Reallotments

The amount of a State's allotment which the Commissioner determines is not required for that year will be realloted to other States in proportion to their original allotments.

B. Obligation Accounting Basis

The State must establish such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of Federal funds on an obligation basis of accounting.

Obligations will include the formal written approval by the State agency of a project submitted by another State or local public agency for acquiring materials and making them available to children and teachers in one or more schools under this program. The written approval by the State agency of a project application for materials, including the estimated cost of such materials, constitutes an expenditure which will be adjusted to the amount actually paid. Costs of services of Title II personnel, including part-time consultants and their travel, will be determined on the basis of the time their services were performed and their travel expenses incurred.

The allotment for any fiscal year will be available only for projects approved before the end of the Federal fiscal year (June 30). The State plan must indicate the time when all purchase orders are to be either paid or cancelled. This time period will normally be the end of the fiscal year following the fiscal year in which the obligation was incurred. For example, if a project is approved on April 4, 1966, the purchase order must be issued no later than June 30, 1966, and it must be either paid or cancelled by June 30, 1967. Additional time for liquidation of obligations is permitted if the State law so specifies.

C. Accounting Procedures

Adequate accounting procedures should be set up before beginning the Title II ESEA program to insure that all expenditures and income can be accounted for.

Documents supporting expenditures for State Title II administration should include purchase orders or requisitions, contracts, invoices, cancelled checks, position descriptions, personnel actions, and payrolls. Inventory records must be established for items of equipment for administration costing $100 or more per unit.