



Information Memorandum

AIDD-IM-19-01

Issued: February 4, 2019

TO:

Director, Designated State Agencies
Executive Directors, State Councils on Developmental Disabilities
Chairpersons, State Councils on Developmental Disabilities

SUBJECT:

Administrative Requirements of Federal Grant Funds pertaining to Obligation, Liquidation, and Date of Completion.

GRANT TERMS AND CONDITIONS:

42 USC 15001 et seq. Developmental Disabilities Assistance and Bill of Rights Act of 2000
45 CFR 1325 *Requirements Applicable to the Developmental Disabilities Program*
45 CFR 1326 *Formula Grant Programs*
45 CFR 75 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements For HHS Awards*
ACL issued Notice of Award

DISCUSSION:

The purpose of this Information Memorandum (IM) is to update the requirements of the State Councils on Developmental Disabilities (SCDD) program with current law, regulations, and policies. The Developmental Disabilities Assistance and Bill of Rights (DD) Act of 2000 (42 USC 15001 et seq.) was last reauthorized in 2000. Changes made by the reauthorization invalidated previously issued IMs. New regulations to implement the changes made by the reauthorization of the DD Act were issued in July 2015 and can be found in 45 CFR 1325, 1326, 1327, and 1328. Effective with Federal fiscal year (FFY) 2015 awards, ACL implemented the uniform administrative requirements, cost principles, and audit requirements found in 45 CFR 75. Please note that while this IM provides updates with current law, regulations, and policies, the requirements of the SCDD program remain unaltered with respect to the obligation and liquidation of awarded funds and the date of completion of work authorized. It is noted that 42 USC 15002 also defines "State" as, except as otherwise provided, includes, in addition to each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands."

The DD Act regulations published in 45 CFR 1326.2 and 45 CFR 1326.3 clarify the States' responsibilities for the obligation and liquidation of Federal funds. 45 CFR 75.2 defines terms related to the obligation and liquidation of Federal grant funds received by the State as follows:

- “Obligations”, when used in connection with a non-Federal entity's utilization of funds under a Federal award, means orders placed for property and services, contracts and sub awards made, and similar transactions during a given period that requires payment by the non-Federal entity during the same or a future period.
- “Project Costs” are total allowable costs incurred under a Federal award and all required cost sharing and voluntary committed cost sharing, including third-party contributions.
- “Project Period”, also referred to as “Period of Performance”, is the time during which the non-Federal entity may incur new obligations to carry out the work authorized under the Federal award. The Federal awarding agency or pass-through entity must include start and end dates of the period of performance in the Federal award.
 - Please refer to the *Notice of Award* for dates of the project period.
- “Unliquidated obligations” are for financial reports prepared on a cash basis, obligations incurred by the non-Federal entity that have not been paid (liquidated). For reports prepared on an accrual expenditure basis, these are obligations incurred by the non-Federal entity for which an expenditure has not been recorded.
- “Unobligated balance” is the amount of funds authorized under a Federal award that the non-Federal entity has not obligated. The amount is computed by subtracting the cumulative amount of the non-Federal entity's unliquidated obligations and expenditures of funds under the Federal award from the cumulative amount of the funds that the Federal awarding agency or pass-through entity authorized the non-Federal entity to obligate.

The following points are most important in regard to specific time limits for the SCDD program:

- Obligation – Funds which the Federal Government allots during a Federal fiscal year are available for obligation by States for a two-year period beginning with the first day of the Federal fiscal year in which the grant is awarded. [Reference: 42 USC 15022 & 45 CFR 1326.2(a)]
- Liquidation – All obligations incurred pursuant to a grant made under the Act for a specific FFY must be liquidated within two years of the close of the Federal fiscal year in which the grant was awarded. [Reference: 45 CFR 1326.3(a)]

The current SCDD program regulations provide an opportunity for States to request a waiver of the two year liquidation time requirement if (a) the State law impeded implementation of the requirement, or (b) the amount of obligated funds to be liquidated is in dispute. [Reference: 45 CFR 1326.3(b)]. Additionally, if there is a Presidential declared disaster that prevents a grantee from meeting the liquidation deadline, the grantee should immediately submit a request for a liquidation waiver to their AIDD Project Officer.

DECISION:

In understanding that some grant recipients may need additional time to amend internal policies, as well as procedures and procurement policies to comply with the completion of work authorized by the project period end date, ACL will approve a one-time special condition for SCDD FFY 2019 grant awards that will allow for grant recipients to complete the work authorized by September 30, 2021. However, obligations made with the SCDD FFY 2019 grant award must be made by the 24-month project period end date of September 30, 2020. Consistent with existing requirements, grant recipients are to liquidate obligations within two years from the close of the FFY of the award or by September 30, 2021 unless a waiver is approved.

ACL plans to conduct additional technical assistance in the near future.

FOR MORE INFORMATION:

For more information please contact Andrew Morris in the ACL Office for Policy Analysis and Development at andrew.morris@acl.hhs.gov.

Sincerely,



Jennifer Johnson
Deputy Director
Administration on Intellectual and
Developmental Disabilities



Tanielle Chandler
Director
Office of Grants Management

cc: Ophelia McLain, Director, Office of Program Support
Sara Newell-Perez, Program Specialist, Office of Program Support
Teresa Nguyen, Program Specialist, Office of Program Support
William Kim, Grants Management Officer, Office of Grants Management

