

When a refund of federal funds is made after accounts for a fiscal year are closed

Action: Subrecipient pays for services or materials using federal grant funds.

Situation: The subrecipient receives a “refund” for these services or materials in a fiscal year following the original action *and* accounts have been closed out.

- Scenario 1: Vendor reconciles final bill and the agency receives a refund for over payment in a prior fiscal year.
- Scenario 2: Agency receives a rebate for materials purchased in a prior fiscal year.
- Scenario 3: Agency returns equipment purchased in a prior fiscal year.

Required Steps:

- 1) If the amount of federal funds from a single grant returned to the subrecipient is greater than \$500, the subrecipient must return the federal funds to DPI.
- 2) The final grant claim from the year the expenditure was claimed must be amended to reflect actual final claimed costs. No changes need to be made to the subrecipient’s annual reports.
- 3) If the funds are still available per the Tydings amendment or other Federal program guidelines, the amount will be added to the sub-recipient’s carryover. If it is outside the period of availability, DPI will return the funds to the awarding agency.

Coding the refund in the current fiscal year:

Fund 10	Fund 27
DR - 10 E 492000 971 XXX CR - 10 B 711000 (cash)	DR - 27 E 492000 971 XXX CR - 27 B 711000 (cash)

Impact on IDEA’s Maintenance of Effort (MOE): Source code 971 is pulled in as a revenue to offset project 011 and 019 expenditures. The return of federal funds to DPI will have no impact on MOE compliance if the revenue has an offsetting expenditure documenting the return.

Notifying DPI of a federal fund return:

IDEA: <http://goo.gl/poz6Uo>

ESEA: <https://goo.gl/ssjxSD>