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

CARRY OVER REQUIREMENTS

Applicable Programs:

- State Vocational Rehabilitation Services (CFDA 84.126A)
- Client Assistance Program (CFDA 84.161A)
- Protection and Advocacy of Individual Rights (CFDA 84.240A)
- State Supported Employment Services (CFDA 84.187A)
- Independent Living Services for Older Individuals Who are Blind (CFDA 84.177B)

Requirements:

This award has a one-year grant period, as specified in Box 6 (“Federal Funding Period”) on the Grant Award Notification (GAN).

1. Section 19(a)(1) of the Rehabilitation Act of 1973, as amended (Rehabilitation Act), permits grantees to carry over Federal funds for obligation and expenditure in the subsequent Federal Fiscal Year (FFY). This means that grantees 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 2015 awards began on October 1, 2014 and ended on September 30, 2015. The subsequent, or carryover year, for FFY 2015 awards started on October 1, 2015 and will end on September 30, 2016. However, section 19(b) of the Rehabilitation Act requires grantees to satisfy the applicable non-Federal share requirement for the year in which the Federal funds were appropriated in order to carry over those funds to the subsequent FFY. This means that grantees must satisfy the match requirement, if applicable, by the end of the year of appropriation, as specified in Box 6 on the GAN in order to carry over unused grant funds for obligation in the next FFY. The programs with a non-Federal share requirement and, thus, subject to section 19(b) are:

   - State Vocational Rehabilitation Services – 21.3 percent;
   - State Supported Employment Services – 10 percent for the total amount of expenditures incurred with the half of the allotment reserved to provide supported employment services, including extended services, to youth with the most significant disabilities; and
   - Independent Living Services for Older Individuals Who are Blind – 10 percent.

In order to satisfy the carry over requirement of section 19(b) of the Rehabilitation Act, non-Federal obligations counted toward satisfying a program’s match requirement must be: 1) incurred during the year of appropriation (see Box 6 of the GAN); and 2) liquidated either in the year of appropriation (see Box 6 of the GAN) or in the subsequent FFY including the 90 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 grantee must adjust its records to reflect a lower match amount which could affect the amount of Federal funds to be carried over. Failure to liquidate sufficient non-Federal obligations or make the necessary accounting adjustments could result in more funds being carried over than were authorized which could result in RSA seeking recovery of those funds.

2. Section 19(a)(2) of the Rehabilitation Act permits grantees to carry over program income, if any, for obligation and expenditure in the subsequent FFY. Grantees do not need to satisfy a non-Federal share requirement to carry over program income funds. Notwithstanding 2 CFR 200.305(a) and to the extent that program income funds are available, grantees 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.

3. The grants listed above are subject to section 19 of the Rehabilitation Act with regard to the carry over 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”.

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