

## PERKINS V ALLOWABLE AND UNALLOWABLE EXPENDITURES

**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 CTE identified need and requirements of the Perkins V, and any pertinent Federal and State cost guidelines. All costs must be directly tied to the CTE program as approved in the local Perkins application plan. When in doubt, ASK!

### ALLOWABLE EXPENDITURES

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| <ul style="list-style-type: none"> <li>• Administrative Costs             <ul style="list-style-type: none"> <li>○ Administrative Costs/Indirect costs (up to 5%)</li> </ul> </li> <li>• Audit costs in accordance with the Single Audit Act (OMB Circular A 133)</li> <li>• Bonding costs</li> <li>• Career guidance and counseling</li> <li>• Communication costs (publications, postage)</li> <li>• Compensation for Instructors (salaries, wages, fringe benefits)</li> <li>• Contracted services</li> <li>• CTSO advisor costs (advisor extra-duty pay/stipend, advisor travel, and instructional materials/supplies)</li> <li>• Curriculum development</li> <li>• Displays, demonstrations, and exhibits of CTE coursework/projects</li> <li>• Equipment for approved CTE instruction</li> <li>• Excursions/extended learning opportunities tied directly to CTE coursework             <ul style="list-style-type: none"> <li>○ General, exploratory college tours/visits are unallowable</li> </ul> </li> <li>• Indirect costs             <ul style="list-style-type: none"> <li>○ Indirect costs/Administrative Costs (up to 5%)</li> </ul> </li> <li>• Instructional materials and supplies</li> <li>• Instructor travel, meals, lodging, etc. for approved CTE travel identified in current year Perkins plan</li> <li>• Marketing and outreach activities (newspapers, radio/TV, magazines)</li> <li>• Meetings and conferences             <ul style="list-style-type: none"> <li>○ Must be properly documented and follow all basic cost principles - there is a significant burden of evidence required for purchases for meetings and conferences. When in doubt, ASK!)</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• Memberships and subscriptions in business, professional, technical groups/associations             <ul style="list-style-type: none"> <li>○ Membership must be for the position/agency, not the person</li> </ul> </li> <li>• Professional development costs</li> <li>• Professional service costs (consultants)</li> <li>• Program evaluation</li> <li>• Publication and printing costs</li> <li>• Remedial services (curriculum modification, equipment modification, classroom modification, supportive personnel, and instructional aids and devices)             <ul style="list-style-type: none"> <li>○ Perkins dollars may not be used to fund remedial courses (courses designed to provide instruction in reading, writing, and mathematics for students who have not acquired the basic academic skills necessary to succeed in general or in career and technical education courses)</li> </ul> </li> <li>• Rental equipment</li> <li>• Stipends</li> <li>• Substitute teachers (salary and benefits)             <ul style="list-style-type: none"> <li>○ Time &amp; Effort reporting still required for substitute teachers</li> </ul> </li> <li>• Teacher in-service</li> <li>• Technical skill assessments (industry recognized certification exams/assessments)</li> <li>• Transportation costs (associated with excursions/extended learning opportunities tied directly to CTE coursework)</li> </ul> |
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## UNALLOWABLE EXPENDITURES

- Administrative or supervisory salaries
  - May be charged as an indirect up to 5% of award
- Advertising and public relations designed to solely promote the LEA (not tied directly and exclusively to CTE)
- Advisory councils
- Alcoholic beverages
- Alumni/ae activities
- Audits other than the A-133 Single Audit
- Bad debts (losses from uncollectible accounts)
- Child care for non CTE enrolled students
- Commencement and convocation costs
- Conference travel unrelated to career and technical education program improvement
- Construction, renovation, and/or remodeling of facilities
- Consumable supplies to be made into products *to be sold or to be used personally* by students, teachers, or other persons
- Contingency or “petty cash” funds
- Contributions and donations
- Copyrights/patents
- CTSO student costs (items retained by student/advisor, social activity/ assemblage)
- Dues/memberships to professional organizations or societies (for individuals)
- Entertainment
- Equipment and supplies for building maintenance
- Equipment or supplies not used directly to teach skills to students, including electronic student response systems
- Equipment solely for use by the, administrator or other staff members
- Excessive installation costs for equipment purchased with Perkins funds
- Expenditures for CTE courses prior to the middle grades (any grades 5 through 8)
- Expenditures for non-approved CTE programs
- Expenditures that supplant
- Fines and penalties
- Food/drink
- Fundraising
- Gifts, door prizes, etc.
- Goods or services for personal use
- Insurance/Self-Insurance
- Interest and other financial costs
- Items retained by student (supplies, clothing/uniform, tools, PDAs, calculators)
- Lobbying and other political activities
- Maintenance contracts or agreements unrelated to instructional equipment
- Monetary awards
- Non-instructional furniture (bookcases, drawers, file cabinets, lateral files)
- Payments to students (stipend or ongoing)
- Pre-award costs
- Promotional materials (t-shirts, pens, cups, key chains, book bags)
- Purchase or lease of passenger vehicles including automobiles, trucks, buses, utility vehicles, airplanes, boats, and golf carts
- Purchase or construction of buildings/facilities, including permanent modifications to existing buildings/facilities
- Remedial courses (courses designed to provide instruction in reading, writing, and mathematics for students who have not acquired the basic academic skills necessary to succeed in general or in career and technical education courses)
- Scholarships paid directly to students
- Standard classroom furniture, files, and equipment not specific and unique to the instructional program (tables, chairs, desks)
- Student expenses/direct assistance to students (tuition, fees, insurance, other expenses)

## BASIC COST PRINCIPLES

In addition to the requirements in Local Uses of Funds outlined in Section 135(b) of the Perkins V, all expenditures of Perkins funds must meet the basic cost principles outlined in the Office of Management and Budget (OMB) Circulars, the most current of which being 2 CFR 200 (the “Super circular”). The cost principles of 2 CFR Part 200 are the basic guidelines describing allowable ways federal funds may be spent. The expenditure of Perkins funding is further regulated by the Education Department General Administrative Regulations (EDGARs). The general principles 2 CFR Part 200 Subpart E – Cost Principles state that for costs to be allowable, they must be:

- **Reasonable and necessary** (meaning that, for example, sound business practices were followed, and purchases were comparable to market prices);
  - A cost may be reasonable if the nature of the goods or services acquired and the amount involved reflect the action that a prudent person would have taken under the circumstances prevailing at the time the decision to incur the cost was made.
- **Allocable to the federal award** (meaning that the federal grant program, in this case Perkins, derived a benefit in proportion to the funds charged to the program – for example if fiftypercent (50%) of an instructor’s salary is paid with Perkins funds, then that instructor must spend at least fifty percent (50%) of his or her time on a Perkins program);
- **Legal under state and local law;**
- **Properly documented** (and accounted for on a consistent basis with generally accepted accounting principles);
- **Consistent with the provisions of the grant program** (The Strengthening Career and Technical Education for the 21<sup>st</sup> Century Act, Perkins V); and
- **Not used for cost-sharing or matching** any other grant agreement.