



Earned Revenue, Residual Funds

Original Effective Date: May 24, 2018	Review / Revision Date:	Board of Health Resolution: 2018.05.063
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Maintenance Steward: Fiscal Assurance Officer **History:** New Revised Archived

Organizational Scope:

Full Agency Administration Community Services Environmental Health Health Services

Frequency of Review:

Annually Biennially 5 Years As Needed Other:

Location:

S-Drive: S: → Common → Policies & Procedures

Website: www.lucascountyhealth.com/employee-login/

Hardcopy: TLCHD Policies & Procedures Manual, HR Office

Archived Version(s):

Requisite Signatures

- | | | |
|-------------------------------------|---|----------------------------|
| <input checked="" type="checkbox"/> | 

Board of Health President | <u>24 May 2018</u>
Date |
| <input checked="" type="checkbox"/> | 

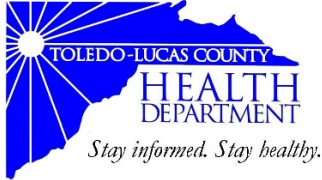
Health Commissioner | <u>05-24-18</u>
Date |
| <input checked="" type="checkbox"/> | 

Director of Health Services | <u>5/24/18</u>
Date |
| <input checked="" type="checkbox"/> | 

Director of Environmental Health & Community Services | <u>24 May 2018</u>
Date |
| <input checked="" type="checkbox"/> | 

Director of Health Promotion & Policy Integration | <u>5/24/2018</u>
Date |
| <input checked="" type="checkbox"/> | Vacant

Director of Administrative Services | _____
Date |



Earned Revenue, Residual Funds

I. Policy

When earned revenue (residual funds) are identified by Grant Coordinators, a resolution will be prepared for the Board of Health to transfer the residual funds to the General Fund. Upon transfer, the funds will be classified as unrestricted.

II. Scope

This policy applies to Grant Coordinators of the Toledo-Lucas County Health Department.

III. Purpose

The purpose of this policy is to provide the Toledo-Lucas County Health Department with a systematic process for addressing voluntary nonexchange transactions and for determining the amount of earned revenue (residual funds) to be transferred to the General Fund as unrestricted funds via Board of Health Resolution.

IV. Background

Previously, grants were primarily awarded on a “reimbursement-type” or “expenditure-driven” basis. Allowable expenses were reimbursed. There is an increase in the number of grants awarded on a “deliverables” or “unit-rate” basis. The Governmental Accounting Standards Board’s (“GASB”) Statement No. 33, titled *“Accounting and Financial Reporting for Nonexchange Transactions”* establishes voluntary nonexchange transactions. Voluntary nonexchange transactions frequently set eligibility requirements such as: characteristics of recipients, time requirements, reimbursements, or contingencies (i.e. resources are contingent upon a specified action of the recipient). Unlike reimbursement-type grants, voluntary nonexchange transactions may result in expenses that are less-than or greater-than the revenue. This policy specifically addresses voluntary nonexchange transactions when expenses are less-than revenue.

V. Policy Provisions/Procedures

- A. The amount of residual funds (if any) will be determined by the Grant Coordinators, after which:
1. The provider officially closes a grant/award/contract;
 2. All eligibility requirements have been met, including time requirements;
 3. All revenue has been received.

- B. The Grant Coordinators will notify the Health Commissioner of any residual funds.
- C. The Health Commissioner, or his designee, will draft a Board of Health resolution to transfer the funds from the Special Revenue Fund to the General Fund.
- D. The Board of Health by resolution may transfer any residual funds (earned revenue) from the Special Revenue Fund to the General Fund.
- E. After transfer to the General Fund, the funds will be classified as unrestricted funds and can be spent at the discretion of the Board of Health.

VI. Maintenance

A. Review

1. The Earned Revenue, Residual Funds policy is to be reviewed every five years to ensure compliance with both agency, federal, and accreditation standards.
2. A change in federal policy or rules regarding earned revenue will initiate a review of this policy to ensure all provisions and practices are in line with federal guidance.

B. Revision

1. All changes made to this policy are to be noted on the **Record of Change**. Substantial changes will require renewed signatures from all applicable parties. This includes changes to the intent, scope, procedures, or policy statement.
2. Changes in style, format, grammar or minor error correction will not require renewed signatures but must be indicated on the Record of Change.

Record of Change

(Required for all policies)

Date of Change	Changes Made By	Changes Made/Notes	Approved By