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ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND  
MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

May 10, 2018

FINANCE MEMORANDUM

MEMO NO.18-08

TO: All Department Heads

FROM: Laurel A. Johnston  
Director of Finance 

SUBJECT: Extending the Lapse Dates of the Appropriation Accounts for Federal Funds, Other Federal Funds or Non-General Fund Matching Funds Scheduled to Lapse on June 30, 2018

Since FY 14, budget policies have required departments to request appropriations in the full amount of federal awards anticipated to be awarded during the respective fiscal years. Additionally, each unique federal award is assigned its own State appropriation account to capture the revenue and expenditure data specific to that federal award.

Appropriation accounts for operating federal funds and other federal funds are generally scheduled to lapse after three years (the fiscal year of the appropriation plus two (2) fiscal years), with limited exceptions. Therefore, appropriation accounts for operating federal funds that were established for FY 16 have a lapse date of June 30, 2018.

Capital improvements program appropriation accounts for federal funds, other federal funds and non-general fund matching funds are scheduled to lapse five (5) years after the fiscal biennium of the appropriation. However, pursuant to Section 58 of Act 134, SLH 2013, as amended by Act 122, SLH 2014, non-general fund authorizations from prior budget acts designated by the Legislature as necessary to qualify for federal aid financing and reimbursement that are unencumbered shall lapse as follows:

- Act 164, SLH 2011, as amended by Act 106, SLH 2012, non-general fund authorizations for FY 12 and FY 13 shall lapse as of June 30, 2018.

Since a federal award may have a performance period end date or a liquidation date beyond June 30, 2018, Section 72 of Act 49, SLH 2017, provides that the Governor may approve the extension of the lapse dates for federal fund or other federal fund appropriations and appropriations of other means of financing, except general funds, deemed necessary to qualify for federal aid and/or reimbursement.

Departments should review all federal fund and other federal fund appropriation accounts and appropriation accounts of other means of financing, except general funds, deemed necessary to qualify for federal aid and/or reimbursement which are scheduled to lapse on June 30, 2018 to determine if the lapse dates need to be extended based on the performance period end date or liquidation date of the federal award associated with the account and as necessary to meet the intent of federal award. Form E-4 on the SharePoint "Federal Awards Forms Workflow" should be used to request the Governor's approval to extend lapse dates (<https://hawaiiomt.sharepoint.com/sites/ofam/SitePages/Home.aspx>).

It is further recommended that departments with approved Form E-4s check DataMart to ensure that the lapse dates of the respective appropriation accounts have been properly updated. If the lapse date of an appropriation account has not been extended by June 30, 2018, the appropriation account will lapse and a new account will have to be requested.

Please contact Mr. Mark Anderson at (808) 583-3035 or [mark.m.Anderson@hawaii.gov](mailto:mark.m.Anderson@hawaii.gov) if you have any questions.

c: Wayne Horie, Department of Accounting and General Services, Accounting Div.