



JOY HOFMEISTER

STATE SUPERINTENDENT *of* PUBLIC INSTRUCTION
OKLAHOMA STATE DEPARTMENT *of* EDUCATION

MEMORANDUM

TO: District Superintendent

FROM: Matt Holder, Deputy Superintendent of Finance and Federal Programs *MH*

DATE: July 2016

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. This includes a 15-month period of initial availability, plus a 12-month period for carryover. 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 Federal Government. 34 CFR 76.709(a)(b).

Procedural Requirements

The Oklahoma State Department of Education requires LEAs to obligate (or encumber) 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 and liquidated 90 days after the period of availability, December 31. 2 CFR Part 200.343(b).

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Below is an example of the period of availability of federal funds that were made available to LEAs on July 1, 2014:

	Availability	
Current Year Funds are FY2015 Funds in FY2015 months	7/1/2014 to 6/30/2015	12
LEA 1 st Year Carryover Funds are FY2015 Funds in FY2016 months	7/1/2015 to 6/30/2016	12
LEA 2 nd Year Carryover Funds are FY2015 Funds in FY2017 months = 27 months	7/1/2016 to 9/30/2016	3

LEAs need to examine any unexpended funds, particularly LEA 2nd year carryover funds to ensure these funds are encumbered by September 30, 2016, and submitted shortly after to allow time for the expenditure to be audited and paid by the Office of Federal Program before the December 31, 2016, liquidation period. Any LEA unexpended second year carryover funds that remain available after December 31, 2016, will automatically be released back to the Office of Federal Programs.

Contact the Office of Federal Programs at (405) 521-2846 for questions regarding the period of availability.

MH:kt

cc: Joy Hofmeister, State Superintendent of Public Instruction