



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
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CA-23-04, Waiving Matching Fund Requirements for Insular Areas

Controller Alerts are designed to highlight emerging financial management issues that may require agency attention or action. These Alerts are intended to inform the Chief Financial Officer (CFO) community of key issues where the Office of Management and Budget (OMB) believes further action may be warranted, but do not constitute official guidance or prescribe specific tasks for agencies beyond consideration of appropriate steps to address the issue.

The purpose of this Controller Alert is to inform Federal agencies of the following legal requirement regarding waiver of local matching funds requirements for financial assistance to “insular areas.”

Public Law 96-205, title VI, section 601, Mar. 12, 1980, as amended, requires agencies to waive any requirement for local matching funds under \$200,000 for grants to four “insular areas” (the U.S. Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands). For local matching funds \$200,000 and greater, agencies may waive the matching requirement for these four “insular areas.” Federal agencies should work judiciously to ensure implementation of these provisions, absent an agency-specific statute that conflicts with these provisions. As such, agencies should conduct a statutory conflict analysis to determine if there are any authorizing statutes that would preclude implementation of these provisions.

If you have questions regarding this Controller Alert, please direct them to MBX.OMB.OFFM.Grants@OMB.eop.gov

/s/

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