



JANET BARRESI
STATE SUPERINTENDENT OF PUBLIC INSTRUCTION
STATE OF OKLAHOMA

Title I, IIA, VI, & X

MEMORANDUM

TO: District Superintendent

FROM: Ramona Coats, Assistant State Superintendent *RC*
Title I, IIA, VI, & X

DATE: January 2013

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 succeeding 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 1st year carryover funds in the following fiscal year. Subsequently, any LEA 1st year carryover funds that remain unexpended after June 30 become LEA 2nd year carryover funds in the second following fiscal year. These LEA 2nd 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, 2011:

	Availability
• Current Year Funds are FY2012 Funds in FY2012 12 months	7/1/2011 to 6/30/2012
• LEA 1 st Year Carryover Funds are FY2012 Funds in FY2013 12 months	7/1/2012 to 6/30/2013
• LEA 2 nd Year Carryover Funds are FY2012 Funds in FY2014 3 months = 27 months	7/1/2013 to 9/30/2013

LEAs need to examine the availability of their unexpended funds, particularly LEA 2nd year carryover funds, and prepare to quickly encumber these funds by September 30, 2013.

OSDE may require districts to submit an expenditure analysis reflecting evidence of encumbrances for which LEA 2nd year carryover funds would apply.

If you have any questions, please contact the Title I, IIA, VI, & X office at (405) 521-2846.

RC:kt

cc: State Superintendent Janet Barresi