Obligation of Federal Funds

It is important to understand that **"obligated"** doesn't necessarily mean **"spent".**

Obligation occurs when the agency or an LEA has entered into a binding commitment to pay out money, such as entering into a contract to pay for supplies or services.

Obligation Examples

EDGAR 34 CFR part 76.707

If the obligation is for-	The obligation is made-
Salaries and Benefits of the subgrantee's employee	When the services are performed
Personal services by a contractor who is not an employee of the subgrantee	On the date on which the subgrantee makes a binding written commitment to obtain the services
Performance of work other than personal services	On the date on which the subgrantee makes a binding written commitment to obtain the work
Travel	When the travel is taken
Rental of real or personal property	When the subgrantee uses the property