

U.S. DEPARTMENT OF EDUCATION
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES
REHABILITATION SERVICES ADMINISTRATION
WASHINGTON, D.C. 20202

INFORMATION MEMORANDUM
RSA-IM-92-20
RSM-1050¹
DATE: 7-21-92

- TO : STATE VOCATIONAL REHABILITATION AGENCIES
(GENERAL)
STATE VOCATIONAL REHABILITATION AGENCIES (BLIND)
CLIENT ASSISTANCE PROGRAMS
REGIONAL REHABILITATION CONTINUING EDUCATION
PROGRAMS (RRCEPS)
RSA DISCRETIONARY GRANTEEES (If applicable)
RSA SENIOR MANAGEMENT TEAM
- SUBJECT : FY 1992 Reallotment Schedule for Formula Grants under the
Rehabilitation Act
- CONTENT : The Rehabilitation Act of 1973, as amended, grants the Commissioner the
authority to reallot to other grant recipients that portion of a recipient's annual
grant that cannot be used. To maximize the use of appropriated funds under the
formula grant programs, RSA establishes the following FY 1992 reallotment
schedules for the Basic Support (Title I); Independent Living, Part A (IL);
Supported Employment (SE); and Client Assistance (CA) Programs.

Each State VR agency and Client Assistance grantee will submit to its respective
RSA Regional Office (RO), by the dates indicated, information as to whether or
not it is relinquishing funds, is requesting additional funds, or will not seek to
change its award level. The RSA RO will then report the information, provided
by the grant recipients in its region, to the RSA Central Office (CO). RSA CO
will then issue award documents reflecting the reallotment change of funds.

¹ Under Development

FIRST REALLOTMENT

	<u>Title I</u>	<u>CA</u>	<u>SE/IL</u>
States Report to RSA RO	8/3	7/13	7/20
RSA RO Reports to RSA CO	8/5	7/15	7/22
RSA CO Issues Awards	8/18	7/27	8/7

SECOND REALLOTMENT

States Report to RSA RO	9/15	8/18	9/8
RSA RO Reports to RSA CO	9/17	8/20	9/10
RSA CO Issues Awards	9/25	8/28	9/17

State Director Assurance in the Basic Support Program

Federal Regulation, 34 CFR 361.87, requires each State agency, before receiving reallocation funds in the Basic Support Program, to provide assurance that it is able to obligate all of its regular allotment within the fiscal year that funds were appropriated. A State agency could fail to obligate its funds because it did not obligate in a timely manner or did not have sufficient funds to provide the required match.

Reallotted funds are considered to be an increase to the State's allotment for the fiscal year for which the funds were appropriated and the State agency must be able to match the regular allotment funds and the reallotted funds to be able to obligate the reallotted Federal funds. In States where there are two State VR agencies, and only one requests reallocation funds, both agencies must certify that they are able to obligate all of their regular allotment funds.

A VR Agency Director, who requests additional funds under the Basic Support Program during the reallocation process, must submit a signed assurance to his or her RSA Regional Commissioner, that the State agency is able to fully obligate all of its original allotment within the fiscal year for which funds were appropriated. Only one assurance statement from each State Agency Director is required for the reallocation process for that fiscal year. Copies of the written assurances will be received and filed in the RO. The Regional Commissioner will provide to RSA CO a signed statement that assurances have been received by all State Agencies requesting reallocation funds.

Only Basic Support funds received during the reallocation process can be carried over into the subsequent fiscal year to pay for initial expenditures. Initial expenditures are obligations incurred by November 15 of the fiscal year

subsequent to the fiscal year from which the funds were reallocated. For the other three formula grant programs, funds received through the reallocation process, as well as the regular allotment, must be obligated by September 30.

Unobligated Balances

To minimize unobligated balances in FY 1992 and in future years, State agencies are strongly advised that proper recordkeeping is essential in order to identify obligations made. In FY 1991, under the Basic Support Program, more than \$2.7 million was reported as being unobligated, as of year-end reporting. It is essential that all State agencies work to minimize unobligated balances through better recordkeeping and methods for more timely and accurate estimates of obligations. State agencies should either transfer to the other State agency, if there is one, or relinquish in the reallocation process, any funds anticipated to remain unobligated.

Cancellation of Reallocation

If, during the first reallocation, ample funds are not relinquished, RSA will exercise its discretion to cancel the first scheduled reallocation for that program. RSA will notify the grantees that the reallocation has been canceled and that they will have the opportunity to reaffirm or change their first reallocation requests and report that information when it comes time to submit requests for the second reallocation.

Reallocation Reporting Format

To request or relinquish funds during the reallocation process, please use the format shown below to report the following information for each program.

Current Total Grant Amount \$ _____
Requested Total Grant Amount \$ _____
Increased or Decreased Amount \$ _____

INQUIRES:

Any questions concerning this reallocation schedule should be addressed to the Director, Financial Management and Information Systems Staff at (202) 205-8358.

Nell C. Carney, CRC
Commissioner