

Managing Perkins Funds - Workshop Housekeeping

- Keep your phone muted:
 - Your phone is muted at entry
 - Unmute for questions (*6 to unmute)
 - Mute after question with *6
 - Do NOT use a HOLD button
 - Everyone hears your MUSAK ON HOLD
- Questions
 - ask questions using chat OR
 - raise your hand by pressing
 - Unmute when called on



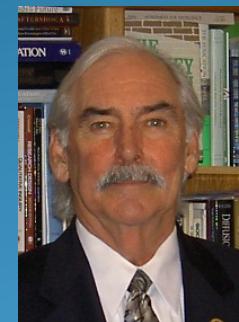


Managing Perkins IV Funds: Policies, Questions and Answers

Presenters:



Dr. Maureen White



Dr. Chuck Wiseley

Career Technical Education
CA Community Colleges
Chancellor's Office

LOWDL

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Background

- President signed into law August 12, 2006
- Reauthorized through 2012 as Public Law 109-270
- Themes in Perkins IV:
 - Accountability and program improvement
 - Connections between secondary and postsecondary
 - Strong academic and technical integration
 - Strong focus on business and industry
 - Increased coordination with CTE system/community
- New 2008-12 California State Plan
 - <http://www.schoolsmovingup.net/cs/ctep/print/htdocs/ctep/home.htm>

Purposes of the Act (Perkins, Section 2)

- Develop challenging academic and technical standards and related challenging, integrated instruction
- A focus on high skill, high wage, or high demand occupations
- Increased state and local flexibility
- Conduct and disseminate national research and best practices
- Increase opportunities for individuals to keep America competitive
- Promote partnerships (education, workforce boards, business, industry, etc)
- Provide technical assistance and professional development

Perkins IV Application

- Annual application required
- Provide specific program improvements and how improvement activities meet state/local-adjusted performance levels established for core indicator
- Provide at least one CTE Program of Study
- Application submitted online
- Due May 15th

What are the Basic Criteria for Expenditure of the Funds?

- Expenditures Must:
 - Meet the purpose of the Act
 - Be necessary and reasonable
- Expenditures May Not be Used for:
 - General purposes
 - Maintenance of existing programs

What Federal Rules Apply to Perkins IV Funding?

- Perkins Career Technical Education Act of 2006
- EDGAR (Education Department General Administration Regulations)
- OMB Circulars (Office of Management and Budget)
 - Circular A-87 Cost Principles – State and Local
 - Circular A-21 Cost Principles – Education Institutions
 - Circular A-133 Single Audit Requirements
 - Circular A-102 Grants and Cooperative Agreements with State and Local Governments
 - Circular A-110 Uniform Administration Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations

What Types of Costs can Generally be Considered Eligible?

- Administrative Costs (5%)
- Personnel Services (time distribution records)
- Stipends
- Consultants
- Instructional Materials
- Travel
- Instructional Equipment

What Types of Costs are NOT Eligible?

1. Student expenses or direct assistance to students *
2. Entertainment
3. Awards and memorabilia
4. Individual memberships
5. Membership with orgs. that lobby
6. College tuition, fees, books
7. Fines and penalties
8. Insurance/self-insurance
9. Expenses that supplant
10. Audits, except single audit
11. Contributions and donations
12. Contingencies
13. Facilities and furniture *
14. General advertising
15. Alcohol
16. Fund raising
17. General administration

*See Notes Page for clarification

What are the Requirements for Uses of Perkins IV, Title I, Part C Funds?

1. Strengthen academic and career technical skills of students thru integration
2. Link CTE secondary and postsecondary programs (at least 1 program of study)
3. Provide students with strong experience and understanding in all aspects of an industry (WBL: Work-Based)
4. Develop, improve or expand use of technology
5. Professional development
6. Evaluate programs with emphasis on spec. pops.
7. Initiate, improve, expand and modernize quality programs
8. Provide activities, services and be of sufficient, size, scope and quality
9. Prepare spec. pops. for high skill, high wage, or high demand, occupations

Are Local Recipients Required to Budget and Expend Funds in all 9 Requirements?

