

UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF SPECIAL EDUCATION AND
REHABILITATIVE SERVICES
REHABILITATION SERVICES ADMINISTRATION
WASHINGTON, DC 20202

INFORMATION MEMORANDUM
RSA-IM-01-06
DATE: October 26, 2000

TO : STATE VOCATIONAL REHABILITATION AGENCIES (GENERAL)
STATE VOCATIONAL REHABILITATION AGENCIES (BLIND)
CLIENT ASSISTANCE PROGRAMS
PROTECTION AND ADVOCACY OF INDIVIDUAL RIGHTS
PROGRAMS
REGIONAL REHABILITATION CONTINUING EDUCATION
PROGRAMS
AMERICAN INDIAN VOCATIONAL REHABILITATION
PROGRAMS
RSA SENIOR MANAGEMENT TEAM

SUBJECT : LIQUIDATION OF OBLIGATIONS UNDER RSA'S FORMULA
GRANTS

CONTENT : This Information Memorandum (IM) supersedes Information
Memorandum RSA-IM-91-24, dated July 2, 1991, and
Information Memorandum RSA-IM-92-07, dated November 25,
1991 with respect to the liquidation of obligations requirement
under RSA's formula grants.

RSA-IM-91-24 and RSA-IM-92-07 are being replaced by this Information
Memorandum for the following reasons: (1) to update requirements
resulting from amendments to the Rehabilitation Act subsequent to the
issuance of IM-91-24 and IM-92-07; (2) to clarify information
requirements that apply to a request for waiver of the 90-day liquidation
requirement; and (3) to remind grantees that requests for a waiver of the
90-day liquidation requirement must be submitted to the appropriate RSA
Regional Office.

This IM is applicable to all of the following formula grant programs:

- State Vocational Rehabilitation (VR) Services Program - - Section 110;
- Client Assistance Program (CAP) - - Section 112;

- Protection and Advocacy of Individual Rights Program - - Section 509;
- Supported Employment (SE) Program - - Section 622;
- Independent Living (IL) Services Program, Part B - - Section 711;
- Independent Living (IL), Part C, Centers for Independent Living (CIL) Program - - Section 721, if administered by a State agency pursuant to Section 723.¹
- Independent Living, Chapter 2, Independent Living Services for Older Individuals Who are Blind - - Section 752.

As required by 34 CFR 80.23(b) for governmental recipients and 34 CFR 74.52(a)(iv)² for nonprofit recipients, the time limit for liquidation of all obligations under a formula grant, as well as any subgrants awarded (where authorized) thereunder, is 90 days after the end of the grant's funding period, or the termination of the grant.

State VR Agencies, CAP and PAIR grantees that cannot meet the 90-day liquidation requirement must request an extension in order to liquidate past this time limit. A written request to the RSA Regional Commissioner is required and must contain the following information: (1) name of grant program; (2) grant number; (3) the date when all funds will be liquidated under each grant (RSA recommends that it be the last day of the month in which the grantee anticipates liquidating its obligations); and (4) the reason(s) that justify an extension of time for each grant program.

RSA will notify the grantee by letter within 30 days of receipt of the request whether the request for an extension of time to liquidate the obligations has been approved.

If the request is approved, the grantee must continue to submit to the RSA

¹The Rehabilitation Act provides that if State funding for the general operations of CILs in the State for a preceding fiscal year equals or exceeds the Federal funds allotted under the Part C program, the State, if it so chooses, may administer the Part C program as a formula grant program in accordance with Section 723.

²34 CFR 74.52(a)(iv) requires a grantee subject to Part 74 to submit a final financial report 90 days after the end of the grant's funding period. A financial report, however, is not considered final until all unliquidated obligations are zero. Consequently, in order to comply with this final report submission requirement, the grantee must liquidate its obligations within 90 days of the close of the grant's funding period.

Regional Office all required interim Financial Status Reports for the affected grant (quarterly for the Title I--State Vocational Rehabilitation Services Program; annually for all the other formula grants). However, after all obligations have been liquidated, the final report will cover the period from the last interim report through the end date of the extension period. That final report will be due thirty days after the close of the extension period.

CITATIONS IN

REGULATIONS: 34 CFR 74.52(a)(iv) and 80.23(b)

RELATED POLICY

ISSUANCES: PD-01-01

INQUIRIES: RSA Regional Commissioners.

Fredric K. Schroeder, Ph.D.
Commissioner

cc: Council of State Administrators of Vocational Rehabilitation
National Association of Protection and Advocacy Systems
National Council for Independent Living
National Rehabilitation Facilities Coalition