Program Administrative Handbook for Local Directors  
Adult Education  
Wyoming  
Chapter 12: Fiscal

I. Funding

There are two main sources of funding for the Adult Education programs in Wyoming:

**State Funds**

The amount available is determined by legislative appropriations on a biennium basis.

**Federal Funds**

Funding is awarded through a competitive grant process which uses a funding formula. The grant requires a 25% match from non-federal and/or in-kind contributions. Funding allocations are on a reimbursement basis after expenditures have occurred.

Funding is not assured from year to year and is based on the availability of funds.

Funding specifics:

- Programs submit a plan application/reapplication by May 1st or another designated date each year.
- Program plans are approved and the local director is notified of the approval of their plan and a final notification, called the Award Letter, is sent by July 1st. A contract is then issued once the Commission receives its official notification from OCTAE of federal awards.
- Adult Education program directors are responsible for:
  a. Establishing budgets
  b. Working with local business administrators (when applicable) to assure funding is spent appropriately within each budget category.
  c. Completing all State budget documents (see below)
- AEFLA requires that all federal grant recipients for Adult Education services be monitored on a regular basis by the State. In Wyoming, monitoring visits (See Chapter 10) are completed bi-annually with monthly expenditures monitored through both the Monthly Desk Report as well as through the State’s Drawdown system. During the State monitoring, a random review of expenditures will be conducted. Local programs are expected to provide a paper trail of requested expenditures. Accounting ‘backup’ supporting documentation of expenditures will be required during this process or as a part of a program’s Corrective Action Plan (as needed).

**A. Federal Funds Distributed to States**

Federal funds are distributed to States on a formula based upon the census. Five percent or $80,000 whichever is greater can be used for Administration while eighty-two and a half percent is to be used for Instruction, and
twelve and a half percent is to be used for leadership activities.

B. Local Provider Distribution

The local grants are divided into two categories

1) administration, including professional development and
2) instruction

WIOA Sec 233 places a cap of 5% on the amount of grant funds that can be utilized for administration & professional development. However, there is a ‘special rule’ that states: *In cases where the cost limits are too restrictive, the eligible provider shall negotiate with the State in order to determine an adequate level of funds to be used for non-instructional purposes.*

Waiver to Increase Administrative Costs

WIOA Section 233 states that at least ninety-five percent (95%) of an eligible recipient’s federal grant award must be expended for adult education and literacy activities. The remaining amount, not to exceed 5%, shall be used for planning, administration (including carryout out the requirements of section 116), professional development, and the activities described in paragraphs (3) and (5) of section 232.

In cases where the cost limits described above are too restrictive to allow for the activities described in subsection (a)(2), the eligible provider shall negotiate with the State in order to determine an adequate level of funds to be used for non-instructional purposes. This must be completed by submitting a ‘Waiver Request to Increase Administrative Costs.’ The WCCC will use this to initiate the negotiation of the new percentage.

This form (See Appendix #1) is part of the competitive grant process and may not exceed 18%. Once the ‘Waiver’ is approved by the State, the percentage distribution for administration and professional development can be increased up to the approved rate. The approved rate can then be used for the lifecycle of the grant and may not be changed until the next grant competition.
C. The Grant Award

Every three to five years, the State Educational Agency (SEA) for AEFLA grants is required to run a grant competition for providers of Adult Educational activities and services. Once this competition is completed, a ‘grant award’ letter is distributed to successful applicants. Thereafter, approved providers may submit a reapplication for each year of the grant cycle. Once reapplications are approved, an ‘Estimated Award Letter’ (or an Award Letter) is sent to approved providers. A sample template can be found in Appendix #2.

D. The Grant Contract

Grant contracts are issued by the State to each local provider each year. Each grant period runs from July 1, 202X to June 30, 202X, as stated in the grant contract between the local grantee and the Wyoming Community College Commission.

There are nine main sections to the contract along with multiple appendices. A sample template of a Grant Contract can be found in Appendix #3.

II. The Funding Formula

Funding to local applicants is based upon quality and service to learners who are most in need. Grant applications are also reviewed for fiscal accountability that is based upon prior history. In order to be included in the funding cycle, adult education programs must have an approved grant application (first year of funding) or renewal application (subsequent years of funding) and meet minimum standards described in the state plan.

A. Purpose

The purpose of the funding process is to equitably distribute state and federal funds available to those programs whose grant applications have been approved. It is not used to determine whose grant applications are approved, as that would interfere with the direct and equitable access that the state plan establishes and the Adult
Education and Family Literacy Act requires.

**Figure 11.3: Goals of the Funding Formula**

#1
To build into the funding model decisions previous enrollment, number of high school non-completers, rural outreach, poverty levels, and the core performance measures. Additional elements considered influential and affecting outcomes are the Indicators of a Quality Adult Education Program, sufficient intensity and duration of classes, instructional staff development, and local support.

Goals of the Funding Formula

#2
To establish an equitable funding process so that all Adult Education programs have an adequate base from which to maintain quality services and a fair distribution of funding between rural and urban projects.

**B. Wyoming’s Funding Formula**

The funding formula was developed in collaboration with local AE program directors, the State, and MPR Associates.

**Figure 11.4: Wyoming’s Funding Formula**

Each program is awarded $70,000 in base funding.

The remaining State and Federal funds are then used in the funding formula where

- 90% of funds is distributed for
  - Population based upon US Census data - (15%)
  - Enrollment numbers & projected enrollments – (55%)
  - Need (HS Non-completers in the counties being served, the number of individuals in the counties with ‘Limited English Proficiency (from US Census), and the Poverty rates (from US Census) for the counties being served. – (17%)
- Rural Outreach- (13%)
  - 10% for Performance based funding which takes into account a local providers ability to meet performance targets and the number of completers

**Funding Corrections in Wyoming**

Because only federal dollars are used to fund correctional programs in Wyoming, the calculation for funding these programs is somewhat different. WIOA allows for up to 20% of instructional dollars to be spent on Corrections Education. When WIOA was adopted, the State of Wyoming established a 17% funding percentage for correctional education. Therefore, each year the State has to calculate the total dollars available for corrections education BEFORE the funding model distribution can be done. Corrections dollars are not included in the funding model.

### III. Budgeting

#### A. Budget Compliance Planning

Knowing what an administrator needs to do so the agency is in compliance is the beginning point. The categories to be considered are outlined on the Budget Forms described below. Creating a vision with clear goals and objectives will be the backbone to creating a budget. The agency must identify where the program plans to go and how it will get there before making the budget. Without planning, it is hard to cover the costs or achieve the program goals. Careful planning up front will help avoid mistakes and delays.

Budgeting for AE grants is a multi-step process and involves not only multiple forms, but budgets typically have to be created two times in the application process: once with the (re)application where the grantee requests funding and again after grant awards are made to align budgets to awarded amounts.

Along with the budget are multiple other supporting documents (described below), such as a plan for professional development, benefits worksheet and a budget narrative.

Budgets are broken down into two main categories: Administration & Professional Development AND Instruction.
Because of the 5% restriction, programs may have to split a director’s salary & benefits between administration and instruction. How this is done is entirely up to the local program. Most programs in Wyoming do not have sufficient funds to utilize the budget line items for Support staff, Purchased Services and Space/Rent, so these are typically left blank.

### B. Budget Forms

**Initial Budget Summary Form**

One overall budget will be submitted on a single initial budget form. This initial budget will include ABE, ASE, and ELA. Both Corrections and IELCE have separate initial budget forms. Once a budget(s) has been approved by the State, an award letter will be sent identifying the amount of combined federal and state funding for the grantee. The appropriate summary and detailed budget narrative sheet forms will then be submitted.

**Full Cost of the Program Budget**

This form includes the funding requested from this grant application, cash match from other sources (i.e., grants, local funding, United Way, etc.), and in-kind match (i.e., donation of space, time, or materials).