- No.
- The 9 requirements are elements required in programs eligible for funding
 - If deficiencies exists, Perkins funds can address those deficiencies
 - If all 9 are already met, funding can be used in the *permissive* areas

Twenty Permissive Uses of Funds

1. Involve parents, business and labor in planning & operation
2. Career guidance & academic counseling
3. Business Partnerships - Work-related experience students & faculty
4. Programs for spec. pops.
5. CTE student organizations
6. Mentoring & support services
7. Upgrading equipment
8. Teacher prep. programs
9. Improving and developing new CTE courses including distance ed.
10. Assist transition to BA degree programs
11. Support entrepreneurship education
12. Initiatives for secondary students obtaining postsecondary credit to count towards an AA/AS or BA/BS degree
13. Support small CTE learning communities
14. Family & consumer sciences
15. Adult CTE programs
16. Job placement programs
17. Support Nontraditional activities
18. Automotive technologies
19. *Pooling funds –
Teacher prep,
data & accountability,
assessments
20. Support other CTE programs

May Federal Funds be Used to Support a Program Supported Last Year with Non-Federal Funds?

- No. This would be supplanting
- Exception:
 - Must be evaluated case-by-case
 - If impossible to continue without federal funds, may not be supplanting

Supplement, Not Supplant !!

- Cannot use Federal Funds to pay for Services, Staff, Programs, or Materials that would otherwise be paid with State or Local Funds
- Always ask: “What would have happened in the absence of federal funds?”

When are Funds Considered Obligated?

Type of Cost

<u>Type of Cost</u>	<u>Obligation Occurs</u>
Equipment & Supplies.....	Date of Purchase Order
Work of Employees.....	When Work is Done
Contracted Services.....	Date of Written Agreement
Utilities.....	When Used
Rental.....	When Used
Travel.....	When Travel is Taken
Conference Registration.....	When Fee is Paid

Why are these Dates Important?

EDGAR says that a subgrantee of the state may not obligate funds until the later of:

- The date the state may obligate funds, or
- The date that the subgrantee submits its application to the state in substantially approvable form

What Do Auditors Look At? *

- Financial Statements & Expenditure Records
- Internal Controls
- Compliance with Laws and Regulations

* See Notes Page for clarification.

What Do Auditors Look For? *

1. Expenditures are documented & allowable
2. Compliance issues
 - a. Program offerings
 - b. Student participation
 - c. Assessment
3. Funds supplement and not supplant
4. Time distribution records
5. Procurement methods provide free & open competition & prevent conflict of interest
6. Obligations incurred in time frame
7. Expenditures are budgeted

* See Notes Page for clarification.

What are the Rules on Perkins IV Equipment Purchase & Inventory?

- Equipment is defined as having a purchase price of \$200 or more and a useful life of one year or longer
- Equipment shall be maintained in a trace inventory system if the equipment is worth \$5,000 or more and a useful life of one year or longer
- Equipment shall be identified as having been purchased with Perkins funds

What is Included in Equipment Records?

- Description
- Manufacturer's serial number or other ID number
- Source, including the award number
- Title vested in the recipient or the Federal government
- Acquisition date
- Percentage of Federal participation in equipment cost
- Location and condition, date information was recorded
- Unit acquisition cost
- Date of last physical inventory

What are the Rules on Perkins IV Equipment Usage and Disposition?

- May not be used to compete unfairly with business
- When no longer needed for original purpose or other federal programs:
 - Current fair market value of \$5,000 or less, can keep or dispose of with no strings attached
 - Current fair market value of more than \$5,000 – may retain or sell the equipment as long as the Federal agency is provided compensation
- Project Monitor must be notified when equipment is being sold, traded or transferred from one program to another.

What are the Rules on Perkins IV Travel Rates and Out-of-State Travel?

