



To: Executive Committee  
From: Gregory S. Matson, Executive Director  
Date: April 20, 2017  
Subject: Remaining 4R Restricted Funds

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## **BACKGROUND**

During the December 2016 Executive Committee meeting in Houston the audited financial statements for the year ended June 30, 2016 were presented and reviewed. During this process Montana inquired about returning to certain states the remaining 4R Project restricted funds in the amount of \$42,694, which is the balance as of June 30, 2016, inasmuch as that project has been dormant for many years. The Executive Committee directed staff to investigate and report back with a recommendation.

## **HISTORY**

The 4R Project ran from fiscal 1988 up through fiscal 2000 with the final revenue and expenditures in this program occurring in fiscal 2000. After that the project was dormant. As of June 30, 2000, the remaining restricted fund balance of the 4R Project was \$84,694.

During the final years of the project there were seven states that participated: Alabama, Arkansas, Idaho, Montana, Oregon, Utah, and Washington.

For the years ended June 30, 2004, and June 30, 2005, each of these seven final participating states was given the option of receiving a \$6,000 credit against membership and program fees for either of these fiscal years. Over the course of these two fiscal years each of these seven states elected to take the \$6,000 credit. This total credit of \$42,000 reduced the \$84,694 restricted fund balance at the end of the program to the current balance of \$42,694.

## **RECOMMENDATION**

I recommend that the Executive Committee approve closing the 4R Project restricted fund and returning the remaining balance of \$42,694 to the seven states noted above via a credit on their FY 2018 membership and program fees. This would provide a credit of \$6,099.14 to each state, which will be reflected on their invoices.

Approval of this recommendation would not result in any financial stress on the Commission; it would result in the National Nexus Program fund being the sole restricted fund amount on the Multistate Tax Commission balance sheet.