AEFLA funds must be used to supplement the funds available for authorized program activities and will not be allowed to supplant federal, state, local, or nonfederal funds.

**Budget Narrative & Benefits Detail Worksheet**

The budget narrative section consists of two forms.
The Budget Narrative form lists by name all individual positions paid a salary and/or benefits from this grant, including their primary position, FTE status, total annual salary and total annual benefits. FTE is the percentage of time a staff member is paid from this project and number of weeks working for the program year.

The budget narrative may also include materials and supplies, professional development, travel, dues and registration fees, purchased services, classroom or office space, equipment, and contracted services. Indirect costs rate must be pre-approved by WCCC. A letter authorizing the approved indirect cost rate must accompany the budget. The costs of the project should be reasonable in relation to the number of persons to be served and the anticipated outcomes and benefits. Explanations for each line of the full summary budget are required.

Individuals paid through other sources but serve this AE program and its students, should be listed on company letterhead and signed by the Program Director/Designated Appointee.

The Benefits Detail Sheet lists the full benefits received by persons employed in the program and paid through AEFLA grant funds.

C. Indirect Costs

Indirect costs represent the expenses of doing business that are not readily identified with a grant, but are necessary for the general operation of the organization and the conduct of activities it performs. 34 CFR 76 describes how indirect cost rates are calculated. The U.S. Department of Education has also produced a ‘Guidebook’ which explains the principles and standards for determining costs on federal awards carried out through agreements with State and Local Governments.

The calculation of rates is very complex and requires that the grantee’s institution obtain indirect cost rate approval from the Wyoming Department of Education. Once this approval is received, AE grantees can apply for indirect cost rate approval from the WCCC during a grant competition.

Because this process is so complicated, only one AE grantee in Wyoming makes use of this budget cost line.

D. Description of Budget Categories

Once the WCCC has determined who will be awarded a grant, a revised budget may be required. The final budget will align with the application review comments and the budget awards. No grant funds can be reimbursed until a final budget has been received and approved. Examples of the types of expenses included in each category are listed below for guidance only. The budget narrative should provide enough detail so the appropriate category can be confirmed.

Salaries
Amounts paid for personnel services for both permanent full and part-time, including personnel substituting for those in permanent positions. This includes gross salary for personnel services rendered while on the payroll of the school district/college/agency/organization.

Instructor Time & Task Logs
It is a federal requirement that all grant funded AE staff paid through more than one source maintain a ‘Time & Task’ log. A time and task log must show what AE approved activities were done for each hour of pay where AE grant funds were used. The ‘time and task log’ must clearly delineate how many total hours were paid for off an AE grant. Local programs may utilize their own form for this.
**Employee Benefits**
Amounts paid on behalf of employees; generally, these amounts are not included in the gross salary, but are in addition to salaries. Such payments are fringe benefit payments and, while not paid directly to employees, are part of the cost of personnel services. The benefits for health coverage for full-time benefited employees at community colleges are **not** to be included on the budget if at least 5% of the salary comes from a non-federal source.

**Purchased Professional & Technical Services**
These are services, which by their nature can be performed only by persons or firms with specialized skills and knowledge. While a product may or may not result from the transaction, the primary reason for the purchase is the service provided. Included are the services of auditors, consultants, trainings, etc. Each provider is required to have, at a minimum, an annual financial review conducted by an independent audit firm.

**Other Purchased Services**
Other purchased services are amounts paid for services rendered by organizations or personnel not on the payroll of the Adult Education program. While a product may or may not result from the transaction, the primary reason for the purchase is the service provided.

**Supplies**
Amounts paid for items consumed, worn out, or deteriorated through use; or items that lose their identity through fabrication or incorporation into different or more complex units or substances. Items not contributing to a program’s fixed assets, as evaluated by the provider’s fixed assets policy, may be coded as supply items, or may be coded as non-capital equipment. Items contributing to the program’s fixed assets must be coded as equipment. All computers must be tracked with inventory. Include all supplies, books and periodicals, and electronic media materials here. All books, calculators, and equipment purchased with AE grant funds must be clearly labeled as being purchased with AE grant funds.

**Equipment**
Expenditures in this line item include the purchase, lease, or rental of initial equipment, additional equipment, or replacement equipment of $5,000 or greater cost per item. Expenditures are to be used solely for adult education services. These expenditures may be administrative in nature. All items in this category must be clearly explained and detailed in the Budget Detail Sheet. Programs must maintain an up-to-date inventory of equipment.

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**E. Budget Changes**

Budgets usually need some tweaking during the year to meet unexpected events and demands on staff and materials. A budget can be revised and a revision is required if the grantee wants to re-budget funds between object codes in the approved budget. A proposed budget change must be received and approved before budget adjustments can be made. No budget revisions can be approved after May 31st in each grant year.

To achieve activities set forth in the local grantee application, modifications and line item transfers can be made to the contracted budget. All budget modifications/line item transfers must be made in writing to the ABE state program manager.

Because of the cap on funding for administration and professional development, budget line transfers from ‘instruction’ to administration/professional development are NOT allowed.
A copy of the budget change form is available on the Commission’s website at: https://communitycolleges.wy.edu/adult-education/directors/. When completing this form, ALL line items must be completed so that the total shown on the page equals the total grant funds awarded.

F. Financial Administration

A local grantees must expend and account for grant funds in accordance with state laws and procedures, the AE program guidelines, EDGAR, and OMB Circular A-87. Effective control and accountability must be maintained for all obligations, assets, and expenditures.

A local grantees shall only expend AE funds to carry out the proposed local ABE activities. To be allowable, the cost must be actual, necessary, and reasonable for proper and efficient implementation of the AE proposed activities. This will include Adult Basic Skills Education, Adult Secondary, English as a Second Language, High School Equivalency, Integrated Education and Training, Integrated English Literacy & Civics Activities, Work-based Projects, Workplace Literacy, workforce literacy activities and other general literacy activities as outlined in Federal and State mandates.

The WCCC/AE office and fiscal representatives will review expenditures for allowable costs. Expenditures, found to be outside the costs needed to carry out the proposed local activities for AE, will not be reimbursed or a refund will be requested.

Any unexpended balance will be retained by WCCC/ABE to be redistributed during the next grant cycle. There are no local grant carry-over funds.

IV. Allowable/Unallowable Costs

All expenditures must be necessary, reasonable, and allocable to the grant program. For more details on allowable costs for all federal grants refer to EDGAR Part 76 and 2 CFR Part 200. See Appendix # 4 for a full list of allowable/unallowable costs

A. Factors Affecting Allowability of Costs

To be allowable under federal awards, costs must meet the following general criteria:

- Be necessary and reasonable for proper and efficient performance and administration of federal awards.
- Be allowable to federal awards under the provisions of circular A-87.
- Be authorized or not prohibited under state or local laws or regulations.
- Conform to any limitations or exclusions set forth in these principles, federal laws, terms and conditions of the federal awards, or other governing regulations as to types or amounts of cost items.
- Be consistent with policies, regulations, and procedures that apply uniformly to both federal awards and WCCC/AE sub-grants.
- Be accorded consistent treatment. A cost may not be assigned to a federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the federal award as an indirect cost.
- Except as otherwise provided for in Circular A-87, be determined in accordance with generally accepted accounting principles.
- Not be included as a cost or used to meet cost sharing or matching requirements of any other federal award in either the current or a prior period, except as specifically provided by federal law or regulation.
B. Grant Fund Use & Limitations