1. Current District per diem allowances — Check Local Rates
2. Current California per diem allowances:

Lodging: costs with receipt, Meals: breakfast - \$6.00; lunch - \$10.00; dinner - \$18.00; incidentals - \$6.00/day

3. Current Federal per diem allowances:

Varies by location. For current per diem rates:

http://www.gsa.gov/Portal/gsa/ep/contentView.do?contentId=17943&contentType=GSA_BASIC

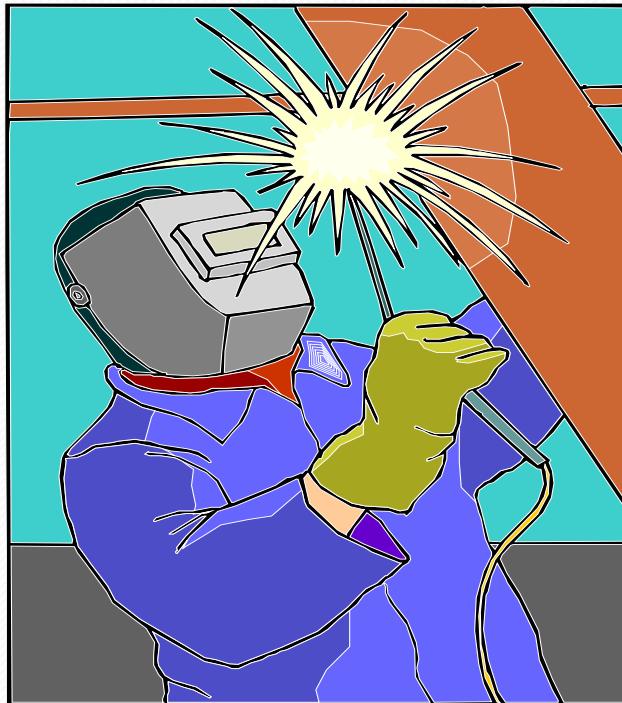
Out-of-State Travel:

- Must have prior approval from Project Monitor.
- New Form, Guidelines & FAQS located on CTE website:
<http://www.cccco.edu/SystemOffice/Divisions/EconDevWorkPrep/CTE/tabid/415/Default.aspx>.

Where Can I Find “The Rules?”

- State Budget and Accounting Manual (BAM)
<http://www.cccco.edu/SystemOffice/Divisions/FinanceFacilities/FiscalServices/FiscalStandardsInformation/BudgetandAccountingManual/tabid/381/Default.aspx>
- EDGAR
www.ed.gov/policy/fund/reg/edgarReg/edgar.html
- OMB Circulars
www.whitehouse.gov/omb/circulars
- Federal Register
www.gpoaccess.gov/cfr
- Federal Legislation (Library of Congress web site)
<http://thomas.loc.gov>
- US Department of Education
www.ed.gov

Scenario 1



- Our college started a welding program at a satellite site two years ago. Funds used for this program were not from Perkins. This year the satellite site program is being considered for elimination due to budget cuts.

May we use Perkins funds to fund the program?

Why might this be an audit exception?

- Supplanting – using Perkins funds to offset other college funding sources.
- The decrease in use of state funds and the subsequent increase in Perkins dollars for a particular program would trigger a presumption of supplanting.

Scenario 1 Answer

- Depends.
- Supplanting presumption is rebuttable
“if the college can demonstrate that the services in question would not have been provided if federal dollars were not available.”
- In other words, document that there were no other sources of funds to sustain the program. (OMB A-133 Compliance Supplement G,2.2)
 - Documentation – budget meeting minutes where decisions were made to eliminate program.

Ask yourself this question when you are unsure about an activity that you want to fund with Perkins

- What would happen if I did not have any Perkins funds?
 - Would the activity disappear?
 - Yes, may consider using Perkins funds.
 - Would the program be discontinued?
 - Yes, may consider using Perkins funds.
 - Could I fund the activity/program with other funds?
 - If yes, then do not use Perkins funds.

