



ADMINISTRATION FOR
CHILDREN & FAMILIES

2017 National LIHEAP Conference

LIHEAP Grantee Rules on Obligations and Expenditures

Facilitator Guide



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LIHEAP Grantee Rules on Obligations and Expenditures

This 60-minute session of the LIHEAP Conference provides practice determining the available LIHEAP funds based on known obligations and expenditures.

Materials Needed	
Presentation	Grantee Rules on Obligations and Expenditures Presentation (Microsoft PowerPoint File)
Handouts	Obligations and Expenditures Scenarios
Facilitator Answer Key	Obligations and Expenditures Scenarios Answer Key

Facilitator:

[Display Slide 1]

Welcome participants to the session.

Explain that this session provides practice determining the available LIHEAP funds based on known obligations and expenditures.

[Display Slide 2]

Review the agenda for this session.

Overview: Knowing the Differences

Time Needed:	5 minutes
Objective:	Review the differences between obligations and expenditures.
Procedure:	The facilitator will briefly review the differences between obligations and expenditures.

Facilitator:

[Display Slide 3]

Explain: This section reviews the differences between obligations and expenditures.

[Display Slide 4]

Explain: Financial obligations are commitments or agreements to use a defined amount of funds for a specific purpose. Obligations should be defined in writing.

[Click the slide to display the next bullet point set and image.]

Explain: Expenditures are payments of those obligated funds for the specified purpose. Expenditures should also be defined in writing.

[Display Slide 5]



State: All financial rules for LIHEAP focus on obligations. It is up to each state or tribe to determine how to define obligations within their financial manuals. Since obligation definitions can be different, all grantees need to have a firm understanding of the obligations set forth in their manuals.

Explain: 45 CFR 96.30(a) requires that in the absence of specific federal guidance, grantees treat LIHEAP funds in the same manner as they would state/tribe/territory funds. The definition governs that obligations for state general funds must be used for LIHEAP funds.

[Display Slide 6]

Explain: The time period for obligations is based on the fiscal year in which the LIHEAP funds were received. When taking obligated funds into consideration, 90% of the funds must be obligated in the federal fiscal year in which they were received. For example, LIHEAP funds received in federal fiscal year 2017 must be obligated between October 1, 2016 and September 30, 2017.

Explain: When looking at carrying over funds from one fiscal year to the next, 10% of the funds may be carried over for obligation in the following fiscal year. For example, LIHEAP funds received in federal fiscal year 2017 must be obligated between October 1, 2016 and September 30, 2017.

[Display Slide 7]

Stress that the LIHEAP statute and regulations do not specify a time frame.

Explain: When no time frame is specified, the period in which expenditures must be used is five fiscal years after the fiscal year in which they were awarded.

Note: Funds are only available for draw-down if they were obligated within the time frame set by the LIHEAP Statute. These funds are only available for expenditure and not for re-obligation.

Explain: After five fiscal years, the funds expire and are sent back to the U.S. Treasury.

[Display Slide 8]

Scenarios

Time Needed:	50 minutes
Objective:	Participants will work in small groups to answer questions related to obligations and expenditures for given scenarios.
Procedure:	The facilitator will distribute the scenario handouts. One scenario at a time, participants will review each scenario on their own and then discuss answers with the larger audience.

Facilitator:

Explain: Now that we have reviewed the basics of obligations and expenditures, let's go over five scenarios. Each of you will have a copy of all five scenarios. For each scenario, you will review the information provided and answer the questions. Then, we will come back together and share answers with the whole group. Feel free to work with your neighbors as you review each scenario.

Distribute the scenario handouts. Each participant should have a copy of each scenario.

[Display Slide 9]



Explain: Take 5 minutes to review Scenario 1 and come up with answers to the scenario's questions. We will ask for one of two volunteers to share their responses.

Allow participants five minutes to work through the scenario. **Walk** around the room and answer any questions that may arise.

[Display Slide 10]

State: Before I show you the correct answers, let's see how you answered the question, "Does Grantee ABC have any unobligated amounts as of September 30, 2012?"

Ask for a volunteer to provide his or her answer.

[Click the slide to display the answer and the next question.]

Ask: What did you determine for the unobligated amount?

Ask for a volunteer to provide his or her answer.

[Click the slide to display the answer. Explain how that amount was calculated if any of the participants got it incorrect.]

[Display Slide 11]

Ask: Did you determine the amount to carry over was appropriate?

Ask for a volunteer to provide his or her answer.

[Click the slide to display the answer and the next question.]

Ask: Why did or didn't you think the amount is fine to carry over?

Ask for a volunteer to provide his or her answer.

[Click the slide to display the answer. If anyone got this answer incorrect, explain that the maximum amount Grantee ABC could carry over into FY13 is \$100,000 (which is 10% of Grantee ABC's award amount of \$1 million). Because Grantee ABC has an unobligated balance of \$63,000, Grantee ABC is below the maximum.]

[Display Slide 12]

Explain: Take 5 minutes to review Scenario 2 and come up with answers to the scenario's questions.

Allow participants five minutes to work through the scenario. **Walk** around the room and answer any questions that may arise.

[Display Slide 13]

State: Before I show you the correct answers, let's see how you answered the question, "Does Grantee ABC have any unobligated amounts as of September 30, 2014?"

Ask for a volunteer to provide his or her answer.

