

Perkins V:

Allowable Cost Guidance for the Strengthening Career and Technical Education for the 21st Century Act (Fund Codes 400 and 401) Entitlement Grants

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**Massachusetts Department of Elementary and Secondary Education**

75 Pleasant Street

Malden, MA 02148

Phone: (781) 338-6230

For a particular cost to be an allowable expense under [Strengthening Career and Technical Education for the 21st Century Act](https://cte.ed.gov/legislation/perkins-v), (specifically Massachusetts Fund Code 400 for the Secondary Allocation Grant and Fund Code 401 for the Postsecondary Allocation Grant), hereafter referred to as Perkins V, these funds must be used to develop, coordinate, implement, and improve career and technical education programs. Only allowable costs may be charged to this federal entitlement grant.

To determine whether a cost is allowable, the Department of Elementary and Secondary Education (DESE) strongly recommends that Local Education Agencies (LEAs) review the following guiding standards.

* Perkins V allocation grant funds must be used to develop, coordinate, implement and improve career and technical education programs and must reflect how this usage will address the needs of the educational institution as identified in the [comprehensive local needs assessment.](https://www.doe.mass.edu/ccte/cvte/perkins-v/needs-assessment-template.docx)
* Perkins V allocation grant funds must supplement, and not supplant local/state funds. Upon DESE’s approval of the LEAs’ Perkins grant application, Perkins V requires that LEAs use allocation grant funds (or other funds) as outlined in [Section 135 of Perkins V](https://www.congress.gov/115/bills/hr2353/BILLS-115hr2353enr.pdf). There are six categories of required use of funds to ensure CTE programs are of sufficient size, scope, and quality to be effective. Note that one strategy may satisfy multiple required uses of funds, and multiple strategies may satisfy the same required use, as long as each is met at least once. Refer to the [resource guide](https://www.doe.mass.edu/federalgrants/perkins/required-use-of-funds.docx) for examples of the required use of funds and how they can be met.
* Perkins V allocation grant funds must follow the definitions [for sufficient size, scope and quality](http://www.doe.mass.edu/ccte/cvte/perkins-v/size-scope-quality.docx):
	+ *Sufficient Size:* the activities and services are appropriate in duration in order to achieve intended outcomes and produce measurable results. A Perkins program of sufficient size has no fewer than **six students in each program (or 20 students in Perkins programs combined) each year for several years**, to support a community learning environment with peers, and may close if too few students are participating.
	+ *Sufficient Scope*: the activities and services are appropriate in **sequence** and **breadth** in order to achieve intended outcomes and produce measurable results.
	+ *Sufficient Quality:* the activities and services are selected and designed using the results of research, data analysis and evaluation, which provide evidence that the activities and services will achieve intended outcomes and produce measurable results.

For a particular cost to be allowable, it must be necessary and reasonable for proper and efficient performance and administration of the Perkins grant. A cost is reasonable if it does not exceed what LEAs would normally incur in the absence of federal funds. Additional guidance about standards for determining costs for federal grants is available from the federal Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ([2 CFR Part 200](https://www.gpo.gov/fdsys/granule/CFR-2014-title2-vol1/CFR-2014-title2-vol1-part200/content-detail.html)).

Salary and benefits of any individual charged to a federal grant, including Perkins, must be supported by **time and effort** documentation that accurately reflects the work performed and supports the amounts claimed against the grant. “Standards for Documentation of Personnel Expenses” are established by the OMB ([2 CFR § 200.403(i)](https://www.gpo.gov/fdsys/pkg/CFR-2014-title2-vol1/pdf/CFR-2014-title2-vol1-sec200-403.pdf)).

The United States Department of Education requires that, when taken together, the **combined** expenditures proposed for both indirect and direct administrative costs in a Perkins V allocation grant not exceed 5% of the total grant amount. School district/public two-year college/consortia staff are advised to discuss questions related to expenditures with their [federal grant program liaison](http://www.doe.mass.edu/federalgrants/liaisons.xlsx).

The following chart lists budget items commonly found on the Perkins Secondary and Postsecondary entitlement grants (Fund Codes 400 and 401). The list is not exhaustive and includes mostly those items that have surfaced over time and that have prompted additional discussion or guidance.

