

FUND TRANSFERS AFTER COMPLETION OF THE GRANT CYCLE

When a State Library Administrative Agency (SLAA) has a subaward or project in which all funds were not expended and the obligation deadline has passed, there may be a way to transfer those unused funds to another project instead of returning the funds to IMLS.

In order to re-allocate those funds, the state must allow fund transfers between two state fiscal years. Some states may allow fund transfers only under certain conditions as determined by the state. Grantees should coordinate with their central accounting office to determine if this process is allowed.

LSTA funds may be moved from the incomplete project to another project, which must have both federal and state funds comprising the total project costs. A typical example of such a project is funding statewide databases. The amount from the incomplete project will be added to the federal share of the other project increasing the federal share. An amount of the state matching funds equal to the amount from the incomplete project is transferred for use elsewhere.

Example:

Incomplete Project Costs Remaining in FY 2014 = \$5,000

Other Project Total Costs in FY 2014 = \$30,000

Federal share of other project = \$20,000

State share of other project = \$10,000

If the state is authorized to do fund transfers, the incomplete project amount of \$5,000 can be added to the federal pot of money for FY 2014 for the other project. The resulting federal total for FY 2014 is \$25,000. The state match for the project is reduced to \$5,000 for FY 2014. Apply the extra \$5,000 in state money elsewhere as determined by the state.

If all other federal funds in the award were expended, the FY 2014 Financial Status Report (FSR) and State Program Report (SPR) will show all funds expended.

If a state does not allow fund transfers between state fiscal years, the SLAA must return the IMLS funds via a refund check (if the funds were already drawn down). The FSR must show the deobligation of the grant funds and the SPR total expended must reflect the subtraction of deobligated funds.

In making fund transfers, states should track whether moving state matching funds from one fiscal year to another impacts meeting the minimum required match for the overall federal program.