

Dave Heineman, Governor

## MEMORANDUM

**DATE:** April 8, 2011

**TO:** All State Agencies, Board and Commissions  
Attention: State Finance Officers

**FROM:** Gerry A. Oligmueller  
State Budget Administrator

Michael J. Keays  
State Accounting Administrator

**RE:** Possible Federal Government Shutdown

The purpose of this communication is to provide guidance in the event of a federal government “shutdown” resulting in the unavailability of federal funds for state government administered programs and services.

Federal financial participation in state administered programs and services come to the State of Nebraska in two different manners. These include:

- Letter of Credit where federal money is requested after payments are made; and,
- Agency draw process where federal money is requested either before or after expenditures are made.

State agencies administering federal grant awards have been in direct contact with their specific federal grant officers or other responsible federal agency officials to address the unique circumstances of their specific federal grant awards during a possible federal government “shutdown”. This communication is encouraged to the extent it can occur prior to, during, or subsequent to a federal government “shutdown”. Your communication is important due to the many differences exercised by the various federal agencies in the management of federal funds provided to state government agencies.

It is the responsibility of each state agency, board, or commission to manage its respective federal grants. If continued spending by your agency is dependent upon further federal budget legislation, you should not incur additional obligations greater than the amount of currently available federal funds. State agencies should only utilize non-federal sources of funding on a limited basis to mitigate immediate short term consequences of the unavailability of federal funds. No assumption should be made that additional state funding will be made available to replace federal funds.

Please contact State Accounting at [as.stateaccounting@nebraska.gov](mailto:as.stateaccounting@nebraska.gov) with a subject line of "Federal Shutdown" to notify us of any assistance you require in the management of your federal grants or the specific actions necessary to cease expenditures associated due to the unavailability of federal funds.

In addition, please also make a public information release of any service or benefit reductions so that interested persons are advised of your actions.

Thank you.