For Perkins V programs to be implemented successfully, communication between all stakeholders in career and technical education is critical. DESE is committed to providing quality technical assistance for each school district, public two-year college, consortium, and correctional institutions with career and technical education programs. Should you have questions:

* For Perkins Fund Code 400 & 401 **grant application questions**, please contact the [Federal Grant Programs](https://www.doe.mass.edu/federalgrants/) office, which oversees federal grants, at 781-338-6230 or contact your [federal grants liaison](http://www.doe.mass.edu/federalgrants/liaisons.xlsx) directly.
* For **programmatic questions**, please contact the **DESE Office for College, Career, and Technical Education (CCTE)** which oversees High Quality College and Career Pathways. Contact the CCTE Office at 781-338-3910 or contact your [CCTE district liaison](http://www.doe.mass.edu/ccte/cvte/liaisons.html) directly.
* For programmatic and grant questions related to **correctional agencie**s, please contact Yvonne Corrections Education Specialist in the **Office for Adult & Community Learning Services (ACLS)**, at 781-338-3815 or Yvonne Gittelson .

***Symbol Key***

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| **☑ - Allowable** | □ **- Allowable, but only under certain circumstances** | **☒ - Not Allowable** |

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| **Allowable?** | **Budget Item** | **Special Requirements or Additional Information** |
| **☑** | **ADMINISTRATION:** Administrative expenses are those expenses used for running the grant, not expenses related to providing direct grant services to students. Indirect costs are always administrative expenses. | May be used for indirect and direct administrative costs in a Perkins grant when, taken together, the amount does not exceed 5% of the total grant. The administrative cost categories (functions that should be considered as a direct administrative cost in calculating the 5% ceiling) are:* Developing the local application.
* Supervising local application activities.
* Supervising Perkins-funded staff.
* Ensuring compliance with applicable Federal laws.
* Supporting and developing local data systems for Perkins (this does not include data collection and analysis).
* Professional development for Perkins administrators
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| □ | **ADVERTISING/MARKETING:** Defined as including the costs of advertising media and corollary administrative costs. Advertising media includes magazines, newspapers, radio and television, direct mail, exhibits, electronic or computer transmittals and the like. Advertising/Marketing costs should not exceed 5% of allocation without approved justification. | Advertising/Marketing costs should not exceed 5% of allocation without approved justification. May be used for the following advertising/marketing uses:* Procurement of goods and services for performance of the grant.
* Disposal of scrap or surplus materials acquired in the performance of the grant, except when the school is reimbursed for disposal costs at a predetermined amount.
* Program outreach and other specific purposes to meet requirements of the grant.
* Notices of funding opportunities and financial matters.
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| **☒** | **AUDIT SERVICES**  | May not be used for audit services expenditures. |
| □ | **CAREER TECH STUDENT ORGANIZATIONS:** Defined as organizations that serve students enrolled in career and technical education programs by engaging students in a variety of career development and leadership activities. The student organizations are assisted with Perkins V funds especially with respect to increasing the participation and success of students who are members of special populations. The CTSO’s in Massachusetts are Business Professionals of America (BPA), Distributive Education Clubs of America (DECA), EdRising, Future Farmers of America (FFA), Health Occupations Students of America (HOSA), and SkillsUSA.  | **☑**May be used for fees or dues for whole school and/or class instructional CTE Memberships.**☒**May not be used to transport students for career/technical education student organization events.**☒**May not be used for lodging, feeding, conveying, or furnishing transportation to conventions. **☒**May not be used to purchase of supplies, jackets, and other effects for students' personal ownership.**☒**May not be used for cost of non-instructional activities such as athletic, social, or recreational events.**☒**May not be used to purchase food for banquets, award ceremonies, goodwill gestures, etc. |
| **☒** | **COMMENCEMENT AND CONVOCATION COSTS** | May not be used for costs for commencement and convocation. |
| □ | **COMPENSATION – FRINGE BENEFITS** | **☑**May be used for fringe benefits as allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages.**☒** May not be used as prepaid debit and gift cards. |
| □ | **CONFERENCES (SPONSORED OR HOSTED BY GRANTEE)** | **☑**May be used for costs paid by the school as a sponsor or host may include the following:* Rental of facilities
* Speakers’ fees
* Local transportation
* Other items incidental to such conferences ***unless*** restricted by the grant

