State Fiscal Stabilization Fund (SFSF) – Government Services Fund (GSF)

Process for returning funds to the U.S. Department of Education

In accordance with the following U.S. Department of Education (USDE), Education Department General Administrative Regulations (EDGAR), grantees and sub-recipients must return any interest earned on cash advances of grant funds in excess of $100 (LEAs/State agencies) or $250 (IHEs) each year to the Department:

- Subpart C – Post-award Requirements, Financial and Program Management §74.22(l) Payment
- Subpart C – Post-award Requirements, Financial Administration §80.21(i) Payment

The Texas GSF provided supplemental funding through Legislative appropriations (2010-2011 biennium) for some programs that were in operation prior to and are anticipated to continue beyond the SFSF-GSF program cycle. GSF co-primes and subrecipients may encounter the need to return funds to the USDE, during or after the GSF award is closed out with the government. These funds may occur as a result of audits (disallowed costs) or other grant-related activities such as interest, rebates or unspent funds.

Interest: Although there are no advance payments made under the Texas GSF, there may be cases where interest is inadvertently earned. For example, as a result of the standard cost reimbursement process, funds may be transmitted electronically from the THECB to a state agency (co-prime), with the intent of that agency to pass through those funds to one of its lower tier subrecipients. If those funds are transmitted through the state Treasury, and if there is a delay in liquidating those funds by the subrecipient, then interest may be earned while those funds reside in the Treasury. This interest must be remitted directly and promptly to the USDE.

Rebates or unspent funds: Any State agency (co-prime) or subrecipient project originally funded through the GSF which has funds returned to it by a lower tier subrecipient as unspent or in the form of a project-related rebate, must remit those funds promptly and directly to the USDE.

Audits (disallowed costs): Audits which occur during the active award period that have disallowed costs identified will be remedied as part of a corrective action plan. For example, if costs are disallowed on an active prime, co-prime, or subrecipient project, those costs will be moved off of the ARRA award, absorbed by that entity, "replaced" with allowable costs and then reimbursed. No funds will have to be returned under this example. However, if an audit is conducted after the award is closed out and there are disallowed costs identified, then the responsible entity will return the full amount of the disallowed costs to the USDE.

Remittance address by check or warrant* only:
U.S. Department of Education
P.O. Box 979053
St. Louis, MO 63197-9000
*Must reference CFDA 84.397 on check or warrant

Supporting documentation:

- Cover letter on agency letterhead
- Reference: SFSF-GSF Prime Award No. S397A090044, CFDA 84.397
- Description of transaction or activity that caused funds to be returned
- Copy to: THECB/Business Services, 1200 E. Anderson Lane, Austin, TX 78752 REF: ARRA/GSF