Title I, Part A

Allowable and Unallowable Costs
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Intent and Purpose

The Title I, Part A program is authorized through the Elementary and Secondary Education Act (ESEA) to provide supplemental resources to LEAs beyond local and state funds. The funds, based on specific formulas, flow at each level from the United States Department of Education (USDE) to each state education agency, or the Idaho State Education Agency (SDE) in Idaho. The SDE then uses funding formulas to provide funds to Local Education entities (LEAs) which then determine which eligible schools will receive funds and which private schools are eligible to receive services using allowable funds. (See chart below). Title I-A program funds are intended to help schools with high concentrations of students from low-income families provide high-quality education that will enable all children to meet the state student performance standards.

Title I, Part A supports students in schools which are implementing either one of two program models: schoolwide or targeted assistance programs. The intended program beneficiaries are students who are not proficient or showing growth on Idaho’s content standards as demonstrated by the State assessment.

Prior to reviewing actual allowable and unallowable costs, it is important to understand various terms and premises which guide the use of Title I, Part A funds.

Use of Funds/Reasonable and Necessary Costs

Pursuant to the Uniform Guidance (2 C.F.R Part 200) adopted by the Education Department General Administrative Regulations (EDGAR), SDE applies the federal cost principles (2 C.F.R subpart E) to both state and federal grants, with the Title I, Part A funds originating as a federal fund source. Each LEA must submit an application for funding to SDE to receive the Title I, Part A funds at the LEA level and allocate funds to each school served through this program. Funds requested must be only for those items that
are **reasonable and necessary** for accomplishing the objectives of the program and for implementing activities as described in the funding application. All costs must be budgeted in the approved application to be eligible to be charged to the grant.

**Reasonable** costs are defined as those costs that are consistent with prudent business practice and comparable to current market value. **Necessary** costs are those costs that are essential to accomplish the objectives of the grant project. All items requested must be allowable expenditures under the authorizing program statutes, regulations, and rules. For this program, this means that funds must first be allowable under Title I, Part A statute. In addition, all goods must be received and all services must be provided or delivered in time to benefit substantially the population being served in the current grant period – generally considered to be within 30 days of the ending date of the grant and in no case after the ending date. In general, the budget must evidence the following:

- Project costs are reasonable in relation to expected outcomes.
- The amount requested would realistically be expected to have an impact on the stated objectives and activities.
- The program identifies and coordinates funding from several sources.
- All expenditures are pertinent to and appropriate for the objectives and activities stated.

**Reasonable Costs**

Determine the reasonableness of a cost by considering whether it meets the following:

- The cost is of a type generally recognized as ordinary and necessary for the operation of the organization or grant performance.
- Restrictions or requirements are imposed for generally accepted, sound business practices, arms-length bargaining, federal or state laws and regulations, and grant award terms and conditions.
- Individuals are acting with prudence in the circumstances of responsibility to the organization, its members, employees, clients, the public, and federal or state government.
- There are no significant deviations from established practices of the organization that may unjustifiably increase grant costs.

**Allowable Costs**

To be allowable to be charged to a grant, costs must meet the following criteria:

- Be reasonable for the performance of the grant and be allocable under the applicable cost principles.
- Conform to limitations or exclusions set forth in applicable cost principles or the grant agreement as to types or amount of costs.
• Be consistent with policies and procedures that apply uniformly to federally or state-funded activities and activities funded from other sources.

• Be accorded consistent treatment among all grant programs, regardless of funding source.

• Be determined in accordance with Generally Accepted Accounting Principles (GAAP).

• Not be included as a cost or used to meet cost-sharing or matching requirements of any other federally or state-funded program in the current or a prior period.

• Not be used for lease-purchases (i.e., debt service) if for discretionary grants.

**Allocable Costs**

The following guidelines apply to allocable costs:

• A cost is allocable to a particular grant in accordance with the relative benefits received if it is treated consistently with other costs incurred for the same purposes in like circumstances and if it meets the following:

• It is incurred specifically for the grant, benefits both the grant and other work, and can be distributed in reasonable proportion to the benefits received.

• Any cost allocable to a particular grant or other cost objective may not be shifted to other federal awards (or state awards, if state-funded) to overcome funding deficiencies or to avoid restrictions imposed by law or by the terms of the grant award.

**Obligation of Funds**

The following guidelines apply to obligation of funds:

All encumbrances, expenditures, and obligations of funds for this program must occur on or after the effective spending authority date. The spending authority date is noted on the submission page of the consolidated Federal and State Application. The spending authority date is the date that the LEA submits its application to the State in substantially approvable form (EDGAR §76.708).

All goods must be received and all services must be rendered between the beginning and ending dates of the project, and grant funds may not be obligated before the starting date of the grant. An obligation occurs depending upon the expenditure, as follows (see obligation chart, EDGAR part 76.707).

• **Services by an employee:** When the services are performed by the employee.

• **Services by a contractor:** The date of a binding written commitment, such as a contract or other written agreement, to obtain services from the contractor.

• **Utility services:** When the services are received.

• **Travel:** When the travel is actually taken.
• **Rental or lease of property:** When the property is actually used or occupied.

• **Real or personal property (including purchase of supplies and equipment):** The date of a binding written commitment, such as a purchase order, invoice, or receipt, to acquire the property.

