

Treasury announces Section 1603 grants are subject to 8.7% sequester

March 5, 2013

In brief

Treasury has announced that all awards made under the Treasury 1603 cash grant program on or after March 1, 2013 through September 30, 2013 will be reduced by 8.7 percent – regardless of when the application was received by Treasury.

In detail

After Congress and the Administration failed to reach agreement on alternative means of achieving targeted budget deficit reductions, automatic across-the-board cuts in many federal programs (“sequestration”) took effect on March 1st.

Contrary to some indications that Treasury would apply sequestration only to applications received after March 1st, Treasury’s announcement makes clear that even applications that were already in process on March 1st will be subject to reduced awards.

Awards made prior to March 1, 2013 will not be affected. The sequestration reduction rate will be applied until the end of the fiscal year (September 30, 2013), at which time the

sequestration rate is subject to change.

At this time, it is unclear whether grant applicants could be made whole for reductions in their awards if and when alternative budget measures replace the sequestration process.

Additional resources

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