**☒**May not be used as payments for food and/or beverages. |
| **☒** | **CONTINGENCY PROVISIONS:** Defined as an estimate of future costs (typically of large construction projects, IT systems, or other items as approved by the federal awarding agency). Potential costs which are associated with possible events or conditions arising from causes the precise outcome is indeterminable at the time of estimate, and that experience shows will likely result, in aggregate, in additional costs for the approved activity or project. | May not be used towards amounts for major project scope changes, unforeseen risks, or extraordinary events. |
| **☒** | **ENTERTAINMENT**  | May not be used for costs of entertainment, including amusement, diversion and social activities, and any associated costs. |
| □ | **EQUIPMENT, INCLUDING GENERAL PURPOSE EQUIPMENT AND OTHER CAPITAL EXPENDITURES:** Defined as tangible, non-expendable, personal property having a useful life of more than one year and an acquisition cost of $5,000 per unit. An item with an acquisition cost of less than $5,000 per unit is considered a **supply**.\*Equipment purchased with federal funds, including Perkins V funds must have:* property records, including acquisition date, cost, source, percent of federal funds used to purchase the item, location, use and condition of the equipment and ultimate disposition.
* adequate safeguards to prevent loss, damage, or theft.
* adequate maintenance procedures.
 | **☑**May be used for exemplary instruction-based *examples*:* Information technology equipment and systems
* HVAC equipment
* Instructional reproduction and printing equipment (limited)
* High-tech/commercial grade equipment (e.g. Commercial grade refrigerators, Commercial grade dishwashers for Culinary Arts Program)
* Ironworker/piper-bending
* Lawn tractor for landscaping training
* Furniture (purchase limited to specific furniture necessary for carrying out Perkins program)

**☒**May not be used for basic/required equipment for start-up of a program.**☒**May not be used for non-commercial/household grade equipment.**☒**May not be used for capital expenditures for general purpose equipment, buildings, and land.**☒**May not be used capital expenditures for improvements to land, buildings, or equipment that materially increase their value or useful life. |
| □ | **FEES** | **☑**May be used for instructional CTE Memberships.**☒** May not be used for an individual student such as dues, registration fees, or license/certification fees. This includes but is not limited to career technical education student organization dues, transportation, lodging, registration, and uniforms for the individual student. Note, whole school career/vocational technical education student organization participation dues may be allowable if all students benefit from services or activities that are instructional in nature and the expenditure is approved by the Department. |
| □ | **FIELD TRIPS:** Defined as off-site educational opportunity offered by a LEAs to enrich the educational experience of students and meet educational goals. ([603 CMR 27.00](http://www.doe.mass.edu/lawsregs/603cmr27.html?section=all)) | **☑**May be used for costs of field trips for educational purposes that address specific CTE courses and /or program related outcomes. Field trips must be open to all students participating in the CTE course or program.**☒**May not be used for the cost of field trips during which more than 25 percent of the time is spent at the location is used for entertainment or recreation of field trip participants.  |
| □ | **FOOD** | □May be used for professional development activities and other program improvement activities such as program advisory committee meetings when the food is necessary, and the cost is reasonable.□ May be used when the professional development activities and other program improvement activities activity overlaps a mealtime, or for simple refreshment when it would be impractical or relatively inconvenient for the participants to purchase sustenance. * Example of an allowable cost, an all-day professional development session may require a simple lunch and an afternoon snack to avoid the need for participants to leave the premises thereby disrupting the work and missing the lunchtime speaker.

**☒**May not be used for banquets, award ceremonies, goodwill gestures, etc. |
| □ | **MAINTENANCE AND REPAIR COSTS:** Defined as upkeep equipment that neither adds to the permanent value of the property nor appreciably prolongs its intended life, but keeps it in an efficient operating condition.([2 CFR Part 200, §200.452](https://www.govinfo.gov/content/pkg/CFR-2014-title2-vol1/pdf/CFR-2014-title2-vol1-sec200-452.pdf)) | **☑**May be used for costs incurred for utilities, insurance, security, necessary maintenance, janitorial services, repair, or upkeep of equipment which neither add to the permanent value of the property nor appreciably prolong its intended life, but keep it in an efficient operating condition.**☒**May not be used for costs incurred for improvements that add to the permanent value of the buildings and equipment or appreciably prolong their intended life. These must be treated as capital expenditures. |
| □ | **MATERIALS AND SUPPLIES** | **☑**May be used for costs for materials, supplies and fabricated parts necessary to carry out the grant. Materials and supplies purchased must represent the most current and relevant technology.**Instruction-based examples:*** Information technology supplies
* HVAC supplies
* Reproduction and printing supplies (purchase limited to supplies necessary for carrying out Perkins program)
	+ Example of an allowable cost: For a Graphic and Interactive Design program, purchasing industry standard graphic design equipment printers and cutting mats are allowable.
* High-tech/commercial grade supplies

