

Obligating IDEA Funds

Purpose

2 CFR §200.302(b)

Local Education Areas (LEAs) must maintain a financial management system that includes records pertaining to Federal awards, authorizations, financial obligations, and unobligated balances.

What are Financial Obligations?

2 CFR §200.1

Orders placed for property and services, contracts and subawards made, and similar transactions that require payment.

Period of Performance

2 CFR §200.1

Total estimated time interval between the start of an initial Federal award and the planned end date. The IDEA grants' period of performance begins on July 1 and lasts for 27 months. The timing of the obligations is important to minimize the risks of unobligated funds.

Obligation Timing

34 CFR §76.707

- a) If the obligation is for acquisition of real or personal property, the obligation is made on the date on which the State or subgrantee makes a binding written commitment to acquire the property.
- b) If the obligation is for personal services by an employee of the State or subgrantee, the obligation is made when the services are performed.
- c) If the obligation is for personal services by a contractor who is not an employee of the State or subgrantee, the obligation is made on the date on which the State or subgrantee makes a binding written commitment to obtain the services.
- d) If the obligation is for the performance of work other than personal services, the obligation is made on the date on which the State or subgrantee makes a binding written commitment to obtain the work.
- e) If the obligation is for public utility services, the obligation is made when the State or subgrantee receives the services.
- f) If the obligation is for travel, the obligation is made when the travel is taken.
- g) If the obligation is for the rental of real or personal property, the obligation is made when the State or subgrantee uses the property.

Liquidation

2 CFR §200.344

An LEA entity must liquidate all financial obligations incurred under the Federal award no later than 120 calendar days after the end date of the period of performance as specified in the terms and conditions of the Federal award.