



Fiscal Operations Roundtable



Topics

- **Timely Use of Funds**
 - Older money and newer money
- **Budgeting**
 - Administrative, Program, and Match
 - Obligation practices
- **Budget Reconciliation and Financial Reporting**
- **Available Resources**



Timely use of funds

- **Must obligate funds to ensure timely spending can occur.**
- **Must know how long an obligation process takes:**
 - Council process
 - Designated State Agency (or Territory) process
- **Must implement monitoring processes to track spending on the federal award.**
- **If obligated funds are unspent and the obligation period is open, the Council can re-obligate funds to do work.**

Grant funds: Older and Newer

- “Old” money must be properly obligated and follow the grant award project period.
 - This means obligated during an open obligation period of an award.
 - If properly obligated, funds can be liquidated (spent).

YOU MUST FOLLOW YOUR NOTICE OF AWARD REGARDING OBLIGATION AND LIQUIDATION

- **Consequences**
 - Newer money becomes old because the focus is on older money.
 - The amount of time to “do the work” (project period) is less
 - Creates a constant situation of playing “catch-up” to obligate, do the work, and spend.
 - Creates a reliance on the opportunity for a no-cost extension.

State plan and budget



Each year, the Council makes an annual budget for implementing State plan activities:

- The budget should be developed based on a projection of future funding and then reconciled based on ACTUAL funding.
- The budget should account for all available funds, including unobligated funds from the prior year award and the newly awarded funds.

Planning Considerations when Budgeting

- **Administrative costs**

- Staff costs (personnel) are predictable.
- Operating costs are predictable.
- Council meeting and Council member support costs are predictable.

- **State plan activity costs**

- State plan and 2 years of Annual work plans approved by OIDD.
- Council should fully obligate current year federal funds based on the planned work (described in the annual work plan).

Building the Budget – Basic Information

- Administrative costs (including designated state agency reimbursement) not to exceed 30% of the federal award.
- Program costs include staff salaries and fringe benefits if they are implementing state plan activities, all subawards (no matter what type of instrument, meaning contract, interagency agreement, grant), not to be less than 70% of the federal award.
- Total aggregate match requirement



Conduct Routine Budget Reviews

- It is good practice to periodically review the budget as well as compare it to the actual cash flow and expenses, to determine whether they are playing out as expected during the year.
- It may be necessary to amend the budget during the year.
- The 70/30 distribution of funds needs to be tracked for EACH grant award (grant number) and should be an intentional part of the budgeting and award reconciliation process.

Key Items to track



- **Track and monitor all active SCDD awards**
 - Obligation start date
 - Obligation end date
 - Project period start date
 - Project period end date
 - Any adjustments to the project period as approved
- **Track and monitor all subawards**
 - Award project period
 - Performance
 - Match requirement
- **Why track?**

Extending the project period

Also called a “no-cost” extension.

A no-cost extension is not a guarantee; Councils must plan accordingly.

Ideally, your Council will do State plan work within the project period timeframes; however, challenges exist.

Consider a reflection on the following:

Are you requesting an extension each year?

Are the amounts for the request similar?

Is the justification for the request similar year after year?

What does this tell you?

Are there opportunities to reduce the Council’s dependency on a no-cost extension?



Key Resources

[Itacchelp.org>Financial Information](#)
[acl.gov>Grants>Managing a Grant](#)

ITACC and ACL

- **Itacchelp.org website**
 - Financial Information page
 - Obligation/Liquidation page
 - Match/Cost sharing page
 - Financial Operations page
- **ACL.gov website**
 - Grants>Managing a Grant
 - Terms and Conditions
 - Grantee Product Disclaimer
 - Federal Restrictions on Lobbying



Terms and Conditions References



- 2 CFR 200 - Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)
- 45 § CFR 1326.2 – Formula Grant Programs, Subpart A, Subpart D, Subpart E
- Public Law 106-402 – Subtitle A, Subtitle B



Open Discussion

**What resources do you
need?**

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