



U.S. Department
of Transportation
Federal Motor Carrier
Safety Administration

Memorandum

SP-07-001-FU

Subject: **ACTION:** MCSAP Fund Availability
and Roll-Over

Date: **SEP 04 2007**

From: 
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Associate Administrator for
Enforcement and Program Delivery

In Reply
Refer To: MC-ESS

To: Field Administrators
Division Administrators
State Program Managers

Purpose

This State Programs Policy Reference Guideline provides details regarding the availability of Motor Carrier Safety Assistance Program (MCSAP) grant funding, including basic, incentive, high priority and new entrant funding, for expenditure by grantees, as authorized by the Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991. Specifically, this policy guideline notifies Division Administrators and their staffs that MCSAP grant periods may not be extended beyond second fiscal years; provides the parameters under which MCSAP grant funding may be expended during those second fiscal years; and eliminates the practice referred to as "roll-over" of unexpended funding. Policy reference guidelines SP-06-001-FU dated April 25, 2006, regarding fund availability and SP-06-005-FU dated June 30, 2006, regarding roll-over funding are rescinded, and policy reference guideline SP-05-001-FU dated March 25, 2005, is amended.

Background

The Surface Transportation Assistance Act of 1982 established the MCSAP and provided Federal funding on an annual fiscal year basis. States were required to expend all MCSAP funds by the end of the fiscal year, at which time the next fiscal year funds would be distributed to the States. Any unexpended funds were required to be returned to the Federal Government for redistribution. The ISTEA provided needed administrative flexibility by allowing allocations to a State to "remain available for expenditure in that State for the fiscal year in which they are allocated and one succeeding fiscal year." Recognizing the static staffing levels and program funding requirements faced by the States, this flexibility allows for the extension of project periods during times of delayed appropriations. The flexibility also provides for completion of special grant activities which may not be awarded and initiated until mid-way through the fiscal

year (or later) without regard to the confines of fiscal year dates. However, ISTEA further states “funds not expended by a State during those second fiscal years shall be released to the Secretary.”

MCSAP Fund Availability Policy

Effective immediately, MCSAP grant project periods may not be extended more than one fiscal year after the fiscal year in which they are awarded. Any unexpended funding at the end of the second fiscal year will be deobligated.

Basic and incentive MCSAP grants are clearly intended to support States’ annual expenses in protecting the public’s safety through enforcement of commercial vehicle safety regulations. Basic and incentive grant projects are established retroactive to October 1, ending on September 30 of the same fiscal year. When unexpended MCSAP funds remain in a project on September 30, a grant period extension into the next fiscal year will be executed to ensure full expenditure of funds by the State before the next fiscal year’s funding may be expended. All MCSAP funds must be expended by September 30 of the second fiscal year.

Similarly, for new entrant and high priority grants, the project period may be established retroactive to October 1 or established on the date the grant agreement is executed. If the project is established retroactive to October 1, it should end on September 30 of the same fiscal year. New entrant and high priority grant projects may be extended, for good cause, up to September 30 of the second fiscal year but not beyond. If the new entrant or high priority project is established later in the year, the project will end on September 30 of the next fiscal year.

In summary, for all MCSAP grant projects, funds are available for expenditure by the grantee in the fiscal year of obligation plus one fiscal year. Unexpended funding at the end of the second fiscal year will be deobligated.

If you have any questions or require additional information, please contact the State Programs Manager in your Service Center or Mike Lamm, Chief of the State Programs Division, at (202) 366-6830 or via e-mail at mike.lamm@dot.gov.