



**JANET BARRESI**  
STATE SUPERINTENDENT OF PUBLIC INSTRUCTION  
STATE OF OKLAHOMA

## MEMORANDUM

**TO:** District Superintendent

**FROM:** Ramona Coats, Assistant State Superintendent  
Federal Programs *R. Coats*

**DATE:** July 2014

**SUBJECT:** Policy Memorandum - Period of Availability of Federal Funds

Federal grant funds have a limited period of availability in which to be used by LEAs. This memorandum defines standards and procedures for using federal funds on a timely basis.

### Legal Background

Federal funds are made available to a Local Education Agency (LEA) for a period of 27 months. LEAs must obligate funds during the fiscal year for which the funds were appropriated or during the following fiscal year. If an LEA does not obligate all of its funds by the end of the fiscal year for which Congress appropriated the funds, it may obligate the remaining funds during a carryover period of one additional fiscal year. Any carryover funds not obligated by the end of the carryover period by the LEA lapse and must be returned to the United States Treasury. 34 CFR 76.709(a)(b).

### Procedural Requirements

The Oklahoma State Department of Education requires LEAs to obligate (or encumber) their federal funds through June 30 of each year. Any current year funds that remain unexpended after June 30 become LEA 1<sup>st</sup> year carryover funds in the following fiscal year. Subsequently, any LEA 1<sup>st</sup> year carryover funds that remain unexpended after June 30 become LEA 2<sup>nd</sup> year carryover funds in the second following fiscal year. These LEA 2<sup>nd</sup> year carryover funds must be obligated (or encumbered) through September 30.

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Below is an example of the period of availability of LEAs federal funds that were made available on July 1, 2012:

	<b>Availability</b>
Current Year Funds are FY2013 Funds in FY2013 12 months	7/1/2012 to 6/30/2013
LEA 1 <sup>st</sup> Year Carryover Funds are FY2013 Funds in FY2014 12 months	7/1/2013 to 6/30/2014
LEA 2 <sup>nd</sup> Year Carryover Funds are FY2013 Funds in FY2015 3 months = 27 months	7/1/2014 to 9/30/2014

LEAs need to examine the availability of their unexpended funds, particularly LEA 2<sup>nd</sup> year carryover funds to ensure these funds are encumbered by September 30, 2014.

If you have any questions, please contact the Federal Programs office at (405) 521-2846.

RC:kt  
cc: State Superintendent Janet Barresi