[Click the slide to display the answer and the next question.]



Ask: What did you determine for the unobligated amount?

Ask for a volunteer to provide his or her answer

[Click the slide to display the answer. Explain how that amount was calculated if any of the participants got it incorrect.]

[Display Slide 14]

Ask: Did you determine the amount to carry over was appropriate?

Ask for a volunteer to provide his or her answer

[Click the slide to display the answer and the next question.]

Ask: Why did or didn't you think the amount is fine to carry over?

Ask for a volunteer to provide his or her answer

[Click the slide to display the answer. If anyone got this answer incorrect, explain that the maximum amount Tribal Grantee ABC could carry over into FY15 is \$70,000 (which is 10% of Tribal Grantee ABC's award amount of \$700,000). Because Tribal Grantee ABC has an unobligated balance of \$68,021, Tribal Grantee ABC is below the maximum.]

[Display Slide 15]

Explain: Take 5 minutes to review Scenario 3 and come up with answers to the scenario's questions.

Allow participants five minutes to work through the scenario. **Walk** around the room and answer any questions that may arise.

[Display Slide 16]

State: Before I show you the correct answers, let's see how everyone answered the question, "Does Grantee ABC have any unobligated amounts as of September 30, 2014?"

Ask for a volunteer to provide his or her answer.

[Click the slide to display the answer and the next question.]

Ask: What did you determine for the unobligated amount?

Ask for a volunteer to provide his or her answer.

[Click the slide to display the answer. Explain how that amount was calculated if anyone got it incorrect.]

[Display Slide 17]

Ask: Did you determine the amount to carry over was appropriate?

Ask for a volunteer to provide his or her answer.

[Click the slide to display the answer and the next question.]

Ask: Why did or didn't you think the amount is fine to carry over?

Ask for a volunteer to provide his or her answer.

[Click the slide to display the answer. If anyone got this answer incorrect, explain that although the grantee's carryover amount is 10% of the total amount funded, the state rule is that all funding must be 100% obligated in the first year in which the funding is received. Because the grantee did not obligate all funds in FY14, he or she would be required to return those funds to LIHEAP.]

[Display Slide 18]

Explain: Take 5 minutes to review Scenario 4 and come up with answers to the scenario's questions.

Allow participants five minutes to work through the scenario. **Walk** around the room and answer any questions that may arise.

[Display Slide 19]

State: Before I show you the correct answers, let's see how you answered the question, "Does Tribal Grantee CDE have any unobligated amounts as of September 30, 2014?"

Ask for a volunteer to provide his or her answer.

[Click the slide to display the answer.]

[Display Slide 20]

Ask: Did you determine that this practice of making payments to the vendors was appropriate?

Ask for a volunteer to provide his or her answer.

[Click the slide to display the answer. If anyone got this answer incorrect, explain that this is not exactly appropriate. The \$90,000 that Grantee CDE originally intended to carry over into FY15 is appropriate. However, the \$110,000 that Grantee CDE sent to vendors on September 3, 2014, not based on actual client benefit needs, is not appropriate. If the tribe chooses to continue to pre-pay benefits, pre-payment amounts should be determined based on a forecast of actual need within the time frame of the grant. Tribal Grantee CDE must also track and reconcile client accounts to ensure that they are actually receiving benefits within an allowable time frame and to ensure that vendors are not being overpaid.]

[Display Slide 21]

Ask: What did you determine that Tribal Grantee CDE could carry over?

Ask for a volunteer to provide his or her answer.

[Click the slide to display the answer. Explain how that amount was calculated if anyone got it incorrect.]

[Display Slide 22]

Explain: Take 5 minutes to review Scenario 5 and come up with answers to the scenario's questions.

Allow participants five minutes to work through the scenario. **Walk** around the room and answer any questions that may arise.

[Display Slide 23]

State: Before I show you the correct answers, let's see how you answered the question, "Does Grantee XYZ have any unobligated amounts as of September 30, 2014?"

Ask for a volunteer to provide his or her answer.

[Click the slide to display the answer. Explain that Grantee XYZ might have unobligated funds. Because the contract period is for 2 years, it is impossible to determine what was obligated in Year 1 versus Year 2. However, Grantee XYZ received refunds in the first year in the amount of \$2,160. Grantee XYZ may have re-obligated the refund amounts in the first year or carried them over into FY15 if the amount would not have exceeded the 10% limit.]

[Display Slide 24]

Ask: How did you answer the question, "Can Grantee XYZ re-obligate those funds?"

Ask for a volunteer to provide his or her answer.

[Click the slide to display the answer and the next question.]

Ask: Why did or didn't you think the funds could be re-obligated?

Ask for a volunteer to provide his or her answer.

[Click the slide to display the answer. If anyone got this answer incorrect, explain that Grantee XYZ cannot re-obligate those funds because the funds are outside of the two-year obligation period.]

[Display Slide 25]

Questions

Time Needed:	5 minutes
Objective:	Answer any questions related to obligations and expenditures.
Procedure:	Ask participants for questions and provide responses.

Facilitator:

Ask: Now that you all have worked through a few scenarios, what questions do you have related to developing a successful outreach strategy for vulnerable populations?

Allow several minutes for any last questions or comments.

Remind participants that copies of the materials from this session are available on their USB drive.

Thank the participants for attending the session.