**☒** May not be used for costs of consumable, routine and general office and program supplies such as books, pens, paper, workbooks, sandpaper, and other items that are consumed or worn out. Exceptions for consumable supplies would be those supplies used specifically for career and technical education program improvement.  |
| □ | **MEMBERSHIP, SUBSCRIPTIONS AND PROFESSIONAL ACTIVITY COSTS** | **☑**May be used for CTE-related memberships in business, technical and professional organizations, such as TCTW or HSTW. CTE-related organization subscriptions to business, professional and technical periodicals.**☒**May not be used for individual memberships. **☒**May not be used for memberships in country club or social or dining clubs.**☒**May not be used for costs in organizations whose primary purpose is lobbying. **☒**May not be used for memberships in civic or community organizations. |
| □ | **OCCUPATIONAL CERTIFICATIONS AND LICENSES FOR STUDENTS** | May be used for occupational certifications and licenses granted to students enrolled in a career technical education program only under the following conditions:* there are equitable and non-discriminatory criteria used by the LEAs to determine which certifications and licenses are funded, and funding for this purpose has been pre-approval by [DESE’s Office for College, Career and Technical Education.](http://www.doe.mass.edu/ccte/cvte/liaisons.html)
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| □ | **PROFESSIONAL DEVELOPMENT TRAINING OR COURSES:**Professional development course descriptions may be requested as part of the determination as to whether the proposed expenditure is allowable. The final determination as to whether the proposed cost is allowable is at the discretion of the federal grant liaison. | **☑** May be used for improving the initial preparation and professional development of career and technical education teachers, faculty, administrators, and counselors: for example, a course or Professional Development training in which deliverables and follow up outcome activities benefit (a) CTE students and (b) CTE programs would be allowable even though it might incidentally provide the educator with credits towards certification or licensing.**☒** May not be used for costs of a course or training in which outcomes only benefit the individual teacher.Example of an unallowable cost: A plumbing teacher, which has no plans or has purchased no equipment to upgrade its plumbing program with new technologies, would not be funded to receive course or PD training in new plumbing technologies, as that would only benefit the individual teacher and not the program. |
| **☑** | **PROFESSIONAL SERVICES COSTS** | May be used for costs of educational professional and consultant services by persons who are members of a particular profession or possess a special skill and who are not employees of the school. |
| **☑** | **PROFESSIONAL STAFF** | **☑**May be used for costs of:* Career technical instructor positions
* Technical instructional aide positions
* Career counselor positions
* Other instructional or professional staff providing services in a Perkins program (i.e. supplemental paraprofessionals, SPED and ELL educators)

**☑** May be used for staff funded partially with grant funds or from multiple grants when the employee divides his/her time between more than one federally supported grant program (for example: Special Education and Perkins V) or between more than one Perkins V grant, provided that records of the time distribution between grant projects are kept current. |
| □ | **PUBLICATIONS AND PRINTING** | **☑**May be used only for publication costs for electronic and print media that are necessary to carry out the grant, including distribution and general handling.**☒**May not be used for costs not specifically identified with the grant. |
| □ | **RENTAL COSTS OF REAL PROPERTY AND EQUIPMENT**( [2 CFR Part 200, §200.465](https://www.govinfo.gov/content/pkg/CFR-2014-title2-vol1/pdf/CFR-2014-title2-vol1-sec200-465.pdf)) | **☑**May be used for rental costs to the extent that the rates are reasonable in light of such factors as: rental costs of comparable property, if any; market conditions in the area; alternatives available; and the type, life expectancy, condition, and value of the property leased. (Note: Rental arrangements should be reviewed periodically to determine if circumstances have changed and other options are available.)**☑**May be used for rental costs under ‘‘sale and lease back’’ arrangements only up to the amount that would be allowed had the non-Federal entity continued to own the property. This amount would include expenses such as depreciation, maintenance, taxes, and insurance. **☑**May be used for rental costs under ‘‘less-than arm’s-length’’ leases only up to the amount. A less-than-arm’s-length lease is one under which one party to the lease agreement is able to control or substantially influence the actions of the other. **☒**May not be used for amounts paid for profit, management fees, and taxes that would not have been incurred had the non-Federal entity purchased the property. **☒**May not be used for rental of any property owned by any individuals or entities affiliated with the non-Federal entity, to include commercial or residential real estate, for purposes such as the home office workspace.  |
| **☑** | **SECONDARY-POSTSECONDARY LINKAGES**The link between secondary and postsecondary education for students enrolled in career and technical education is a required component of Perkins V. A minimum of 20% of the Perkins Postsecondary allocations funds must be used for secondary-postsecondary linkage activities and services.  | For a definition and samples of Secondary-Postsecondary Linkages, please visit Office for College, Career, and Technical Education’s [frequently asked questions](https://www.doe.mass.edu/ccte/cvte/perkins-v/sec-ps-linkages-faq.docx). |
| □ | **STIPENDS** | **☑**Stipends for any staff employed by the recipient LEA to perform tasks outside their work hours and normal duties that support a Perkins program.□Stipends for staff to attend meetings and/or professional development events are not allowable unless there are follow-up activities and/or deliverables.□ Stipends may be allowable for students to perform work directly related to career and technical education program improvement in the school district/public two-year college, like any other qualified person to the extent allowable by state and federal employment laws, and provided there are no supplanting issues. An example of supplanting would be a student replacing a staff person in the placement office who was paid with local funds to analyze graduate follow-up data is not allowable. * Example of an allowable cost: For a student redesigning the school’s career and technical education program website during the summer under the supervision of appropriate staff, in order to improve accessibility for students who may be sight impaired, may be allowable.