FEDERAL FUNDS

<table>
<thead>
<tr>
<th>Grant Fund Name</th>
<th>Services/Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corrections</td>
<td>Instructional services in local correctional facilities and other institutions (including any prison, jail, reformatory, work farm, detention center, halfway house, community-based rehabilitation center, or other similar institution for the confinement or rehabilitation of criminal offenders) for students at any of the ABE, ASE, and ESL NRS levels and a release date within five (5) years.</td>
</tr>
<tr>
<td>Integrated English</td>
<td>Educational services provided to English language learners who are adults, including professionals with degrees and credentials in their native countries that enable such adults to achieve competency in the English language. In addition, such services shall include instruction in literacy and English language acquisition and instruction on the rights and responsibilities of citizenship and civic participation, and may include workforce training.</td>
</tr>
<tr>
<td>Literacy/Civics Education</td>
<td></td>
</tr>
</tbody>
</table>

STATE & FEDERAL FUNDS

<table>
<thead>
<tr>
<th>Grant Fund Name</th>
<th>Services/Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adult Basic Education (ABE)</td>
<td>Adult Basic Education instructional services for students at the Beginning Literacy through High Intermediate NRS levels, Adult Secondary Education instructional services for students at the Adult Secondary Education Low and High NRS levels, English as a Second Language, workforce preparation activities, workplace Adult education &amp; Literacy Activities, &amp; Family Literacy.</td>
</tr>
</tbody>
</table>

V. Equipment, Materials/Supplies

A. Equipment

Equipment includes tangible, non-expendable, personal property having a useful life of more than one year and at an acquisition cost of $500 or more per unit must be included on a program equipment inventory. The amount of capitalized equipment is $5,000. Items costing less than $5,000 are considered current year expenditures and depreciation is not a condition.

The local program will make the equipment available for use by other programs supported by the local grantee as long as such use does not interfere with the proposed AE activities and are in alignment with the spirit of AE.

B. Inventory

The local grantee must maintain appropriate equipment inventory records. All equipment with a value of $500 or greater purchased with Adult Education funds must be tagged indicating it was purchased with Adult Education Grant funds. In addition, all textbooks, calculators, and other supplies purchased with AE grant funds must also be labeled in a similar manner. Disposable workbooks do not need to be labeled.

Each item of equipment must be tagged; i.e., computer, printer and monitor should each have a separate tag.

Adequate maintenance procedures must be developed to keep the property in good working condition. Any loss, damage, or theft must be investigated.
Equipment at time of disposition with a value of $500 or more per unit should be reported to WCCC/AE state program manager for notification purposes. Equipment valued at less than $500 may be retained, sold, or otherwise disposed of with no further obligation to WCCC/AE.

C. Purchasing Equipment, Instructional Materials and Supplies

Programs must use the locally approved purchasing procedures for all purchases. Appropriate records must be kept on file for such purchases.

Equipment

The purchase of equipment with a value of $500 or greater must be approved by the state director. "Equipment" includes furniture, computers, etc. Requests to purchase equipment must be submitted to the State Director along with appropriate documentation showing the cost for the item and a justification as to why the item is needed. Allow two weeks for State approval.

Instructional Materials

Property not defined as equipment is considered materials or supplies. Purchases made specifically for the AE activities should be charged at their actual costs deducting all cash discounts, trade discounts, rebates, and allowances received by the local grantees. All purchases must have documentation (purchase order, invoice, receipt, pay document, etc.) of purchase and related costs.

AE funds cannot be used to stockpile supplies for an extended period of time beyond the end of the contract date.

All instructional materials ordered must be approved by the local program director and paid for with the approved budget line item. This includes books, software, consumables, online licenses, etc.

VI. The Drawdown Portal

Each month local programs utilize grant funds for a wide variety of purposes. The local institution pays for these costs up front and requests for reimbursement are then completed by the 5th of each month through the drawdown portal found on the Wyoming College Commission’s website.

The drawdown system is a dynamic platform which allows immediate availability of budgets and balances. This unique system allows for greater flexibility in drawdowns within each category; thereby reducing requests for budget changes. Each local provider is allowed up to two people to have access to drawdowns and to budget information. Typically, these two individuals are the AE director and the finance person from the local institution. In order to gain access to this system, individuals need to register for permission. This is done through the Commission’s website. Once access is granted and budgets are approved and entered by the State, the submission of drawdowns may commence.

Drawdowns submitted in a timely manner are processed and funds are typically made available to the local grantee within two weeks of submitting a drawdown.

An updated ‘how to manual’ was completed in 2019 and can be found on the Commission’s website.
There are several components to the drawdown portal. The first section is where the drawdowns are submitted. Clicking on the ‘draw’ tab takes you to the area where you can request reimbursement for funds expended in the previous month. In this same area you will also see a tab which allows you to see the budget created for the program. This should be an identical copy of the budget submitted as part of the grant application process and/or of budget revisions made.

The portal also offers all directors access to a discussion board where topics/questions/concerns can be posted and discussed as needed.

The final section of the portal that directors will utilize is where all monthly desk monitoring reports and other documents of a secure nature can be uploaded.

**VII. Adult Education Program Fiscal Audits & Compliance**

**A. Annual Fiscal Audit**

A program audit completed by an independent auditor is required each year as described in EDGAR Part 80.42. These are completed annually after June 30th - the end of the program year. Local program’s business administrator will have that information. A copy of this audit is to be sent to the AE Program Office at the WCCC by December 31st each year.

**B. Non-compliance**

Local grantees who fail to comply with any term of an awarded grant, whether stated in a federal statute or regulation, in the Unified State Plan, in an award notice, in a local application, or elsewhere, the WCCC representative (SEA) may:

- Withhold payments pending correction of the non-compliance issue
- Disallow all or part of the cost of the activity; OR
- Terminate all or part of the contract
C. Cash Match and In-Kind Match

Cash match is any funding that pays for Adult Education services and goods.

Figure 11.6: Cash & In-kind Match Definitions

Local providers are required to provide a 17-25% grant cash or in-kind match to awarded grant funds. Planning for this is part of the (re)application process. And at the end of each year, grantees are required to submit documentation showing how much cash match and in-kind match was provided to the Adult Education grant.

State Match Requirement

States are required to provide a 25% match to federal grant awards. Typically, Wyoming has used State appropriations for Adult Education to meet this match requirement. However, with the reduction in State funds it is critical that all local providers in Wyoming submit documentation for local matching funds. Local match fund amounts, submitted with year end reports are used to help meet this match requirement.
D. Program Income Guidelines (34 CFR 80.25 & 34 CFR 76.534)

Program income is defined as gross income received by the grantee or sub-grantee directly generated by a grant supported activity, or earned only as a result of the grant agreement during the grant period. Funds so earned may be added to the grant and used for the purposes and under the conditions of the grant agreement, and must be reported as expenditures to AEFLA. Local providers charging fees must use the program income generated by adult education funds for allowable costs to the adult education program, expanding available resources for adult education, workplace literacy, English language acquisition and adult secondary education. Fees must be necessary and reasonable and not impose a barrier to the participation of disadvantaged persons. Providers are prohibited from counting tuition and fees collected from students toward meeting matching and cost-sharing. Fees collected must be used by the AEFLA program during the year they are collected and may not be used as general funds of the applicant organization. All program income for the year must be reported on the Fiscal Financial Reports (FFR’s) submitted at year end as the State is required to track these funds for reporting purposes.

E. Supplement Not Supplant

In accordance with WIOA Title II (Sec. 241), funds made available for adult education and literacy activities shall supplement and not supplant other State or local public funds expended for adult education and literacy activities.

Figure 11.7: Supplanting

Supplanting would be presumed in these situations:

- Federal funds used to provide services that were supported by state or local funds in the prior year
- Federal funds used to provide services the State or local provider is required to make under other federal, state, or local laws.
VIII. FSRs & Directions

Wyoming’s AE grantees are required to submit both a Federal and State Financial Status Report (FSR) at the end of each fiscal year. The Federal form is used to report the amount of federal dollars awarded and used by the program in a fiscal year. The State FSR records all state dollars received and spent by the grantee in a fiscal year. Copies of these forms and instructions on how to complete these forms are available on the Commission’s website.

