

No. 632

SECTION: Finances

TITLE: Timely Obligation of Funds
(Federal Programs)

CATASAUQUA AREA SCHOOL DISTRICT

ADOPTED: April 11, 2017

	632 – TIMELY OBLIGATION OF FUNDS (FEDERAL PROGRAMS)	1
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1. Purpose	The District establishes and maintains Board policies, administrative regulations, and procedures on administration of federal funds in federal programs as required by the Uniform Grant Guidance and other federal, state, and local laws, regulations, and requirements. The District’s financial management system includes standards for the timely obligation of funds under federal awards.	3 4 5 6 7 8
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2. Definitions	The following words and phrases, when used in this policy, shall have the meaning given to them below:	10
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	Coordinator — means the Coordinator of Instructional Technology & Federal Programs, except that with respect to federal awards relating to the District’s food service program, the term shall mean the Food Service Director.	12 13 14 15
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2 CFR § 200.38	Federal award — means (1) federal financial assistance that the District receives directly from a federal awarding agency or indirectly from a pass-through entity, (2) a cost-reimbursement contract under the Federal Acquisitions Regulations that the District receives directly from a federal awarding agency or indirectly from a pass-through entity, and (3) the instrument setting forth the terms and conditions of the Federal award, including the grant agreement, cooperative agreement, other agreement for assistance under 2 CFR § 200.40(b) (<i>i.e.</i> , loans, loan guarantees, interest subsidies, and insurance), or the cost-reimbursement contract awarded under the Federal Acquisition Regulations.	17 18 19 20 21 22 23 24 25
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	Obligations — means orders placed for property and services, contracts and subawards made, and similar transactions during a given period that require payment by the District during the same or a future period.	28 29
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3. In General

2 CFR §§
200.77, 200.309;
34 CFR § 76.709

All obligations with respect to a federal award must occur between the beginning and ending dates of the federal award project, which is known as the period of performance, except to the extent of any permitted use of carryover funds after the end of the period of performance. The period of performance is dictated by law and regulations and will be indicated in the federal award. Specific requirements for carryover funds may be specified in the federal award and must be adhered to by the District.

The District will handle obligations and carryover of state-administered and direct grants in accordance with state and federal law and regulations, and the terms and conditions of the federal award. Carryover will be calculated and documented by the Coordinator and reviewed by the Business Supervisor.

The following table illustrates when the District makes obligations for various kinds of property and services under federal regulations:

34 CFR §§
75.707, 76.707

<u>Obligation is for:</u>	<u>Obligation is made:</u>
Acquisition of real or personal property	On the date on which the District makes a binding written commitment to acquire the property
Personal services by a District employee	When the services are performed
Personal services by a contractor who is not a District employee	On the date on which the District makes a binding written commitment to obtain the services
Performance of work other than personal services	On the date on which the District makes a binding written commitment to obtain the work.
Public utility services	When the District receives the services
Travel	When the travel is taken
Rental of real or personal property	When the District uses the property
A pre-agreement cost that was properly approved by the Secretary under the cost principles in 2 CFR Part 200, Subpart E - Cost Principles	On the first day of the project period

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4. Extension of the Period of Performance

2 CFR § 200.308(d)(2);
34 CFR § 75.261

- A. The District may exercise an extension of the period of performance under a direct grant in accordance with law, regulations and the terms and conditions of the federal award when written notice is provided to the federal awarding agency at least ten (10) calendar days prior to the end of the period of performance.
- B. The Coordinator will decide when an extension of the period of performance is necessary and will recommend that the Superintendent and the Board of School Directors approve this process.
- C. The Coordinator will develop the required written notice, including the reasons for the extension and revised period of performance; the notice will be issued no later than ten (10) calendar days prior to the end of the currently documented period of performance in the federal award.
- D. The District must seek approval from the federal awarding agency for an extension of the period of performance when the extension is not contrary to federal law or regulations, and the following conditions apply:
 - 1. The terms and conditions of the federal award prohibit the extension;
 - 2. The extension requires additional federal funds; or
 - 3. The extension involves any change in the approved objectives or scope of the project.