

Guidance for Perkins V Allowable Costs for Local Use of Funds

Perkins V expenditure request approvals must comply with all the legislative rules attached to those funds. For Perkins V this includes the local uses of funds outlined in the Act as well as the general requirements for grant management of federal funds at [2 C.F.R. Part 200](#). Costs charged to Perkins V must be necessary, reasonable, and allocable to the award, and meet all other federal requirements under [2 C.F.R.200.403](#). Postsecondary institutions must also adhere to the required uses of funds (Section 135 Local Uses of Funds) when making a budget request. With the increased focus on innovation in Perkins V. As you evaluate each of your Perkins V budget requests, review them through the “risk assessment” lens of the five criteria below:

Criteria #1: Supplanting

Federal funds cannot be used to pay for services, staff, programs, or materials that were paid for with state or local funds in the prior year or that are otherwise a local fiscal responsibility required by state or federal law, unless you can rebut a presumption of supplanting as explained below. Always consider prior sources of funding when a postsecondary institution reduces local funds and replaces them with federal funds. If a program, personnel, or activity cost was funded with nonfederal funds in a prior year, you may not use Perkins V funds for that expense. If you do, this is supplanting. Consider other revenue streams; Perkins funding is neither designed nor able to provide the full support of the local CTE program(s), but rather a complement and supplement to local resources.

It will be presumed that supplanting has occurred where:

- Perkins funds are used to provide services that are required to be made available under another federal, state, or local law; or
- Perkins funds are used to provide services that were provided with non-Perkins funds in the prior year; or
- Services are provided for non-CTE students with non-federal funds and provide the same services to CTE students using Perkins funds.

These presumptions are rebuttable if the entity can demonstrate that it would have not been provided the services in question with non-Perkins funds had the Perkins funds not been available. For example, If the State or local funding used in the prior year were no longer available due to cuts to the subrecipients allocation of State or local funding, then the presumption of supplanting could be rebutted. The subrecipient must be able to provide documentation to THECB showing such a decrease In State or local resources.

Example:

- The college has paid for administrative personnel from the general operating budget in the prior year, but the current request is to move part of that salary to Perkins. Without evidence of changes in duties including a reduction in general duties to accommodate the new Perkins work, or the loss of the State or local funds, this is supplanting.

Criteria #2: Direct Individual Benefit

Perkins funding supports CTE programs and services, not select individuals. If the budget request supports only select individuals, this is not allowable. This applies to instructional staff as well as students. Section 135 (b)(5)(S) of Perkins V contains language allowing for direct assistance to special populations students. Be advised that these costs must be necessary and reasonable (be careful about excessive tuition costs and the supplanting requirements still must be factored in.

Examples:

- Awards, recognitions, scholarships, tuition, certification, exams, memberships, etc., directly benefit only certain individuals and therefore are not allowed.
- Purchasing uniforms, equipment, or resources that become property of students is not allowed.

Criteria #3: Capital Improvement

It is not allowable to spend Perkins funds on structural changes, constructing buildings, or on capital improvements. If a college closes a program(s), all Perkins purchases must be transferred to other federally funded programs within the same college district/system or they must follow [2 C.F.R. 200.313\(e\)](#). Obviously, it would not be possible to transfer upgraded wiring or a wall that has been moved.

Examples:

- A postsecondary institution wants to upgrade to a commercial-grade kitchen and the new equipment will require increased electrical access and load capacities. Perkins funds cannot pay for the improvement of infrastructure such as electrical, moving of walls, installing plumbing, etc.
- Changes such as rewiring a lab or widening a doorway to accommodate new equipment purchases for a CTE program would not be acceptable uses of funds. These are seen as capital improvements a postsecondary institution would make to support the CTE program upgrades.

Criteria #4: Weak or Absent Connections

CTE is about career preparation through industry-driven programming and learning opportunities. Your request for local uses of funds should connect to your CLNA, approved local Perkins plan and the industry standards. The goal is to have the same equipment and tools that industry professionals use to provide learning opportunities for the students. Does the equipment request align with the technical skill requirements of the identified content/program area? Is the equipment purchased in alignment with the curriculum? What percentage of time will the equipment be utilized?

Examples:

- Requesting to attend professional development that is remotely connected to CTE or an industry but is not directly aligned to the state or local Perkins plan.
- Audio/Video production program wants to buy video cameras and proposes buying less expensive cameras so that all students can use one in class. Industry professionals are not using similar equipment. They are using professional-quality DSLR camera/video cameras with professional grade accessories.
- Request to make a high dollar equipment purchase that only serves a small student population. Consider the cost per student in your request.

Overarching Considerations and Key Questions

Expenditures may be used for State-Recognized Programs of Study and intentional, specifically identified, and prioritized Programs of Study. Expenditures should be based on results of the comprehensive local needs assessment (CLNA), included in the local application, and assure Perkins Uses of Funds criteria are met.