IX. One Stop Infrastructure Costs

The Workforce Innovation and Opportunity Act (WOA) requires that local Workforce Development Boards develop a Memorandum of Understanding (MOU) among itself and its required partners that outlines the cost sharing provisions for the operation of the One-Stop system. In Wyoming, this State level Agreement links agency partners through an in-kind referral process from partner agencies and partners to the One-Stop Centers to ensure co-enrollment.

Each year local grantees must address in their EOY narrative reports, how they fulfill their roles and responsibilities as one-stop partners including supporting one-stops with infrastructure funds, if necessary. (463.22(5))
Appendix #1: Waiver To Increase Administrative Costs

Request Waiver to Increase Administrative Costs

Adult Education Family Literacy Act
Request Waiver for Administrative Costs to Exceed 5% of Federal Adult Education and Family Literacy Act Funds

The applicant organization/agency, _________________________________________ requests a waiver to expend ______% of its Adult Education and Family Literacy Act federal budget for non-instructional costs for program year 2020-21.

We the undersigned, acknowledge that 95% of the federal grant is expected to be used for instructional purposes unless a waiver is approved. On or both of the following categories must apply. We further understand that a waiver for administrative costs in excess of 5% of the federal budget amount will be granted only in exceptional circumstances.

(Check one or both statements, as applicable, providing rationale for the waiver requested.)

☐ The administrative activities relate to the achievement of AEFLA state goals to improve program quality and level of service as explained here:

☐ A 5% limit on administrative expenditures would not provide for sufficient planning, management, evaluation, or coordination, as explained here:

We provide these assurances and justifications with respect to this waiver request.

______________________________________  ______________________________________
Program Director Signature                Business Administrator Signature

For State Use Only

A waiver for program year 2020-21 ☐ is granted ☐ is not granted

______________________________________
Adult Basic Education Program Manager

Date
Appendix #2: Sample Award Letter Template

Wyoming Community College Commission
2300 Capitol Ave. 5th Floor, Suite B | Cheyenne, WY 82002 | (307) 777-7763

Adult Education
Estimated Grant Award Letter for FY 21/22

May 17, 2021

Program Period: July 1, 2021-June 30, 2022

College

21-22 Federal AE Funds:
21-22 Federal Corrections Funds
21-22 State AE Funds:

DUNS: #

Federal Award Period: July 1, 2021 to June 30, 2022

RE: Notification of Adult Education Award of $_______
Project ID: ____________________

Dear:

Congratulations and thank you for submitting the Adult Education (AE) continuing grant application for program year 2021-22. We are pleased to inform you that based on your application your program will receive an estimated $_______ in combined federal and state award money. All awards are based on funding available on June 30, 2021 and awarded contractual amounts may differ once the State receives final confirmation of federal grant fund allotments. This ‘Estimation of Grant Award’ is being sent at this time so that providers have ample opportunity to prepare and plan for the upcoming fiscal year.

Once the State has received federal grant fund allotments, a grant agreement will be processed that formally commits state and federal funds under WIOA, Title II—Adult Education and Family Literacy Act. The State anticipates that total ‘Estimated Award Amounts’ will not change. Because the ‘estimated totals differ from the budget request in your application, please submit revisions and/or new completed forms for the following:

1. Initial Budget
2. Budget Narrative
3. Benefits Worksheet
4. Full Cost Budget
5. Projected Match Funding
6. Professional Development Worksheet for 2021-22

Please note the following procedures that apply to the use of these grant funds:

- The Wyoming Community College Commission (WCCC) must receive drawdown requests for funds by the 5th of each month, unless accounting processes require later submission. If there are
no expenditures, then send a drawdown with zero as the requested amount. The form for this report may be found online at [https://www.communitycolleges.wy.edu/submit-drawdown.aspx](https://www.communitycolleges.wy.edu/submit-drawdown.aspx).

*All PY 2021-22 funds must be expended by June 30, 2022.* No stockpiling of materials or supplies for the next year is permitted.

- Programs will include professional development expenses in their local program budget and must include local, state, and regional/national professional development. These can be virtual or in-person trainings. **All** planned trainings must be reflected on the State three-tiered Professional Development Worksheet.
- In modifying your budgets, the following items are not allowable expenses and should not be included: High School Equivalency testing materials, examiner salaries or benefits, testing fees or scholarships.
- Adult Education grant funds may not be used for Research and Development.
- Tracking of expenditures for correctional or other institutions is required. WCCC will track this category for the State so the maximum expenditures for the State do not exceed the twenty percent (20%) maximum for expenditures in services by all AE grantees. A local program may negotiate with the State at the beginning of the program year on the expenses for their program to spend on corrections and other correctional institutions.
- If there is a change in the project objectives/activities, a project amendment must be submitted and approved in writing. Amendments will not be approved after the fact.
- **All** funded AE programs are expected, as a whole, to meet or exceed Wyoming’s AE State Performance Standards.

This grant award is a result of a competitive request for proposal processes that began January 13, 2020. Continued program funding requests must be made at the beginning of each subsequent year throughout the grant period.

Local AE programs receiving state and/or federal funding are required to retain records for 3 years beyond the grant cycle, including continuation award cycles.

Reports for AE programs are due according to the following schedule:

- Monthly Grant Funds Request (Drawdown Request) 5th of each month
- Monthly Data Monitoring Reports submitted by the 10th of each month
- AE database (LACES) input 5th of each month
- 1st Quarter Narrative Report October 15, 2021
- 2nd Quarter Narrative Report January 14, 2022
- 3rd Quarter Narrative Report April 15, 2022
- End of year Narrative & NRS Report August 1, 2022
- Database Close Out/Rollover August 1, 2022

Additional guidelines are attached to the grant contract. We wish you success in your endeavors to promote and enhance Adult Education and Family Literacy services in your community. Should you have any questions or need technical assistance with your program, please do not hesitate to contact the Wyoming Community College Commission at (307)777-7885.

Sincerely,

*Diane McQueen*

Diane McQueen
Adult Education State Director
Appendix #3: Sample AE Contract

ADULT EDUCATION GRANT AGREEMENT
BETWEEN WYOMING COMMUNITY COLLEGE COMMISSION
AND __________
DUNS# ________

1. **Parties.** This grant agreement (Agreement) is made and entered into by the Wyoming Community College Commission, whose address is 2300 Capitol Avenue, 5th Floor, Suite B, Cheyenne, WY 82002 [Agency] and ______ whose address is _____________________ [Grantee].

2. **Purpose of Agreement.** This Agreement establishes the responsibilities and procedures for the above named parties for the administration and delivery of the Adult Education (AE) Program.

3. **Term of Agreement and Required Approvals.** This Agreement is effective when all parties have executed it and all required approvals have been granted. The term of the agreement is from July 1, 2021 through June 30, 2022. All services shall be completed during this term.

4. **Payment**

   A. The Agency agrees to pay the Grantee for the administration of the AE Program in the amounts set forth below:

<table>
<thead>
<tr>
<th>Federal Adult Education (AE) Grant Award</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Project ID Number: _______</td>
<td>$</td>
</tr>
<tr>
<td>CFDA No.:</td>
<td></td>
</tr>
<tr>
<td>PR/Award Number:</td>
<td></td>
</tr>
<tr>
<td>Federal Award Date:</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>State Adult Education (AE) Grant Award</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Project ID Number: STATE_______</td>
<td>$</td>
</tr>
<tr>
<td>Federal Corrections Grant Award</td>
<td></td>
</tr>
<tr>
<td>Project ID Number: _______</td>
<td>$</td>
</tr>
</tbody>
</table>

   | Total AE Funding Award:                  | $ |

   B. The total payment under this Agreement shall not exceed _____________. ($_______) Payment shall be made upon receipt of a properly prepared and certified drawdown spreadsheet, to be prepared monthly and submitted online to the agency. No payment shall be made before the date upon which the last required signature is affixed to this Agreement.

