



# FACT SHEET

## Period of Performance & Obligation



As a pass-through entity for Federal Education funds, the Nebraska Department of Education (NDE) is providing this Period of Performance and Obligation Fact Sheet to assist Federal program subrecipients in the management and implementation of policies and/or procedures required for obligating using Federal dollars.

This information is being provided by the NDE as general compliance guidance only. Subrecipients of Federal funds should refer to the full text of the regulations which can be found at [Electronic Code of Federal Regulations \(eCFR\)](#) when developing their own policies regarding period of performance & obligation.

Subrecipients of Federal funds are solely responsible for meeting all applicable Federal regulations.

### Requirements for Period of Performance and Obligation

Federal funds must be expended during the period of performance. Cannot not obligate funds before or after the period of performance. Example: Do not sign into a contract before you awarded the grant obligating those grant funds before you awarded the funds. Do not sign into a contract that runs 3 years, because the last 2 years would be outside of the grants period.

2 CFR 200.1 “Period of performance” means the total estimated time interval between the start of an initial Federal award and the planned end date, which may include one or more funded portions, or budget periods. Identification of the period of performance in the Federal award per [§ 200.211\(b\)\(5\)](#) does not commit the awarding agency to fund the award beyond the currently approved budget period.

Example: Federal grant runs from September 1, 2023 thru August 31, 2024. You also have 90 days to liquidate funds after August 31. All funds must be expended during this time frame or is considered unliquidated financial obligations.

2 CFR 200.1 “Unliquidated financial obligations” means, for financial reports prepared on a cash basis, financial obligations incurred by the non-Federal entity that have not been paid (liquidated). For reports prepared on an accrual expenditure basis, these are financial obligations incurred by the non-Federal entity for which an expenditure has not been recorded.

Per 34 CFR 76.707,

The following table shows when a State or a subgrantee makes obligations for various kinds of property and services.

If the obligation is for—	The obligation is made—
(a) Acquisition of real or personal property	On the date on which the State or subgrantee makes a binding written commitment to acquire the property.
(b) Personal services by an employee of the State or subgrantee	When the services are performed.
(c) Personal services by a contractor who is not an employee of the State or subgrantee	On the date on which the State or subgrantee makes a binding written commitment to obtain the services.
(d) Performance of work other than personal services	On the date on which the State or subgrantee makes a binding written commitment to obtain the work.
(e) Public utility services	When the State or subgrantee receives the services.
(f) Travel	When the travel is taken.
(g) Rental of real or personal property	When the State or subgrantee uses the property.
(h) A pre-agreement cost that was properly approved by the Secretary under the cost principles in <a href="#">2 CFR part 200, Subpart E—Cost Principles</a>	On the first day of the grant or subgrant performance period.

## Federal Compliance Monitoring

As part of the NDE’s annual Federal Compliance Monitoring program, staff from the NDE Office of Budget & Grants Management may review the subrecipient’s internal control policies/procedures, including controls over the use of Federal funds. The Grant Compliance Auditors will use the requirements of 2 CFR 200 and other applicable Federal Codes and requirements when completing such reviews.

## Technical Assistance

Please feel free to contact NDE Grants Compliance staff should you have any questions relative to the contents of this document.

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***This document is not a substitute for the advice of your own attorney and/or law firm licensed to practice law in the state of Nebraska. In reading and applying Federal law, the NDE recommends LEAs seek and obtain the advice of counsel with questions of application, interpretation, and/or to ensure that use of this information is appropriate to your particular situation.***