Scenario 2

- The college is upgrading computers across the campus on a three year cycle.

May we fund the computer upgrades for the CTE programs using Perkins funds?



Scenario 2 Answer

- **No**
- Three year funding cycle – implies ongoing use of Perkins funds to accomplish something that other funds should be used to do.
 - Perkins funds should be used for program improvement or enhancement.
- CTE programs should benefit from use of other college fund sources same as other programs.
 - Use of Perkins funds only for could be considered supplanting.

Scenario 3

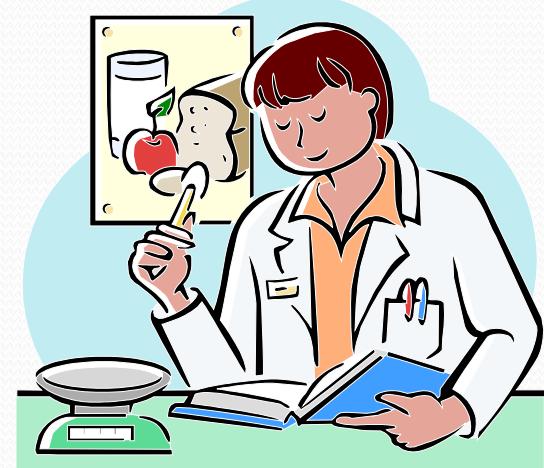


- We would like to pay for an economically disadvantaged student's uniform and nurse assistant certification examination.

Would it be appropriate to use Perkins funds for this purpose?

Scenario 3 Answer

- Yes, Perkins funds may be used under the four very narrow conditions spelled out in the May 27, 1999 OVAE program memorandum 99-13
Specifically, for this example, 'assistance only being provided to an individual to the extent that it is needed to address barriers to the individual's successful participation in career technical education'



Scenario 3 Answer

- Sec 135 Local Uses of funds - Permissive (c)(16) to provide assistance to students who have participated in services and activities under this title in finding an appropriate job...
- Ensure that the supplement/not supplant requirements contained in General Provisions - section 311(a) of Perkins are not being violated.



Scenario 4



- May we use Perkins funds to pay for a CCCAOE membership for our Occupational Dean?

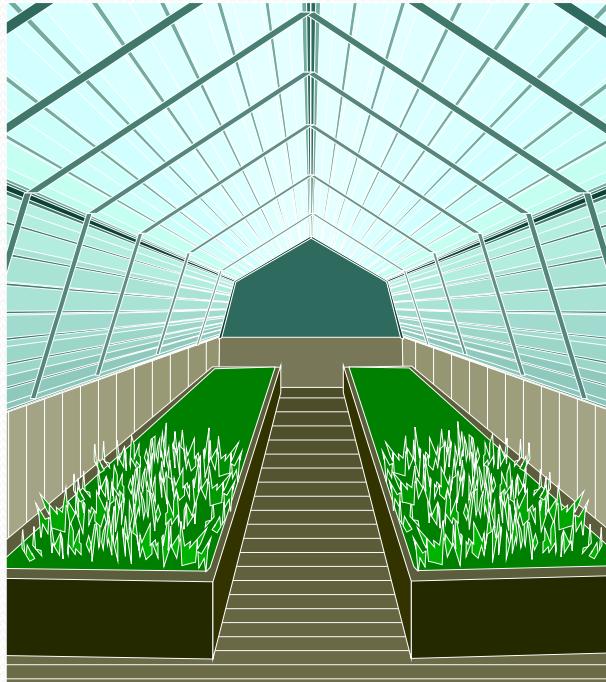
Scenario 4 Answer

- No,

Individual memberships are considered gifts of public funds.

- You may pay for an institutional membership for an organization.

Scenario 5



- Our Horticultural program needs a new greenhouse.

May we use Perkins funds to build the greenhouse?

Scenario 5 Answer

- No, capital expenditures for improvements to land, buildings, or equipment *which materially increase their value or useful life* are unallowable.

