



# 2023 Cross-Center Fiscal Webinar: Timely, Purposeful Expenditure of IDEA Funds

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# Collaborating TA Centers

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# Agenda

- Timely Obligation and Liquidation Requirements
- When Obligations Are Made
- Oversight Responsibilities
- Technical Assistance and Resources
- State Discussion

# Zoom Poll

Why is the timely expenditure of IDEA grants important?  
(open-ended responses)



# Timely Obligation and Liquidation Requirements

# Internal Controls Requirements in the OMB Uniform Guidance

- 2 CFR §200.302—Financial Management. States must expend and account for the federal award in accordance with state laws and procedures for expending and accounting for the state's own funds.
- 2 CFR §200.303—Internal Controls. States must establish and maintain effective internal controls over the federal award.

# Part B and Part C Grant Timelines

There are two phases of a grant:

- Period of Availability (27 months)
  - Budget Period (15 months)
  - Tydings Period (12 months)
- Liquidation Period (120 days)

2 CFR §200.309, 2 CFR §200.344, and 2 CFR §200.77

# Period of Availability (27 months)

## Budget Period (15 months)

- Federal fiscal year (FFY) 2023 funds are available from July 1 of the current FFY through September 30 of the next FFY.
- This is the period for which OSEP has provided federal Part B and Part C funds for specific approved activities.
- Example: The Budget Period for the FFY 2023 award is July 1, 2023, through September 30, 2024.



# Period of Availability (27 months)

## Tydings Period (12 months)

- States may obligate any Part B and Part C funds that were not obligated in the budget period.
- Example: The Tydings Period for the FFY 2023 award is October 1, 2024, through September 30, 2025.

Section 421(b) of the General Education Provisions Act (GEPA),  
20 U.S.C. §1225(b), and 34 CFR §76.709

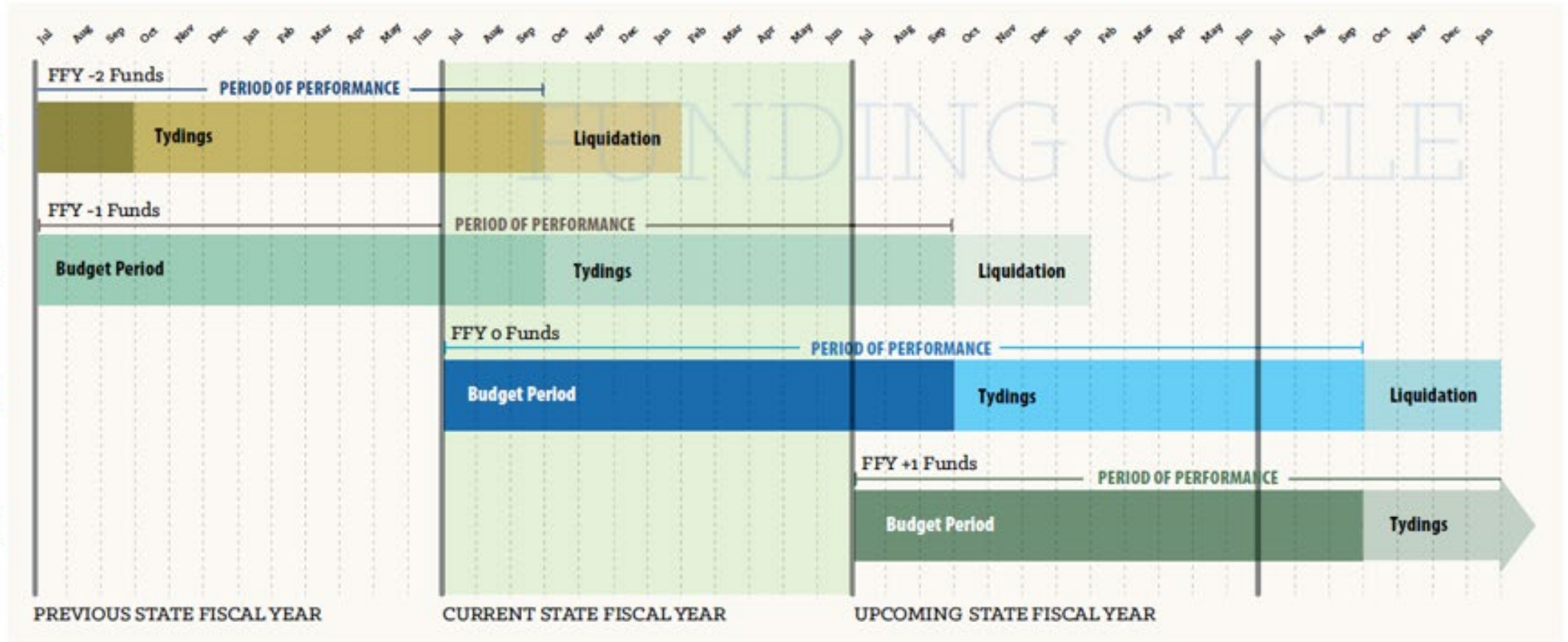
# IDEA Funding Cycle

FFY 2021  
2021-22

FFY 2022  
2022-23

FFY 2023  
2023-24

FFY 2024  
2024-25



# Questions?

What questions do you have about the IDEA funding cycle?

