

Obligation, Performance, and Liquidation of Federal Grants Quick Reference Guide

When does obligation occur?

All grant expenses must be obligated by the grant deadline. When obligation occurs depends on the type of expenditure ([34 CFR 76.707](#)). Please review the categories below to determine when obligation must occur for your expenses:

If the obligation is for:	The obligation is made:
1. Acquisition of real or personal property	On the date on which the State or subgrantee makes a binding written commitment to acquire the property.
2. Personal services by an employee of the State or subgrantee	When the services are performed.
3. 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.
4. 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.
5. Public utility services	When the State or subgrantee receives the services.
6. Travel	When the travel is taken.
7. Rental of real or personal property	When the State or subgrantee uses the property.
8. A pre-agreement cost that was properly approved by the Secretary [of Education] 2 CFR part 200, Subpart E—Cost Principles	On the first day of the grant or subgrant performance.
<p><u>Best Practice: Obligate, liquidate, and closeout all grant expenditures by end of Period of Availability for Grant deadline.</u></p>	