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## What is Period of Availability and How Long Can Grants Be Funded?

Federal and state awards may specify a time period during which the subgrantee may use the Federal or state funds. Where a funding period is specified, a subrecipient entity may charge to the award only costs resulting from obligations incurred during the funding period. Also, if authorized for the Federal programs, unobligated balances may be carried over and charged for obligations of the subsequent funding period. No carryovers are permitted for state grants. Obligations means the amounts of orders placed, contracts and subgrants awarded, goods and services received, and similar transactions during a given period that will require payment by the non-Federal entity during the same or a future period. Cite: OMB Circular A-102 Common Rule as codified by 34 CFR 80.23 and ORC 131.33.

Entities subject to the OMB Circular A-102 Common Rule shall liquidate all obligations incurred under the award not later than 60 days after the end of the funding period for those grants applied for with a paper application. State grants to subrecipients must also have all obligations incurred under the award not later than 60 days after the end of the funding period for those grants applied for with a paper application. All state and Federal grants applied for using the Comprehensive Continuous Improvement Plan shall liquidate all obligations incurred under the award not later than 90 days after June 30. Cite: 34 CFR 80.23

To demonstrate the amount of expenditures made from a Federal or State Grant, the subrecipient is required to file a Final Expenditure report with the Office of Grants Management or the program office within 60 days of the end of the grant period for grants applied for using a paper application and 90 days for grants applied for using the Comprehensive Continuous Improvement Plan. The final expenditure report must reflect actual expenditures for the grant and what was contained in the approved budget, within a 10% variance. Cite: Ohio Department of Education Grants Management Policy, Final Expenditure Report Procedures.

*Definition of Obligation* - An obligation is not necessarily a liability in accordance with Generally Accepted Accounting Principles. When an obligation occurs (is made) depends on the type of property or services which the obligation is for:

IF AN OBLIGATION IS FOR --	THE OBLIGATION IS MADE --
(a) Acquisition of real or personal property.	On the date on which the State or subgrantee makes a binding written commitment to acquire the property.
(b) Personal services by an employee of the State or subgrantee.	When the services are performed.
(c) Personal services by a contractor who is not an employee of the State or subgrantee.	On the date on which the State or subgrantee makes a binding written commitment to obtain the services.
(d) Performance of work other than personal services.	On the date on which the State or subgrantee makes a binding written commitment to obtain the work.
(e) Public utility services.	When the State or subgrantee receives the services.
(f) Travel.	When the travel is taken.
(g) Rental of real or personal property.	When the State or subgrantee uses the property.
(h) A pre-agreement cost that was properly approved by the State under the applicable cost principles.	On the first day of the subgrant period.

The act of an SEA or other grantee awarding Federal or state funds to an LEA or other eligible entity within a State does not constitute a final obligation. An SEA or other grantee may not reallocate grant funds from one subrecipient to another after the period of availability lapses. Cite: GEPA Section 421(b) (20 USC 1225(b)) and 34 CFR sections 76.704 through 76.707.

If a grantee or subgrantee uses a different accounting system or accounting principles from one year to the next, it shall demonstrate that the system or principle was not improperly changed to avoid returning funds which were not timely obligated. A grantee or subgrantee may not make accounting adjustments after the period of availability in an attempt to offset audit disallowances. The disallowed costs must be refunded.