

## DHHS POLICIES AND PROCEDURES

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<b>Section IV:</b>	<b>General Administration</b>
<b>Title:</b>	<b>Subrecipient Monitoring Manual</b>
<b>Chapter:</b>	<b>Period of Availability</b>
<b>Current Effective Date:</b>	<b>3/30/05</b>
<b>Revision History:</b>	<b>12/01/02</b>
<b>Original Effective Date:</b>	<b>12/01/02</b>

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### **Period of Availability**

Most federal funds are authorized for a specific time period, e.g. awards may be for a single year or the grant may be a multi-year award. At the end of the award period, most federal funds allow a set period to liquidate obligations. This compliance activity is designed to provide reasonable assurance that program funds were used only during the authorized period. Most state funds are only authorized for the current fiscal year. In rare instances, divisions may allow a subrecipient to carry-forward unexpended state funds into the next fiscal year. For programs listed in the annual State Compliance Supplements, the compliance supplements specify the requirements for the period of availability.

#### **Suggested Monitoring Procedures:**

##### ***For subrecipients assessed as low risk:***

1. Review compliance supplements, contract, grant awards, allocation letters, funding authorizations, etc. to identify the period of availability of the funding received by the subrecipient.
2. Review the internal control information to determine if the information indicates that the subrecipient has a procedure in place to adhere to period of availability limits.

##### ***For subrecipients assessed as medium risk:***

In addition to the procedures for low risk subrecipients:

1. Review the subrecipient's budget and expenditure reports to determine the likelihood that federal or state funds will be available following the period of availability.
2. Review a copy of the agency's internal procedure for encumbering obligations to gain assurance of the agency's ability to accurately identify unliquidated obligations.

##### ***For subrecipients assessed as high risk:***

In addition to the procedures for low and medium risk subrecipients:

1. Test a random sample of expenditures charged to the state or federal award after the end of the period of availability and verify that the obligations being liquidated were

created within the period of availability and that the payment was made within the allowed liquidation period.

2. Test a sample of encumbrances that were recorded during the period of availability and verify that the underlying obligations occurred within the period of availability.
3. Select a sample of adjustments to the federal funds and verify that these adjustments were for transactions that occurred during the period of availability.

**Documentation:**

Monitoring Tool/Instrument

Working Papers

Summaries

Monitoring Results Report

*For questions or clarification on any of the information contained in this policy, please contact [Office of the Controller](#). For general questions about department-wide policies and procedures, contact the [DHHS Policy Coordinator](#).*