



## RETURNING FUNDS OR EARNED INTEREST TO IMLS

There are several situations when it becomes necessary for the State Library Administrative Agency (SLAA), as a recipient of LSTA Grants to States funds, to return money to IMLS. Some examples of these situations are as follows:

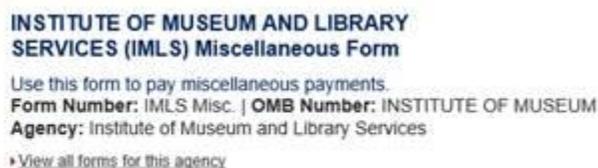
- When the SLAA or IMLS has made an error in the draw down, return the funds immediately to IMLS.
- When the SLAA or any of its subrecipients does not obligate grant funds it has drawn down as an advance within 30 days of draw down, return the funds immediately to IMLS.
- When the SLAA must return funds from a prior award well past the liquidation deadline, return the funds immediately to IMLS. SLAA funds should be reconciled on a monthly basis and should adhere established internal controls. However, this situation may arise after an audit or when a subrecipient returns funds to the SLAA months or years after an award's liquidation deadline.

In each of these cases, IMLS can only accept returned grant funds from the SLAA, the entity to which IMLS made payment. The SLAA should combine any funds returned from their subrecipients plus any funds not obligated by the SLAA and return them through payment to IMLS. IMLS will not accept any payments received from the SLAA's subrecipients.

There are two ways to return funds to IMLS:

### 1. Electronic payment through Pay.gov (preferred):

- a. Go to: [www.pay.gov](http://www.pay.gov)
- b. Search Institute: Institute of Museum and Library Services
- c. Choose option for Miscellaneous form



- d. Fill out the information requested and Submit

### 2. Mail a Paper check:

- a. Make the check payable from the SLAA to either IMLS or to the Institute of Museum and Library Services.
- b. Include the award number on the check if funds are returned for only one grant award.
- c. Attach the check to a letter explaining the reason for returning funds, for example: The grantee requested and/or was paid too much. Funds were drawn down as an advance, but not expended within 30 days.

- Interest earned on grant funds exceeded the allowable limit.
- d. If a check represents funds for more than one award period, in the letter, note the amounts associated with each Grant Award.

The check and accompanying letter of explanation should be sent to:

Institute of Museum and Library Services  
Attn: Dawn Evans  
200 Constitution Ave. NW, Suite N-3627  
Washington, DC 20210

Any SLAA that does not return funds in the manner outlined above will have funds returned. This will delay the acceptance of the SLAA's fiscal reports and the timing of future grants.

#### **Returning Interest Earned on Advanced Grant Funds**

In addition to the circumstances above, an SLAA may need to return interest earned on advances. The general rule is as follows:

- Interest earned on advances must be returned promptly (at least quarterly) to the Federal agency which awarded the grant - IMLS. The SLAA or subrecipient may keep interest amounts up to \$500 per year for administrative expenses. (See, 2 CFR 200.305(a) and 2 CFR 200.305(b)(12)).

Please contact your Program Officer if you have any questions concerning returning grant funds or earned interest on grant funds.