

## UNOBLIGATED BALANCES TRACKING UNSPENT GRANT FUNDS

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## UNOBLIGATED BALANCES TRACKING UNSPENT GRANT FUNDS

- The definition of un-obligated (UOB) balances has not changed; what has changed with the new legislation is that the grantee needs to be proactive in tracking these dollars before the fiscal year has ended. No longer can we wait to the end of the fiscal year to determine unused Part A and B funds

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## Session Focus

- Definition of terms
- New legislative and regulatory requirements for un-obligated balances
- How to account for un-obligated balances
- How to address subcontractor's issues
- Ways of tracking un-obligated balances
- How to have a proactive reallocation process

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## Definition of Terms

- *Un-obligated Balance*  
Federal dollars that have been obligated or contracted during the grant year but are not scheduled to be paid (unexpended) or funds not promised/assigned/obligated or set aside as planned, therefore, they are uncommitted.

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## Definition of Terms

- *Uncommitted Funds*  
Monies not promised/assigned or set aside for a specific purpose before the end of the grant year
- *Unexpended Funds*  
Monies granted or sub-contracted for goods and services that have not been paid out.

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## Definitions of Terms

- *Obligated Funds*  
Monies that have been committed or promised or assigned or set aside for a specific purpose and will require payments during the grant year cycle or at a future period.
- *Carry-over Funds*  
Carry-over is the authorization of un-obligated balances of federal funds from a previous period to cover allowable costs in a current budget period.

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## How the New Legislation Treats Un-obligated Balances

- What is new in Part A
- What is new in Part B
- How the Part A & B changes affect Part C or D funded agencies

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## How to Account for UOB

- **Budget Planning**
  - Use spreadsheet/ year to date variance reports
- **Categories**
  - Subcontractors
  - 75/25 rule
  - Administrative caps
  - Quality management
  - Allowable vs Non-Allowable
  - Carry-over
  - Rebates

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## Subcontractor's Issues

- Contracting
- Allocation of expenses
- Timely invoices
- Monitoring
- Tracking subcontractors' UOB
- Internal subcontractors' Reallocation

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## How to Track Un-obligated Balances

- Accuracy Issues
- Tracking Sub-contractors' UOB
  - Ability to timely and accurately notify if less funds will be utilized
  - Ability for timely reporting, recognizing trends and re-allocating funds
  - Require Narrative Reports

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## Proactive Re-allocation Process

- Accurate and timely information is critical
- Re-allocating UOB by source
  - ADAP
  - Part B
  - 75%-25%
  - Administration
  - Categories
  - Carry-over

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## Proactive Re-allocation Process

- Some Examples of reallocation

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## Proactive Re-allocation Process

- Consequences of Poor reallocation process
  - Will cuts be experienced?
  - Will carry-over be allowed?

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## THANKS

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