

NON-APPROPRIATED FEDERAL FUNDS (NOT IN THE BUDGET BILL)

Procedures to Request Appropriation for Federal Funds, Establish Appropriation Accounts, and Allot Federal Funds

The Non-Appropriated Federal Funds procedure is used to request approval from the Governor to expend federal awards that were not appropriated in the Executive budget. Therefore, if a federal award is not listed on Form FF for the current fiscal year, the non-appropriated process must be used to request approval to expend federal funds and to establish an Appropriation Account.

1. Departments Heads are delegated authority to approve and submit applications for federal awards. They will review and authorize federal awards applications and designate the program(s) (by Program ID) that will expend the federal funds. For each award that is applied for, Department Heads will ensure that a written plan is available that describes how the federal funds will be used.
 - a) Departments Heads must have in place policies, practices, and procedures that will:
 - i. Avoid waste, fraud, and abuse;
 - ii. Ensure that costs charged to federal programs are allowable costs, in accordance with applicable laws, regulations, agreements and contracts;
 - iii. Ensure that funds provided under each federal award are separately accounted for, from receipt to obligation to expenditure;
 - iv. Ensure that effective cash management is employed for federal funds to minimize the time elapsing between (i) the transfer of funds from the federal government, or from a pass-through entity, to (ii) disbursement;
 - v. Ensure the use of federal funds meet all federal requirements as described in individual federal grant awards and OMB circulars;
 - vi. Fulfill federal reporting requirements in a timely manner.
 - b) Department Heads will maintain a separate file for each federal award that contains a copy of the federal award notice and any other major correspondence with the awarding federal agency that may impact the use of federal funds.
2. Within 14 days of receipt of the federal award notice, department will notify the Department of Budget and Finance (B&F) electronically by recording the award in the DataMart/Federal Awards Management System (FAMS). B&F will review and approve the FAMS award record.
3. Department will request the Governor's approval to expend non-appropriated federal funds by submitting Form E-2 (Request Approval to Expend Non-Appropriated Federal Funds) via the SharePoint "Federal Form Awards Workflow". Form E-2 requires the entry of a "FAMS ID" therefore the award must be recorded in FAMS.
4. If the Governor approves the request, the form is forwarded to the Department of Accounting and General Services (DAGS).
5. DAGS will assign the Appropriation Account Symbol.
6. Department will prepare and submit Form A-19 (Request for Allotment) to B&F to request allotment to expend federal funds. Form A19 must reference the "FAMS ID".

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- a) The allotment amount requested cannot exceed the total award amount shown on the FAMS record.
 - b) Appropriation Accounts for federal awards are designated "non-reversion" thus:
 - Quarterly allotment balances will be carried forward automatically at the end of each quarter.
 - Form A-19 is not required to carry forward allotment balances at the end of each quarter.
7. B&F will review Form A-19 and forward to DAGS after approval.
 8. DAGS will enter the allotment for the Appropriation Account in FAMIS. This transaction will establish the Appropriation Account in FAMIS/DataMart.
 9. If an appropriation ceiling subsequently needs to be increased, the Governor's approval shall be requested by submitting Form E1 (Request to Increase the Current Appropriated or Non-Appropriated Ceiling for an Appropriation Account) via the SharePoint "Federal Form Awards Workflow". Form E1 requires the entry of a "FAMS ID" therefore the award must be recorded in FAMS.
 10. If the Appropriation Account lapse date precedes the performance period end date, the Governor's approval to extend the lapse date shall be requested by submitting Form E4 (Request to Extend the Lapse Date of the Appropriation Account to Expend Federal Fund, Other Federal Fund or Non-General Matching Fund for a Federal Award) via the SharePoint "Federal Form Awards Workflow."
 - a) Operating federal funds are assigned a lapse date of fiscal year plus two (2) years.
 - b) CIP federal funds are assigned a lapse date of the fiscal biennium plus five (5) years.