

UNITED STATES DEPARTMENT OF EDUCATION
Office of Special Education and Rehabilitative Services
Rehabilitation Services Administration

NON-FEDERAL SHARE/CARRY OVER

Applicable Programs:

- Client Assistance Program (Assistance Listing Number (ALN) 84.161A)
- Protection and Advocacy of Individual Rights (ALN 84.240A)
- Independent Living Services for Older Individuals Who are Blind (ALN 84.177B)

Requirements:

1. Each of these Federal awards have a one-year grant period, as specified in Box 6 (“Federal Funding Period”) on the Grant Award Notification (GAN). To qualify for carryover, awardees must have an unobligated balance of Federal funds at the end of the year of appropriation.
2. Section 19(a)(1) of the Rehabilitation Act of 1973 (Rehabilitation Act) permits awardees to carry over Federal funds for obligation and expenditure in the subsequent Federal fiscal year (FFY).¹ This means that awardees may carry over Federal funds for one year beyond the year of appropriation, which is the Federal Funding Period listed in Box 6 on the GAN. For example, the year of appropriation for FFY 2024 awards began on October 1, 2023, and will end on September 30, 2024. The subsequent year, or carryover year, for FFY 2024 awards starts on October 1, 2024, and ends on September 30, 2025.
3. Match for the Independent Living Services for Older Individuals who are Blind (OIB) program: Section 19(b) of the Rehabilitation Act makes clear that Federal grant funds remain available for obligation and use in the subsequent FFY (i.e., the carryover year) only if the State satisfied its match requirement during the FFY of appropriation. For purposes of this Attachment, OIB is the only program that has a match requirement. This means that States must satisfy the match requirement of 10 percent under the OIB program during the FFY of appropriation, as specified in Box 6 of the GAN, and have an unobligated balance of Federal OIB funds to carry over unobligated Federal funds into the subsequent FFY for obligation and use.

To satisfy the carryover requirement of Section 19(b) of the Rehabilitation Act, non-Federal obligations counted toward satisfying a State’s match requirement must be –

¹ These three Federal grant program funds are subject to Section 19 of the Rehabilitation Act regarding the carryover of funds, not Section 421(b) of the General Education Provisions Act (20 U.S.C. 1225(b)), commonly referred to as the “Tydings period” or the “period permitted by the Tydings Amendment.”

- A. Incurred during the FFY of appropriation; and
- B. Liquidated in the FFY of appropriation, the subsequent FFY, or the 120-day liquidation period.

This means that non-Federal obligations that are cancelled, or otherwise fail to liquidate, after the year of appropriation may not be used toward satisfying the match requirement. In such instances, the recipient must revise its financial reports to report a lower amount of non-Federal share on its Federal Financial Report (SF-425). In the alternative, the recipient could make accounting adjustments if it has other expenditures that were paid during the year of appropriation with Federal funds that could have been paid with non-Federal funds that were available at that time to substitute for the obligations that “fell through.” Such accounting adjustments must be made in the recipient’s accounting systems to ensure the SF-425 financial data are consistent with the recipient’s accounting records and consistent with financial management requirements at 2 C.F.R. § 200.302. Failure to liquidate sufficient non-Federal obligations or make the necessary accounting adjustments could result in more Federal OIB funds being carried over than were authorized, which could result in a match deficit for the recipient and RSA seeking recovery of those funds.

- 4. *Carryover of Program Income*: Section 19(a)(2) of the Rehabilitation Act permits a recipient to carry over program income, if any, for obligation and expenditure in the subsequent FFY. Recipients do not need to satisfy a non-Federal share requirement to carry over program income funds. To the extent that program income funds are available, recipients must disburse those funds (including repayments to a revolving fund), rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds before requesting additional funds from the U.S. Department of Education (see Grant Award Notification Attachment RSA-2, Program Income, for additional details).