 * Example of an allowable cost: For a college student to peer tutor other students in career and technical education programs, under the supervision of appropriate staff, that would result in career and technical education program improvement, via the tutor identifying common student needs that may be translated into program improvement, resulting in improved core indicator of performance by the public two-year college may be allowable.

The selection of students for work must comply with applicable school district/public two-year college policies and include provisions for equal opportunity.**☒** May not be used for students if the sole purpose is paying students to learn, such as would be the case if one were to provide a stipend to a student to perform a hospital internship or provide a stipend to a student to work for a company on cooperative education. |
| □ | **TRAINING AND EDUCATION COSTS:** Defined as professional development programs to secondary and postsecondary teachers, faculty, administrators, and career guidance and academic counselors involved in integrated CTE programs. Training and education costs include industry experience for teachers and faculty. | **☑**May be used for training and education provided for employee development. Training of teachers, faculty, and administration to use technology including distance education.**☒** May not be used for certification or examination fees of individual secondary and postsecondary teachers, faculty, administrators, and career guidance and academic counselors. |
| □ | **TRANSPORTATION OF STUDENTS** | **☑**May be used to transport students enrolled in career/ technical education programs on field trips including college/registered apprenticeship program visits.**☒** May not be used to directly pay an individual student enrolled in a career technical education program to take a bus, plane, etc. to a cooperative educations site, internship site, college, and career technical education student organization event, etc. **☒**May not be used to transport students for career technical education student organization events. |
| □ | **TRAVEL COSTS** | **☑**May be used for local travel for conferences, professional development, and field trips.□Out-of-state travel (requires federal grants liaison approval). Prepare to respond to the following questions: * What are the total costs of the conference and travel?
* Are there similar trainings or Professional Development available in Massachusetts and therefore at less cost?
* How are these additional costs justified?
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| □ | **TUITION COSTS FOR STUDENTS - POST SECONDARY CTE COURSE COSTS AND/OR DUAL ENROLLMENT COSTS**To the extent practicable, coordinate between secondary and postsecondary education programs through programs of study, which may include coordination through articulation agreements, early college high school programs dual or concurrent enrollment program opportunities, or other credit transfer agreements that provide postsecondary credit or advanced standing. | □May be an allowable cost for Dual Enrollment at a Post-Secondary Institution CTE Course (Requires federal grants liaison approval).**☒** May not be used for Out of District Tuition.**☒** May not be used for Academic Post-Secondary courses that are not directly related to the CTE Program of Study.**☒** May not be used to provide scholarships for college level credit classes for dual enrollment students. |
| □ | **VEHICLE LEASE/PURCHASE AND LEASE TO PURCHASE:** | **☑**May be used to purchase, lease, lease-to-purchase vehicle.Example of an allowable cost: Van is leased to provide field trips, transportation to internship\*/job shadowing sites for students in multiple career technical education programs.(Note: To be cost effective vehicle should be used for multiple purposes. In considering whether to approve expenditure for the purchase of a truck, the federal grant liaison would consider whether the purchase during one fiscal year would limit the funds remaining in the grant that could be used for other program improvement purposes.)**☒**May not be purchased with grant funds for the primary purpose of transporting students/staff to cooperative education\* sites. **☒**May not be used for the primary purpose of transporting students/staff to career technical education student organization events.**☒**May not be used for non-career technical education activities such as transportation of sport teams.  |

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