   C. The Agency must receive requests for funds by the fifth (5th) of each month, unless Grantee accounting processes require a later submission date. The online form for this report may be found on the Agency’s website at: https://www.communitycolleges.wy.edu/submit-drawdown.aspx. Funds may be requested for reimbursement only. All program year (PY) 22-23 funds must be obligated or expended by June 30, 2023.

   D. All annual grant awards are contingent upon the availability of federal and state funds and compliance with state and federal regulations.
E. Grantee shall expend funds in accordance with the Agency’s Adult Education rules, regulations, approved budget, and this agreement. See Attachments A1 through A5, which are attached hereto and incorporated herein by reference, for Budget forms.

F. Grantee shall maintain sufficient records to provide an accountability of all funds expended under this Agreement including:
   (i) Documents supporting reimbursement vouchers;
   (ii) Time and Effort documentation. Time must be actual after-the-fact activity of each employee, not on a predetermined or estimated basis. Time and Effort records must account for the total activity for which each employee is compensated. See 2 CFR Part 200 Subpart E (cost principles).

G. Funds shall not exceed amounts approved in each budget category. The Agency’s AE Administrator may approve budget transfers within cost categories upon written request.

H. Grantee shall track expenditures for Adult Education (AE), English Language Acquisition (ELA), Integrated English Literacy & Civics Education (IELCE) and Corrections or other institutional AE services.

5. Responsibilities of Grantee

A. The Grantee shall identify, recruit, and retain qualifying adults (those sixteen (16) years of age and older, who are beyond the age of compulsory school attendance, do not have a secondary school diploma or its recognized equivalent, and not enrolled in secondary school). The Grantee shall report major changes or anticipated changes in enrollment or services to the Agency’s AE Administrator.

B. The Grantee shall provide instructional activities in one or more of the following categories:
   (i) Adult Education,
   (ii) Literacy,
   (iii) Workplace Adult Education and Literacy activities,
   (iv) Family literacy activities,
   (v) English Language Acquisition (ELA) activities,
   (vi) Integrated English Literacy and Civics Education (IELCE)
   (vii) Workforce preparation activities, or
   (viii) Integrated Education and Training (IET)

C. The Grantee shall determine the instructional level of the student through standardized testing using TABE or TABE CLAS-E instruments. See Attachment B, Assessment Policy 2022-2023 which is attached hereto and incorporated herein by reference.
   (i) Standardized testing protocol must be used to determine the basic academic skill level in reading, math, or language.
      i. Virtual testing is permissible, but must follow testing protocols outlined in the State Assessment policy
   (ii) Remediation and post-testing for progress will be completed;
   (iii) All data will be collected and entered into the electronic Managed Information System – LACES by the fifth (5th) of each month and supporting documentation will be retained in the permanent student file;
   (iv) If data entry errors occur during the closing of student files in PY 2021-2022 Grantee may be required to complete data entry, follow-up with participant goals, locate, or verify
D. The Grantee shall establish and maintain student hard copy files according to the Agency’s AE policy.

E. The Grantee shall refer all students with employment and training goals to the Workforce Center as appropriate. Services should increase the employment, retention and occupational skill attainment by participants, which will improve the quality of the workforce, reduce welfare dependency, and enhance the productivity and competitiveness of the nation’s economy.

F. Grantee will utilize the State approved system to make appropriate referrals to ensure that participants are provided with complete wrap around services as a means to overcome barriers to employment.

G. Grantee shall maintain teacher qualification and professional development in accordance with the following:
   (i) The State Institute for FY 2021-2022 will be a virtual conference held on August 2-4, 2021. Eighty percent (80%) of all grantees’ instructional staff, both full and part time are required to attend.
   (ii) Special topics workshops shall be provided locally or by the state for twelve (12) hours each year and must consist of local, state, and federal level trainings; and
   (iii) New instructors will be given a New Teacher Orientation which incorporates the State modules found at: https://communitycolleges.wy.edu/adult-education/directors/new-teacher-training/
   (iv) Instructors shall be qualified to teach as per the local agency’s policies.
   (v) Agency must plan for professional development utilizing the State approved three tier system which requires local, State, regional, and national trainings.

H. Grantee shall ensure that all eligible students receive evidence-based literacy instruction or brush up instruction which includes:
   (i) An orientation to the program evidenced by a signed acknowledgement of data aggregation on the intake form.
   (ii) A Career Services Course as evidence by a Certificate of Completion in the student file
   (iii) Development of individualized educational curricula.
   (iv) Essential Components of Reading, critical and analytical thinking, digital literacy, and financial literacy incorporated into curricula
   (v) Employability skills training
   (vi) Individualized career pathway tracks identified and developed through career planning

I. Grantee shall provide accurate information required for AE follow-up services/data matching for all students as defined by the National Reporting System including students with goals to obtain an HSEC, enter employment, retain employment and enter post-secondary education or skills training.

J. Grantee shall provide reports of progress and other program information as required by the Agency’s AE Administrator.

K. Grantee shall comply with the General and Program Assurances signed and returned with applications.

L. Grantee shall meet or exceed the performance measures as established by the Agency’s AE
Administrator and the U. S. Department of Education Office of Career, Technical, and Adult Education (OCTAE) per Attachment C which is attached hereto and incorporated herein by reference. Failure to meet these standards may initiate the Agency’s AE sanction process.

M. Grantee shall conduct a data match of all postsecondary eligible students from the previous year for follow-up regarding enrollment and completions in college level classes.

N. Grantee shall not use awarded funds for Research and Development.

6. **Responsibilities of the Agency**

A. The Agency shall provide funding for operation of AE programs in the amounts listed above for the period of July 1, 2021 through June 30, 2022.

B. The Agency shall provide technical assistance for assessment of applicants, retention of records, and interpretation of standardized testing to AE staff.

C. The Agency shall address barriers and offer referrals for appropriate services to participants.

D. The Agency shall assist the Grantee with follow-up services for participants through data matching beginning July 1, 2021 and shall retain data for NRS reporting purposes.

E. The Agency shall provide technical assistance to ensure program success and to aid in refining programs to best meet the needs of the participants consistent with the intent of AE.

F. The Agency shall conduct on-site or virtual monitoring as scheduled by the Agency’s AE Administrator to review and evaluate program services, data collection and analysis, and management of the operation. The Agency shall conduct desk monitoring of budgets and program performance to identify specific needs for provision of technical assistance.

7. **Special Provisions**

A. AE Centers are required to input data into the LACES web-based database at least monthly and are to be completed by the fifth (5th) of each month for the previous month’s data (for example, July’s data should be input no later than August 5th). Mandatory attendance of at least one data entry/manager from each center/campus is required at all LACES trainings and webinars. Program year close out will be August 1, 2022.

B. Notice is hereby given to all grantees of federal awards that a single audit, or program specific audit if appropriate, in accordance with 2 CFR Part 200 Subpart F, is required if the Grantee expends seven hundred fifty thousand dollars ($750,000.00) or more a year in total federal awards. The most current audit shall be submitted with the program’s year-end reports due August 1st.

C. Each year, the state re-negotiates its performance levels with representatives from OCTAE. We have received final approval from our federal partners on our performance outcomes. These performance levels represent the absolute minimum standards we must achieve. Those performance outcomes are located on our website at: https://communitycolleges.wy.edu/adult-education/directors/#forms. The funded AE centers are expected, as a whole, to meet or exceed these outcomes.

D. According to the Adult Education & Family Literary Act (AEFLA) of 1998 Section 222(a)(1), no more than 20 percent of the state’s federal award can be used for institutionalized individuals.
Section 225(c) requires that if services are provided to institutionalized individuals, priority must be given to those individuals who are likely to leave the correctional institution within five (5) years of participation in the program.