Essential questions which should be asked as you consider the eligibility of a proposed expenditure using Perkins funds include:

- How is the proposed expenditure intentionally supporting your identified State-Recognized Programs of Study and your local priorities identified in your application/plan? Elements and priorities must be led by CLNA.
- Is the proposed expenditure necessary, reasonable, and allocable?
- Does the proposed expenditure support new and innovative changes?
- What industries does your CLNA identify as high-skill, high-wage, or in-demand in your region?
- How is the proposed expenditure ensuring support for access and participation of special population groups?
- Can the postsecondary eligible Institution rebut the presumption of supplanting?

SECTION 135: LOCAL USES OF FUNDS

Each postsecondary institution receiving funds under Perkins V must use most of the funds “to develop, coordinate, implement, or improve CTE programs to meet the needs identified in the comprehensive needs assessment.” No more than 5% of the award may be used for administrative purposes. There must be a clear link between the needs assessment and how funds are spent. In addition to being justified by the needs assessment, funds must be used to support CTE programs that are of sufficient size, scope, and quality to be effective and that:

1. Provide **career exploration and career development** activities through an organized, systematic framework designed to aid students, including in the middle grades, before enrolling and while participating in a CTE program, in making informed plans and decisions about future education and career opportunities.
2. Provide **professional development** for teachers, faculty, school leaders, administrators, specialized instructional support personnel, career guidance and academic counselors, or paraprofessionals.
3. Provide within CTE the **skills** necessary to pursue a career in high-skill, high-wage, or in-demand industry sectors or occupations.
4. Support **integration of academic skills** into CTE programs and programs of study.
5. Plan and conduct elements that support the implementation of CTE programs and programs of study and that result in **increasing student achievement** on performance indicators.
6. **Develop and implement evaluations** of the activities conducted with funds under this part, including evaluations necessary to complete the local needs assessment and the local report.

PERKINS V ALLOWABLE AND UNALLOWABLE EXPENDITURES

(Based on Perkins V and EDGAR)

This is not a complete list of allowable/unallowable costs as it relates to Perkins. The allowability of a particular expenditure should be determined by considering the grant’s purpose, requirements of the Perkins Act, and any pertinent Federal cost guidelines. All costs must be directly tied to the CTE program as approved in the local Perkins application plan. **When in doubt, ASK!**

Test for Allowable Use of Funds: instructional materials, software and/or equipment must enhance instruction for career and technical education (CTE) students to gain knowledge and skills that meet industry standards and expectations for approved programs and programs of study, and are also in high wage, high skill, or high demand occupations.

<u>General</u>	
Administrative costs (limited to 5% of total expenditures, including direct administrative costs and indirect costs)	Allowable
Audit costs and related services in accordance with the Single Audit Act (OMB Circular A-133) - the portion directly attributable to auditing the Perkins grant may be charged against the 5% administration category	Allowable
Bonding costs	Allowable
Compensation for CTE Instructors (salaries, wages, fringe benefits)	Allowable
Conference costs that are essential to improvement of CTE programs, which reflects the work that is taking place; development workshop, seminar or conference development workshop, seminar, or conference	Allowable
Contracted Services that support CTE programs;	Allowable
Travel and lodging for approved CTE travel	Allowable
Organizational memberships and subscriptions in business, professional, technical groups/associations (not at the individual level).	Allowable
Professional development costs	Allowable
Professional service costs (consultants)	Allowable
Program evaluation	Allowable
Substitute teachers (salary and benefits) for CTE teachers while attending approved CTE travel.	Allowable

Teacher in-service (including in-service training of both academic and CTE teachers to integrate academic and career and technical skills)	Allowable
Childcare- allowable for economically disadvantaged students who could not participate in CTE activities without childcare; or special populations such as single parents participating in special CTE assistance programs.	Allowable
Food/drink purchases at meetings/conferences not hosted by grantee (No Alcohol)	Allowable
Costs to reduce or eliminate out of pocket expenses for special populations (Perkins V Section 135 (b)5(S).	Allowable
<u>Guidance and Advisement</u>	
Career guidance and counseling, such as: salary for additional counseling personnel to provide a comprehensive career guidance and counseling program	Allowable
Communication costs (publications, postage) associated with the promotion and recruitment of CTE programs and programs of study	Allowable
Marketing and outreach activities (newspapers, radio/TV, magazines, social media) that is directed toward a specific CTE program, program of study or service	Allowable
Recruitment and affirmative outreach activities to assure access quality CTE programs for students who are members of special populations	Allowable
<u>Programs</u>	
CTSO related costs (instructional materials): advisor expenses (transportation and registration, student transportation and registration to state and national CTSO leadership conferences	Allowable
Curriculum development and publication including new or improved instructional resources (curriculum writing, validation, resources development)	Allowable
Electronic Instructional Materials - Subscription-based fees that supplement CTE classroom instruction	Allowable
Equipment and resources for the delivery of instruction in CTE programs (instructional materials, software and/or equipment must enhance instruction for students to gain knowledge and skills that meet industry standards and expectations in high wage, high skill, or high demand occupations)	Allowable
Furniture - required to make reasonable accommodation for a student with disabilities may be approvable	Allowable

