council in 1995 and were revised in 1996 and 2001 and are well known. MAG attempts to utilize all of the spending authority, known as Obligation Authority (OA), made available to the region. If it is all used, more may be made available. The most important criteria for a closeout project is that it must have completed the federal project development process and be in a position to go to bid by the end of the current federal fiscal year.

- A. Current Regional Council approved priorities for closeout funds are:
1. **Advancing projects** (or phases of projects) that are already programmed with MAG federal funds in a future year;
 2. **Adding additional federal funds to an existing**, unobligated projects, up to the originally programmed, federal-aid maximum;
 3. **Any other projects.**
- B. If there is any unutilized OA, it is usually 'loaned' to ADOT and repaid in the following year.

THE CLOSEOUT PROCESS

Initial Closeout: The initial closeout usually occurs as soon as the FY Appropriations Bill is available. It involves a simple comparison between the funds available and the projects programmed, resulting in an estimate of "uncommitted" funds.

Interim Closeout: Member agencies notify MAG staff, by March 1 of each year, of the projects that they wish to defer from the current fiscal year to the following fiscal year or that they do not wish to proceed with. When this total is known, agencies are then requested to identify projects that can utilize the funds made available. This submittal usually occurs by the end of April.

Final Closeout: Throughout a project cycle, adjustments can occur to projects and to the apportionment or appropriations formulas that can add to, or subtract from, the funds available. Also, redistributed OA may become available. "Contingency" projects are identified that can use these funds, often at very short notice.