- Fiscal years?
- Period of availability?
- Budget period?
- Tydings period?
- Liquidation period?
- Others?

# When Obligations Are Made

# When Obligations Are Made

EDGAR 34 CFR §76.707 has a table illustrating when a state makes certain kinds of obligations for property and services.

<https://www.ecfr.gov/current/title-34/subtitle-A/part-76/subpart-G/subject-group-ECFRae39e5300d1271f/section-76.707>

# 34 CFR §76.707

If the obligation is for	The obligation is made
(a) acquisition of real or personal property	on the date on which the state or subgrantee makes a binding written commitment to acquire the property.
(b) personal services by an employee of the state or subgrantee	when the services are performed.
(c) personal services by a contractor who is not an employee of the state or subgrantee	on the date on which the state or subgrantee makes a binding written commitment to obtain the services.
(d) performance of work other than personal services	on the date on which the state or subgrantee makes a binding written commitment to obtain the work.

(continues)

# 34 CFR §76.707 (continued)

If the obligation is for	The obligation is made
(e) public utility services	when the state or subgrantee receives the services.
(f) travel	when the travel is taken.
(g) rental of real or personal property	when the state or subgrantee uses the property.
(h) a pre-agreement cost that was properly approved by the Secretary under the cost principles in <u>2 CFR Part 200, Subpart E—Cost Principles</u>	on the first day of the grant or subgrant performance period.

# State Systems for Tracking

States must have a financial system that supports the Part B and Part C programs to

- conduct oversight of the use of funds and
- effectively track the obligation and liquidation of federal funds.



# Considerations

How are you using IDEA funds?

How does this affect your ability to spend the funds?

How do you monitor the rate of expenditure of IDEA funds—both at the state and local levels?

How are internal controls used to ensure older grant funds are spent first?

# Oversight Responsibilities

# OSEP's Role in Ensuring Timely Obligation and Liquidation

Communicating with states with large available balances

Understanding the need to improve upon existing procedures

Identifying states in need of the most support

Targeting Unexpended Funds Initiative in collaboration with TA centers

# What can a state do to ensure the timely expenditure of IDEA grants?

Monitor the expenditure of funds throughout the grant period—at both the state and local levels

- Expend the older funds prior to the newer funds (FIFO)
- Monitor the use of state-level funds
- Monitor the rates at which local entities are expending funds and establish procedures for communicating with local entities
- Review the expenditure data to inform the budget and planning process for future years

# Are there exceptions to the grant period?

IDEA does not provide the Office of Special Education Programs (OSEP) the authority to extend or waive the period of availability.

- In extenuating circumstances, Congress may grant special authority to waive this requirement.

## Late Liquidation Requests

- Funds must be obligated within the 27-month period of availability.
- Phase 1
- Phase 2

# Questions?

# Technical Assistance and Resources

# Collaborative TA Center Support to Help States

Plan to fully expend FFY 2021 funds

Develop or revise procedures to ensure timely expenditure of funds



# Part B Resources

- Understanding the IDEA Part B State Grant Funding Cycle and Different Fiscal Years: <https://cifr.wested.org/wp-content/uploads/2021/04/CIFR-Understanding-Different-Fiscal-Years.pdf>
- Practice Guide on Developing Written Procedures for the Allocation of IDEA Part B Subgrants to Local Educational Agencies (see Section 7: Reallocation of Available Funds): <https://cifr.wested.org/wp-content/uploads/2021/03/CIFR-Practice-Guide-Developing-Written-Procedures-Allocation.pdf>
- OSEP Memo—Review of Obligation and Liquidation Timelines and Authority, and Process for Requesting Late Liquidations: <https://sites.ed.gov/idea/idea-files/osep-memo-review-of-obligation-and-liquidation-timelines-and-authority-and-process-for-requesting-late-liquidations-may-17-2023/>

# Part C Resources

- Understanding the IDEA Part C State Grant Funding Cycle and Different Fiscal Years: <https://cifr.wested.org/wp-content/uploads/2022/04/CIFR-Understanding-Different-Fiscal-Years-Part-C.pdf>
- IDEA Part C Annual Grant Budget Calculator: <https://cifr.wested.org/resource/part-c-budget-calculator/>
- OSEP Memo—Review of Obligation and Liquidation Timelines and Authority, and Process for Requesting Late Liquidations: <https://sites.ed.gov/idea/idea-files/osep-memo-review-of-obligation-and-liquidation-timelines-and-authority-and-process-for-requesting-late-liquidations-may-17-2023/>

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# State Discussion

1. What challenges have you encountered regarding the timely expenditure of IDEA funds?
2. What strategies have you implemented that were successful?
3. What promising strategies are you considering exploring?