E. AE centers that receive state and/or federal funding are required by the Education Department General Administration Regulations (EDGAR) and the State of Wyoming to retain records. Records for federal and/or state funds must be retained for three years beyond the grant cycle, including continuation award cycles. If any litigation, claim, or audit is started before the expiration of the retention period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken. EDGAR 76.730 states, “A state and sub grantee (or “grantee” as used in this Agreement) shall keep records that fully show: (a) the amount of funds under the grant or sub grant, (b) how the state or sub grantee uses the funds, (c) the total cost of the project, (d) the share of that cost provided from other sources; and (e) other records to facilitate an effective audit.” EDGAR 76.731 states, “A state or sub grantee shall keep records to show its compliance with program requirements.” Federal representatives from OCTAE have advised the State that no distinction is made in EDGAR between electronic and paper record-keeping systems. Thus, either system would be appropriate. However, if an electronic system is used, it would be prudent for the center to integrate a back-up system.

F. 2 CFR Part 200 Subpart D section 307 applies to this award, which allows grantees of AEFLA awards to earn program income. Subsection 200.80 defines “program income” as gross income earned by the non-Federal entity that is directly generated by a supported activity or earned as a result of the Federal award during the period of performance. Ordinarily, program income is deducted from total allowable costs, and all program income, except for tuition and fees charged to students and employers earned by a grantee under this award, must be so deducted. However, if a grantee charges reasonable and necessary tuition or fees to students and employers, it may use that income to provide additional adult education and literacy services that it would otherwise be unable to provide. Program income from tuition and/or fees must be (1) governed by the terms of the agreement between the Agency and the grantee to which the Agency provides Federal funds, (2) accounted for in AE program records, (3) used only for costs allowable under AEFLA, and (4) used within the program year it is earned.

G. Applicable to this award is 34 CFR 76.534, which provides that sub grantees may not count tuition and fees collected from students toward meeting federal matching, cost sharing, or maintenance of effort requirements related to this award. Moreover, the Agency and Grantee must ensure that fees charged to students participating in an adult education program that receives federal support are equitably administered and do not reach levels that have an adverse effect on the participation of economically disadvantaged students.

H. Equipment/software purchased with AE funds must be housed in an appropriate location as designated in the grant proposal. A log must be maintained in the use of items. Refer to 2 CFR Part 200 Subpart D Property Standards. Any equipment purchased with AE funds must have a label affixed that states the following: “This equipment is federally funded through Adult Education and Literacy Programs administered by the Wyoming Community College Commission.” Any publication such as brochures, media presentations, agendas, curriculum, teacher in-service materials, or handbooks, which are purchased and/or developed with AE funds, must include the following: “These services are federally funded through Adult Education and Literacy Programs and the State of Wyoming, administered by the Wyoming Community College Commission.”

I. Suspension and debarment, voluntary exclusion – by signing this award notice, Grantee certifies
that it is not suspended, debarred, or voluntarily excluded from doing any and all work with any local, state, or federal program, nor are any of the participants involved in the execution of this award notice suspended, debarred, or voluntarily excluded. Further, Grantee agrees to notify the Agency by certified mail should Grantee or any of its agents become debarred, suspended, or voluntarily excluded during the term of this award notice.

J. Title II of the Workforce Innovation and Opportunity Act of 2014 authorizes these federal funds for the AEFLA-State grant program. This grant award is a result of the competitive request for proposal process that began January 13, 2020. Continued program funding requests must be made at the beginning of each program year throughout the grant period. Funded programs are reviewed each year and annual grant awards are contingent upon the annual availability of federal and state funds and compliance with state and federal regulations.

K. Site visits or virtual monitorings will be conducted during the program period. These visits will be scheduled with each center individually.

L. Reports for AE Programs are due according to the following schedule:

<table>
<thead>
<tr>
<th>Reporting Category</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Draw Down Request</td>
<td>5th of each month</td>
</tr>
<tr>
<td>Monthly LACES Database Submissions</td>
<td>5th of each month</td>
</tr>
<tr>
<td>Monthly Desk Monitoring Reports</td>
<td>10th of each month</td>
</tr>
<tr>
<td>1st Quarter Narrative Report</td>
<td>October 15, 2021</td>
</tr>
<tr>
<td>2nd Quarter Narrative Report</td>
<td>January 14, 2022</td>
</tr>
<tr>
<td>3rd Quarter Narrative Report</td>
<td>April 15, 2022</td>
</tr>
<tr>
<td>End of Year Report &amp; NRS Reports</td>
<td>August 1, 2022</td>
</tr>
<tr>
<td>2021/22 LACES Year-end Data Freeze/Close-out</td>
<td>August 1, 2022</td>
</tr>
</tbody>
</table>


A. Amendments. Any changes, modifications, revisions or amendments to this Agreement which are mutually agreed upon by the parties to this Agreement shall be incorporated by written instrument, executed and signed by all parties to this Agreement.

B. Applicable Law/Venue. The construction, interpretation and enforcement of this Agreement shall be governed by the laws of the State of Wyoming. The courts of the State of Wyoming shall have jurisdiction over this Agreement and the parties, and the venue shall be the First Judicial District, Laramie County, Wyoming.

C. Assignment/Agreement Not Used as Collateral. Neither party shall assign or otherwise transfer any of the rights or delegate any of the duties set forth in this Agreement without the prior written consent of the other party. The Grantee shall not use this Agreement, or any portion thereof, for collateral for any financial obligation, without the prior written permission of the Agency.

D. Audit/Access to Records. The Agency and any of its representatives shall have access to any books, documents, papers, and records of the Grantee which are pertinent to this Agreement. The Grantee shall, immediately upon receiving written instruction from the Agency, provide to any independent auditor, accountant, or accounting firm, all books, documents, papers and records of the Grantee which are pertinent to this Agreement. The Grantee shall cooperate fully with any such independent auditor, accountant, or accounting firm, during the entire course of any audit authorized by the Agency.
E. **Availability of Funds.** Each payment obligation of the Agency is conditioned upon the availability of government funds which are appropriated or allocated for the payment of this obligation. If funds are not allocated and available for the continuance of the services performed by the Grantee, the Agreement may be terminated by the Agency at the end of the period for which the funds are available. The Agency shall notify the Grantee at the earliest possible time of the services which will or may be affected by a shortage of funds. No penalty shall accrue to the Agency in the event this provision is exercised, and the Agency shall not be obligated or liable for any future payments due or for any damages as a result of termination under this section. This provision shall not be construed to permit the Agency to terminate this Agreement to acquire similar services from another party.

F. **Compliance with Law.** To the extent provided by law, the Grantee shall keep informed of and comply with all applicable federal, state and local laws and regulations in the performance of this Agreement.

G. **Entirety of Agreement.** This Agreement, consisting of nine (9) pages, Attachments A1, A1-A, A1-B, A2, A2-A, A2-B, A3, A4, and A5 consisting of nine (9) pages, Attachment B, consisting of sixty (60) pages, and Attachment C consisting of two (2) pages represent the entire and integrated Agreement between the parties and supersede all prior negotiations, representations and agreements, whether written or oral.


I. **Indemnification.** Each part to this Contract shall assume the risk of any liability arising from its own conduct. Neither party agrees to insure, defend, or indemnify the other.

J. **Notices.** All notices arising out of, or from, the provisions of this Agreement shall be in writing and given to the parties at the address provided under this Agreement, either by regular mail, facsimile, e-mail, or delivery in person.

K. **Prior Approval.** This Agreement shall not be binding upon either party, no services shall be performed under the terms of this Agreement, and the Wyoming State Auditor shall not draw warrants for payment on this Agreement, until this Agreement has been reduced to writing.

