

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

INFORMATION MEMORANDUM  
RSA-IM-91-14 (REVISION)  
RSM-1050 1/  
DATE: March 26, 1991

TO : STATE VOCATIONAL REHABILITATION AGENCIES (GENERAL)  
STATE VOCATIONAL REHABILITATION AGENCIES (BLIND)  
CLIENT ASSISTANCE PROGRAM GRANTEES  
RSA SENIOR MANAGEMENT TEAM

SUBJECT : Replacement of Information Memorandum - RSA-IM-91-14  
FY 1991 Reallotment Schedule for Formula Grants under the Rehabilitation Act

CONTENT : **This information memorandum replaces Information Memorandum RSA-IM-91-14, dated March 12, 1991. Please disregard that information memorandum and substitute this one for use for the reallotment schedule.**

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 or matched. To maximize the use of appropriated funds under the formula grant programs, RSA establishes the following two reallotment schedules for Fiscal Year 1991 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 date 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 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>IL</u>	<u>SE</u>	<u>CA</u>
States Report to RSA RO	8/1	8/1	8/1	7/15
RSA RO Reports to RSA CO	8/5	8/5	8/5	7/19
RSA CO Issues Awards	8/19	9/6	9/6	8/6

SECOND REALLOTMENT

	<u>Title I</u>	<u>IL</u>	<u>SE</u>	<u>CA</u>
States Report to RSA RO	9/5	9/5	9/5	8/13
RSA RO Reports to RSA CO	9/9	9/9	9/9	8/16
RSA CO Issues Awards	9/25	9/19	9/17	8/30

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, provide assurance that it is able to obligate and match all of its regular allotment within the fiscal year that funds were appropriated. This provision includes funds for the receiving agency transferred from one State Agency within the State but excludes funds transferred to the other State Agency within the State. Only those funds received during the reallocation process can be carried over into the subsequent 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, 1991.

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 obligate fully 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.

Unobligated Balances

To minimize unobligated balances in FY 1991 and in future years, State Agencies are advised that proper recordkeeping is essential and, as well, a program requirement in order to identify obligations made. In FY 1989, more than \$4.9 million was reported as being unobligated, as of year-end reporting. It is essential that all State Agencies work to minimize these unobligated balances through better recordkeeping and methods for more accurate estimates of obligations to be made through the end of the grant period.

Efforts to more accurately account for unliquidated obligations will result in lower unobligated balances. RSA is currently developing an Information Memorandum, which outlines RSA's requirements for accountability of unliquidated obligations under State VR Programs. This Information Memorandum refers to the appropriate section of the Rehabilitation Services Manual which prescribes required documentation for unliquidated balances, and to 34 CFR 80.12 (EDGAR) which addresses special grant conditions or restrictions for high-risk grantees. RSA may require the submission of the referenced documentation from those grantees that may be identified as high risk. This determination will be made on a case-by-case basis.

#### Cancellation of Reallotment

If, during the first reallotment, ample funds are not relinquished, RSA will exercise its discretion to cancel the first scheduled reallotment for that program. RSA will notify the grantees that the reallotment has been canceled and that the money released during the first reallotment will automatically be considered for redistribution during the second scheduled reallotment.

#### Reallotment Reporting Format

To request or relinquish funds during the reallotment 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	\$

INQUIRIES :Any questions concerning this reallocation schedule should be addressed to the Director, Management Services Staff at (202) 732-1358.

Commissioner, RSA