

**17—5.10 (231) Redistribution.****5.10(1) Redistribution of federal funds.**

*a.* Funds distributed pursuant to the Older Americans Act which are not expended for goods or services or both to be provided by the last day of the award period shall be available to the department for redistribution unless a written application for carryover is approved pursuant to paragraph 5.10(1) “*b.*”

*b.* Funds distributed pursuant to the Older Americans Act may be carried over upon department approval of a written application. The written application must be received by the department on or before the final report due date for that fiscal year. The written application must contain the amount of funds requested for carryover. The department, in its discretion, shall approve or deny the written application.

*c.* Any unexpended funds distributed for administration costs pursuant to the Older Americans Act, as shown in the department’s annual allotment tables, may be used only for program service expenditures in the subsequent fiscal year.

**5.10(2) Redistribution of state funds.**

*a.* If the department determines prior to the end of a fiscal year that an area agency on aging will not expend its state funds for goods or services or both to be provided by the last day of the fiscal year, the department may redistribute the funds to one or more area agencies on aging in accordance with demonstrated utilization or by a redistribution method specified by the department.

*b.* The department may, in its discretion, redistribute funds to one or more area agencies on aging based on expenditure estimates for that fiscal year. The department may redistribute funds as early as January of that fiscal year.

*c.* The area agencies on aging receiving the redistributed funds shall expend them by the end of the fiscal year in which they are redistributed for goods or services or both to be provided by the last day of the fiscal year.

**5.10(3) Failure to expend federal or state funds.** Failure to expend federal or state funds in accordance with the area plan may subject the area agency on aging to remedies provided in rule 17—5.14(231).