Linguistically appropriate assessment and other CTE instructional and supportive material for individuals with limited English proficiency	Allowable
Maintenance and repair costs neither add to the permanent value of the property nor appreciably prolong its intended life but keep it in an efficient operating condition.	Allowable
Modification or upgrade of equipment to meet current business and industry specifications	Allowable
Software - for use in CTE classrooms for skill enhancement, or for career exposure/awareness purposes	Allowable
Equipment (single items greater than \$5,000 and with a useful life of at least one year)	Allowable
Rental/lease costs of equipment	Allowable
Technical skills assessments (industry-recognized certification exams/assessments)	Allowable
Unallowable Expenditures	
*** This is not a complete list of items that should <u>not</u> be purchased with Perkins funds.	
Advertising and public relations designed to solely promote the institution (not tied directly and exclusively to CTE)	Unallowable
Alcoholic beverages	Unallowable
Alumni/ae activities	Unallowable
Audits other than the A-133 Single Audit (the cost of a general school/institution audit is not permissible); and interest paid, or other financial costs are not approvable	Unallowable
Bad debts (losses from uncollectible accounts)	Unallowable
Building modifications, attachments, accessories, construction (including plumbing, wiring, HVAC, etc.) or land purchases are not approvable	Unallowable
Commencement and convocation costs	Unallowable
Conferences for Non-CTE - Perkins can only pay for the expenses of CTE teachers, School Counselors or Perkins Administrators attending conferences that are related to CTE instruction.	Unallowable
Construction, renovation, and/or remodeling of facilities (Construction costs and materials for a permanent structure (e.g., greenhouse) or anything that becomes a part of a permanent structure are not allowable expenditures)	Unallowable
Contingency or "petty cash" funds	Unallowable
Contributions or donations	Unallowable
Copyrights/patents	Unallowable

Dues/memberships to professional organizations or societies (for individuals)	Unallowable
Entertainment costs: meals, banquets, transportation, gratuities, and lodging	Unallowable
Fines and penalties of any type are not approvable	Unallowable
Equipment – Expenditures for equipment that are not specifically used for approved CTE courses/ program of study; not used for general administrative or personal use; that is mounted or becomes a part of a building or structure; equipment and supplies needed for building maintenance	Unallowable
Expenditures for CTE activities prior to the 5 th grade	Unallowable
Goods or services for personal use	Unallowable
Interest and other financial costs	Unallowable
Expenditures for CTE programs that are not approved	Unallowable
Expenditures that supplant non-federal funds expended to conduct CTE activities	Unallowable
Fines and penalties	Unallowable
Fundraising	Unallowable
Furniture - typical classroom (chairs, desks, bookcases, etc. typical to a traditional classroom setup. <i>Exception: if the furniture is unique to a tool or piece of equipment and is required for that tool or equipment to operate safely and properly, furniture may be approvable</i>	Unallowable
Gifts, door prizes, etc.	Unallowable
Items retained by students other than certain members of special populations. (supplies, clothing/uniform, tools, PDAs, calculators)	Unallowable
Lobbying and other political activities	Unallowable
Monetary awards	Unallowable
Promotional items, such as T-shirts, pens, cups, key chains, etc.	Unallowable
Purchase or lease of passenger vehicles including automobiles, trucks, buses, utility vehicles, airplanes, boats, kit-cars, and golf carts (that are not part of the instructional program)	Unallowable
Purchase or construction of buildings/facilities, including permanent or semi-permanent modifications to existing buildings/facilities	Unallowable
Remedial courses (courses designed to provide instruction in reading, writing, and mathematics for students who have not acquired the basic skills necessary to succeed in general or career education)	Unallowable

Supplanting – 1) Using Perkins funds to provide services the recipient is required to make available under state or local laws; or 2) Using Perkins funds to provide services the recipient provided with state or local funds in the prior year	Unallowable
Travel unrelated to career and technical education programs	Unallowable

Disclaimer: This document is intended to provide examples to assist postsecondary institution leaders when making funding decisions. Other uses of funds not listed here may be determined to be unallowable upon further research of federal documentation or consultation with state leadership. In some instances, state leadership will need to confer with our federal consultants at the Office of Career, Technical, and Adult Education (OCTAE).

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