



ACCOUNTING POLICY AND PROCEDURES (APP) MANUAL

TOPIC: Section 14 – Federal Funds 3.1	EFFECTIVE DATE: 06/28/1985
TITLE: Expending Funds from Concurrent Block Grants	REVISION DATE: 05/22/2017
AUTHORIZED BY: Director, Bureau of Fiscal Services	

BACKGROUND

Federal legislation allows greater flexibility in the use of block grant funds. Generally, funds for each block grant that are unobligated by a state during one fiscal year may be carried over to the next fiscal year. Limitations on the carryover amounts are made for two of the blocks.

POLICY

Since block grant project periods are generally two years in duration, funds from two federal fiscal years are currently available. In accordance with the fundamental principle of the block grants that interpretation of the statutory provisions is primarily the responsibility of each state; our policy is to expend funds from the earliest open federal block grant.

However, this policy does not apply to block grants that do not have concurrent funding periods. This exception occurs if a block grant specifies that all funds have to be obligated by the end of the first federal fiscal year and expended by the end of the second federal fiscal year, and, thus, are not two years in duration. In those instances, expenditures cannot be transferred between federal fiscal years to fully expend the oldest grant. If legitimate expenditures cannot be identified to fully expend the block grant, unspent funds will have to be returned to the federal government.

PROCEDURES

1. A new project number is established at the beginning of a new federal fiscal year (October 1) in accordance with APP 2.1 (Project Codes for Federal Grants).
2. At the end of the second year, a journal entry will be made by BFS to transfer expenditures, paid prior to the end of the oldest federal fiscal year, from the most recent grant to expend fully the oldest grant.

REFERENCES

DHS APP Section 9 –Project Codes for Federal grants, 2.1 (Request for Project Codes)

CONTACTS

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