



## **LEGISLATIVE PROCESS AND LIFE CYCLE OF GRANT**

### **Legislative Process**

The federal fiscal year begins on October 1<sup>st</sup> and ends on the following September 30<sup>th</sup>. If Congress has not passed and the President has not signed the budget before October 1<sup>st</sup>, it passes a continuing resolution in order to keep the government operating. A continuing resolution carries the previous year's budget forward into the new fiscal year for a specific period of time. When the new budget is passed into law, it replaces the continuing resolution budget.

### **Calculating LSTA Grants to States Allotments**

LSTA sets the base amount that each state receives (before distributing the rest of the appropriated funds on a per capita basis) at \$680,000; however, the minimum allotment is \$60,000 each for four U.S. territories (Guam, American Samoa, the Commonwealth of Northern Mariana Islands, and the U.S. Virgin Islands) and three Freely Associated States (the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau).

A Special Rule, 20 USCA 9131(b)(3)(C), authorizes a small competitive grants program for the four aforementioned U.S. territories and three Freely Associated States. The funds for this grant program are taken from the total allotment for the Freely Associated States.

A static budget does not guarantee a state or territory the same allotment as the preceding year. If the population of a state or territory is decreasing or growing at a rate slower than that of the nation as a whole, it will receive a smaller portion of the static pot of money that is being distributed on a per capita basis.

### **Life Cycle of Grant**

Each LSTA grant covers a period of 24 months, officially commencing on October 1<sup>st</sup> of the federal fiscal year and ending on September 30<sup>th</sup> of the succeeding federal fiscal year. (The 24-month period for each grant is provided in your Official Award Notification in the "Period of Performance" box.)

IMLS will deem expenditures for programs conducted after the close of the 24-month period of performance to be unallowable costs.

In addition, from the Grants to States standpoint, information provided in the State Program Report (SPR) should accurately reflect the relationship between funds expended and programs delivered within the same 24-month grant period of performance.

**Note:** At any given time the State Library Administrative Agency will have two active grants since they are awarded annually but may be spent over a 24-month period. Be sure that you track and report on the two grants separately.

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