L. **Sovereign Immunity.** Pursuant to Wyo. Stat. § 1-39-104(a), the State of Wyoming and Agency and Grantee expressly reserve governmental immunity by entering into this Contract. Each of them specifically retains all immunities and defenses available to them as sovereign or governmental entities pursuant to Wyo. Stat. § 1 39 101, et seq., and all other applicable law. The parties acknowledge that the State of Wyoming has sovereign immunity and only the Wyoming Legislature has the power to waive sovereign immunity. The parties further acknowledge that there are constitutional and statutory limitations on the authority of the State of Wyoming and its agencies or instrumentalities to agree to certain terms and conditions supplied by Grantee, including, but not limited to, the following: liability for damages; choice of law; conflicts of law; venue and forum-selection clauses; defense or control of litigation or settlement; liability for acts or omissions of third parties; payment of attorneys’ fees or costs; additional insured provisions; dispute resolution, including, but not limited to, arbitration; indemnification of another party; and confidentiality. Any such provisions in the Contract or any attachments or documents incorporated by reference will not be binding on the State of Wyoming. Designations of venue, choice of law, enforcement actions, and similar provisions shall not be construed as a waiver of sovereign immunity. The parties agree that any ambiguity in this Contract shall not be strictly
construed, either against or for either party, except that any ambiguity as to immunity shall be construed in favor of immunity.

M. **Taxes.** The Grantee shall pay all taxes and other such amounts required by federal, state and local law, including but not limited to federal and social security taxes, workers’ compensation, unemployment insurance and sales taxes.

N. **Termination of Agreement.** This Agreement may be terminated immediately for cause if the Grantee fails to perform in accordance with the terms of this Agreement. This Agreement may be terminated without cause, by the Agency upon thirty (30) days written notice.

O. **Third Party Beneficiary Rights.** The parties do not intend to create in any other individual or entity the status of third party beneficiary, and this Agreement shall not be construed so as to create such status. The rights, duties and obligations contained in this Agreement shall operate only between the parties to this Agreement, and shall inure solely to the benefit of the parties to this Agreement. The provisions of this Agreement are intended only to assist the parties in determining and performing their obligations under this Agreement. The parties to this Agreement intend and expressly agree that only parties signatory to this Agreement shall have any legal or equitable right to seek to enforce this Agreement, to seek any remedy arising out of a party’s performance or failure to perform any term or condition of this Agreement, or to bring an action for the breach of this Agreement.

P. **Titles Not Controlling.** Titles of paragraphs are for reference only, and shall not be used to construe the language in this Agreement.

Q. **Waiver.** The waiver of any breach of any term or condition in this Agreement shall not be deemed a waiver of any prior or subsequent breach.

9. **Signatures.** IN WITNESS THEREOF, the parties to this Agreement through their duly authorized representatives have executed this between the Agency and the Grantee, on the days and dates set out below, and certify that they have read, understood, and agreed to the terms and conditions of this Agreement as set forth herein.

This Agreement is not binding until signed by the parties below.

The effective date of this Agreement is the date of the signature last affixed to this page.

______________ (GRANTEE)

________________________________
Authorized Signature                     Date

________________________________
Federal Tax Identification Number

WYOMING COMMUNITY COLLEGE COMMISSION (AGENCY)

________________________________
Sandra Caldwell, Executive Director     Date

________________________________
Diane McQueen, AE Program Manager      Date
Appendix #4: Allowable/Unallowable Costs (2 CFR Part 200)

List of Selected Items of Cost Contained in 2 CFR part 200

The following exhibit provides a listing of selected items of cost contained in the cost principles in 2 CFR part 200, subpart E. Several cost items are unique to one type of entity (e.g., commencement and convocation costs are applicable only to IHEs).

The exhibit lists the selected items of cost along with a brief description of their allowability. The reader is strongly cautioned not to rely exclusively on the summary but to place primary reliance on the referenced 2 CFR part 200 text.

