



## **FUNDING ONGOING PROJECTS WITH LSTA FUNDS**

Grants to States awards have a 24-month life cycle, running from October 1 to September 30 of the second succeeding year (e.g., the FY 2016 award runs from October 1, 2015 through September 30, 2017). At the end of the 24-month cycle all funds must be obligated (encumbered) AND all services/programs that these funds supported must be completed. Any funds not obligated by September 30 must be returned to IMLS. While the activities must be completed by that date, you have until December 30 to expend the obligated funds. Any funds not expended by December 30 must be liquidated and returned to IMLS.

Some states use LSTA funds for ongoing projects, such as state-wide online databases, that have contract years (e.g., July 1-June 30) that do not correspond to the federal fiscal year. The cleanest way to fund a July-June contract is to use LSTA funds that have 15 months left in their life cycle (the newer of your two awards).

However, if you use funds from the older award (the one with only three months left in its cycle), they can be used to fund only the first three months of the contract (July 1-September 30). The rest of the contract year must be funded by another source, such as the succeeding year's LSTA award. If you do use this method of funding a project, you must also report the activities from the first three months of the contract in the SPR that is due in December. The activities of the final nine months would be reported in the following year's SPR.

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