<table>
<thead>
<tr>
<th>Selected Cost Item</th>
<th>Uniform Guidance General Reference</th>
<th>Items of Cost Requiring Prior Approval</th>
<th>States, Local Governments, Indian Tribes</th>
<th>Institutions of Higher Education</th>
<th>Nonprofit Organizations</th>
<th>Items of Cost NOT Treated the Same Across Non-Federal Entities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising and public relations costs</td>
<td>§200.421</td>
<td>Allowable with restrictions</td>
<td>Allowable with restrictions</td>
<td>Allowable with restrictions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advisory councils</td>
<td>§200.422</td>
<td>Allowable with restrictions</td>
<td>Allowable with restrictions</td>
<td>Allowable with restrictions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alcoholic beverages</td>
<td>§200.423</td>
<td>Unallowable</td>
<td>Unallowable</td>
<td>Unallowable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alumni/ae activities</td>
<td>§200.424</td>
<td>Not specifically addressed</td>
<td>Unallowable</td>
<td>Not specifically addressed</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Audit services</td>
<td>§200.425</td>
<td>Allowable with restrictions</td>
<td>Allowable with restrictions</td>
<td>Allowable with restrictions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bad debts</td>
<td>§200.426</td>
<td>Unallowable</td>
<td>Unallowable</td>
<td>Unallowable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bonding costs</td>
<td>§200.427</td>
<td>Allowable with restrictions</td>
<td>Allowable with restrictions</td>
<td>Allowable with restrictions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collection of improper payments</td>
<td>§200.428</td>
<td>Allowable</td>
<td>Allowable</td>
<td>Allowable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commencement and convocation costs</td>
<td>§200.429</td>
<td>Not specifically addressed</td>
<td>Unallowable with exceptions</td>
<td>Not specifically addressed</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Selected Cost Item</td>
<td>Uniform Guidance General Reference</td>
<td>Items of Cost Requiring Prior Approval</td>
<td>States, Local Governments, Indian Tribes</td>
<td>Institutions of Higher Education</td>
<td>Nonprofit Organizations</td>
<td>Items of Cost NOT Treated the Same Across Non-Federal Entities</td>
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</tr>
<tr>
<td>Compensation for personal services</td>
<td>§200.430</td>
<td>X (related to the salaries of administrative and clerical staff)</td>
<td>Allowable with restrictions; Special conditions apply (e.g., §200.430(i)(3))</td>
<td>Allowable with restrictions; Special conditions apply (e.g., §200.430(h))</td>
<td>Allowable with restrictions; Special conditions apply (e.g., §200.430(g))</td>
<td>X</td>
</tr>
<tr>
<td>Compensation - fringe benefits</td>
<td>§200.431</td>
<td>X (related to costs for IHEs)</td>
<td>Allowable with restrictions</td>
<td>Allowable with restrictions</td>
<td>Allowable with restrictions</td>
<td>X</td>
</tr>
<tr>
<td>Conferences</td>
<td>§200.432</td>
<td>Allowable with restrictions</td>
<td>Allowable with restrictions</td>
<td>Allowable with restrictions</td>
<td>Allowable with restrictions</td>
<td></td>
</tr>
<tr>
<td>Contingency provisions</td>
<td>§200.433</td>
<td>Unallowable with exceptions</td>
<td>Unallowable with exceptions</td>
<td>Unallowable with exceptions</td>
<td>Unallowable (made by non-Federal entity); not reimbursable, but value may be used as cost sharing or matching (made to non-Federal entity)</td>
<td></td>
</tr>
<tr>
<td>Contributions and donations</td>
<td>§200.434</td>
<td>Unallowable (made by non-Federal entity); not reimbursable, but value may be used as cost sharing or matching (made to non-Federal entity)</td>
<td>Unallowable (made by non-Federal entity); not reimbursable, but value may be used as cost sharing or matching (made to non-Federal entity)</td>
<td>Unallowable (made by non-Federal entity); not reimbursable, but value may be used as cost sharing or matching (made to non-Federal entity); with restrictions, the value of services may be considered when determining an entity's indirect cost rate under certain circumstances</td>
<td>Unallowable with exceptions</td>
<td>X</td>
</tr>
<tr>
<td>Selected Cost Item</td>
<td>Uniform Guidance General Reference</td>
<td>Items of Cost Requiring Prior Approval</td>
<td>States, Local Governments, Indian Tribes</td>
<td>Institutions of Higher Education</td>
<td>Nonprofit Organizations</td>
<td>Items of Cost NOT Treated the Same Across Non-Federal Entities</td>
</tr>
<tr>
<td>-------------------</td>
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<td>------------------------</td>
<td>-------------------------------------------------------------</td>
</tr>
<tr>
<td>Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringements</td>
<td>§200.435</td>
<td>Allowable with restrictions</td>
<td>Allowable with restrictions</td>
<td>Allowable with restrictions</td>
<td>Allowable with restrictions</td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>§200.436</td>
<td>Allowable with qualifications</td>
<td>Allowable with qualifications</td>
<td></td>
<td>Allowable with qualifications</td>
<td></td>
</tr>
<tr>
<td>Employee health and welfare costs</td>
<td>§200.437</td>
<td>Allowable with restrictions</td>
<td>Allowable with restrictions</td>
<td></td>
<td>Allowable with restrictions</td>
<td></td>
</tr>
<tr>
<td>Entertainment costs</td>
<td>§200.438</td>
<td>X</td>
<td>Unallowable with exceptions</td>
<td>Unallowable with exceptions</td>
<td>Unallowable with exceptions</td>
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<tr>
<td>Equipment and other capital expenditures</td>
<td>§200.439</td>
<td>X</td>
<td>Allowability based on specific requirements</td>
<td>Allowability based on specific requirements</td>
<td></td>
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<tr>
<td>Exchange rates</td>
<td>§200.440</td>
<td>X</td>
<td>Allowable with restrictions</td>
<td>Allowable with restrictions</td>
<td></td>
<td>Allowable with restrictions</td>
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<tr>
<td>Fines, penalties, damages and other settlements</td>
<td>§200.441</td>
<td>X</td>
<td>Unallowable with exception</td>
<td>Unallowable with exception</td>
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<td>Unallowable with exception</td>
</tr>
<tr>
<td>Fund raising and investment management costs</td>
<td>§200.442</td>
<td>X</td>
<td>Unallowable with exceptions</td>
<td>Unallowable with exceptions</td>
<td></td>
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<tr>
<td>Gains and losses on disposition of depreciable assets</td>
<td>§200.443</td>
<td>Allowable with restrictions</td>
<td>Allowable with restrictions</td>
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<tr>
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<tr>
<td>General costs of government</td>
<td>§200.444</td>
<td>Unallowable with exceptions</td>
<td>Not specifically addressed</td>
<td>Not specifically addressed</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Goods or services for personal use</td>
<td>§200.445</td>
<td>X</td>
<td>Unallowable (goods/services); allowable (housing) with restrictions</td>
<td>Unallowable (goods/services); allowable (housing) with restrictions</td>
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<tr>
<td>Idle facilities and idle capacity</td>
<td>§200.446</td>
<td>Idle facilities - unallowable with exceptions; idle capacity - allowable with restrictions</td>
<td>Idle facilities - unallowable with exceptions; idle capacity - allowable with restrictions</td>
<td>Idle facilities - unallowable with exceptions; idle capacity - allowable with restrictions</td>
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</tr>
<tr>
<td>Insurance and indemnification</td>
<td>§200.447</td>
<td>X</td>
<td>Allowable with restrictions</td>
<td>Allowable with restrictions</td>
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</tr>
<tr>
<td>Intellectual property</td>
<td>§200.448</td>
<td>Allowable with restrictions</td>
<td>Allowable with restrictions</td>
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<tr>
<td>Interest</td>
<td>§200.449</td>
<td>Allowable with restrictions</td>
<td>Allowable with restrictions</td>
<td>Allowable with restrictions</td>
<td>Allowable with restrictions</td>
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<tr>
<td>Lobbying</td>
<td>§200.450</td>
<td>Unallowable</td>
<td>Unallowable; Special additional restrictions</td>
<td>Unallowable; Special additional restrictions</td>
<td>X</td>
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<td>Selected Cost Item</td>
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<tr>
<td>Losses on other awards or contracts</td>
<td>§200.451</td>
<td>Unallowable (however, they are required to be included in the indirect cost rate base for allocation of indirect costs)</td>
<td>Unallowable (however, they are required to be included in the indirect cost rate base for allocation of indirect costs)</td>
<td>Unallowable (however, they are required to be included in the indirect cost rate base for allocation of indirect costs)</td>
<td>Allowable with restrictions</td>
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</tr>
<tr>
<td>Maintenance and repair costs</td>
<td>§200.452</td>
<td>Allowable with restrictions</td>
<td>Allowable with restrictions</td>
<td>Allowable with restrictions</td>
<td>Allowable with restrictions</td>
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<tr>
<td>Materials and supplies costs, including computing devices</td>
<td>§200.453</td>
<td>Allowable with restrictions</td>
<td>Allowable with restrictions</td>
<td>Allowable with restrictions</td>
<td>Allowable with restrictions</td>
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<tr>
<td>Memberships, subscriptions, and professional activity costs</td>
<td>§200.454</td>
<td>X</td>
<td>Allowable with restrictions; unallowable for lobbying organizations.</td>
<td>Allowable with restrictions; unallowable for lobbying organizations.</td>
<td>Allowable with restrictions; unallowable for lobbying organizations.</td>
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<td>Organization costs</td>
<td>§200.455</td>
<td>Unallowable except Federal prior approval</td>
<td>Unallowable except Federal prior approval</td>
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<td>Participant support costs</td>
<td>§200.456</td>
<td>Allowable with prior approval of the Federal awarding agency</td>
<td>Allowable with prior approval of the Federal awarding agency</td>
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<td>Plant and security costs</td>
<td>§200.457</td>
<td>Allowable; capital expenditures are subject to §200.439</td>
<td>Allowable; capital expenditures are subject to §200.439</td>
<td>Allowable; capital expenditures are subject to §200.439</td>
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<td>Professional service costs</td>
<td>§200.459</td>
<td>Allowable with restrictions</td>
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<td>Proposal costs</td>
<td>§200.460</td>
<td>Allowable with restrictions</td>
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<td>Publication and printing costs</td>
<td>§200.461</td>
<td>Allowable with restrictions</td>
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<td>Rearrangement and reconversion costs</td>
<td>§200.462</td>
<td>Allowable (ordinary and normal)</td>
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<td>Recruiting costs</td>
<td>§200.463</td>
<td>Allowable with restrictions</td>
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<td>Relocation costs of employees</td>
<td>§200.464</td>
<td>Allowable with restrictions</td>
<td>Allowable with restrictions</td>
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<tr>
<td>Rental costs of real property and equipment</td>
<td>§200.465</td>
<td>Allowable with restrictions</td>
<td>Allowable with restrictions</td>
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<td>Scholarships and student aid costs</td>
<td>§200.466</td>
<td>Not specifically addressed</td>
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<td>Selling and marketing costs</td>
<td>§200.467</td>
<td>Unallowable with exceptions</td>
<td>Unallowable with exceptions</td>
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<td>Specialized service facilities</td>
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<td>Student activity costs</td>
<td>§200.469</td>
<td>Unallowable unless specifically provided for in the Federal award</td>
<td>Unallowable unless specifically provided for in the Federal award</td>
<td>Unallowable unless specifically provided for in the Federal award</td>
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<tr>
<td>Taxes (including Value Added Tax)</td>
<td>§200.470</td>
<td>Allowable with restrictions</td>
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<td>Termination costs</td>
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<td>Training and education costs</td>
<td>§200.472</td>
<td>Allowable for employee development</td>
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<td>Transportation costs</td>
<td>§200.473</td>
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<td>Travel costs</td>
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