All *materials and equipment* must be delivered before the ending date of the grant and must be ordered and delivered in time to benefit substantially the current grant period and in no case after the ending date of the grant. In most instances, goods or services delivered near the end of the grant period are viewed by SDE as not necessary to accomplish the objectives of the current grant program and SDE or an auditor may disallow the expenditure(s).

**Carryover**

Under section 421(b) of the General Education Provisions Act (GEPA), LEAs must obligate funds during the 27 months extending from July 1 of the fiscal year for which the funds were appropriated through September 30 of the second succeeding fiscal year. (See chart below)

<table>
<thead>
<tr>
<th>Forward Funding</th>
<th>Federal Fiscal Year</th>
<th>Carryover Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>July, Aug, Sept. 3 months</td>
<td>Oct. through Sept. 12 months</td>
<td>Oct. through Sept. 12 months</td>
</tr>
<tr>
<td>27 Months Total</td>
<td></td>
<td></td>
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</tbody>
</table>

The excess carryover amount will be reverted back to SDE. Reverted excess carryover would be available for the SDE to reallocate to other LEAs as provided under section 1126(c) of Title I.

An LEA may, once every three years, waive the 15% carryover limitation if the State Department of Education determines that the request of an LEA is reasonable and necessary.

**Comprehensive Needs Assessment and Improvement Plans**

Title I, Part A funds must be expended for programs, activities, and strategies that are based on research and meet needs identified through the comprehensive needs assessment process. These expenditures must also be tied to the LEA or school improvement plan, depending on how the expenditure will be used and coded, e.g., at the LEA or school level. The ESEA statute requires that a Title I schoolwide program include a comprehensive needs assessment of the entire school, including the needs of migrant students, based on information that includes how students are meeting the state's challenging academic content and achievement standards. For targeted assistance schools, the needs assessment process is also critical to determine which students are most in need of Title I services and the types of services which will provide the greatest impact. The process must be objective, include multiple measures to identify students most in need, and establish a priority list for services. The comprehensive needs assessment must be completed prior to applying for the funding because the application for funding...
must address the needs identified through the comprehensive needs assessment process.

**Schoolwide and Targeted Assistance Program Expenditures**

**Schoolwide Schools**

At times, the purpose of the schoolwide program is misunderstood by thinking that Title I-A funds may only be used to support reading and math instructions, or may only be used to serve low achieving students. There are lots of flexibilities available in using Title I-A funds to operate a schoolwide program.

Title I-A funds are used to upgrade the entire educational program in a school and, in doing so, all students may benefit from the use of Title I-A funds.

Title I-A funds may be used for activities that are part of the school improvement plan to improve student performance and upgrade the entire educational program, including funds to provide services that are required by law for children with disabilities and children with limited English proficiency. At times, this may be best achieved by preparing low-achieving students to take advance courses-for example, providing an intensive summer school course designed to accelerate their knowledge and skills, offering an elective course to prepare them to take advanced courses, or providing after school tutoring while they are taking advanced courses. Funds must be expended for allowable uses based on the type of consolidation of funding the school has chosen to implement on the schoolwide school, i.e., state, local, and federal funds; federal funds only; or Title I funds only.

**Targeted Assistance Schools**

Title I, Part A funds may only be used to meet the needs of children identified as being in the greatest need of services. Students must be selected using multiple, educationally-related, objective criteria. In a targeted assistance program, the program, activity, or strategy must be supplemental. The federal supplement, not supplant provision is intended to ensure that services provided under Title I are in addition to, and not in place of, services that would otherwise be provided to participating students with state and local funds if Title I funds were not available. Records must be maintained that document that Title I, Part A funds are expended on activities and services for only Title I, Part A eligible children identified as having the greatest need for special assistance.

**Schoolwide and Targeted Assistance Program Expenditures**

Title I, Part A funds must be expended for programs, activities, and strategies that are based on research and meet needs (identified in the comprehensive needs assessment process) that are listed in the LEA and/or school improvement plan goals and objectives, accordingly. It is possible that some Title I, Part A administrative, professional development, parental involvement, or even instructional activities are conducted through the central office using reserved funds. Whether funds are expended at the LEA or school levels, budget managers must be able to respond appropriately to and maintain documentation for each of the following questions to determine whether expenditure would be allowable:
The Title I, Part A funding application submitted by LEAs to the SDE identifies how the LEA intends to use program funds and is approved by SDE to establish funding decisions. LEAs are expected to establish a team to review the comprehensive needs assessments, including those for each served school, and outline program priorities to support schools, staff, and students. Specific examples of programs, strategies, and activities include the following:

- Supplemental, Research-based **Reading/English Language Arts** Instruction
- Supplemental, Research-based **Writing** Instruction
- Supplemental, Research-based **Mathematics** Instruction
- Supplemental, Research-based **Social Studies** Instruction
- Supplemental, Research-based **Science** Instruction
- Supplemental, Research-based **Foreign Language** Instruction
- Supplemental School-Based **Parent Involvement**
- Supplemental School-Based **Professional Development**
- Supplemental **Guidance and Counseling**
- **Transition Services/Vocational Career**
- **Tutorials**
- **Small-Group Instruction**
- **Individualized Instruction**
- **Computer-Aided Instruction**
- **Extended-Learning Opportunities**

In general, after-school tutoring and extended-day activities to allow for extended time on tasks are allowable as long as they are meeting an identified need to improve student academic achievement. After-school activities must meet the Title I requirements for being an allowable expense. Enrichment activities must be aligned to improving student achievement in a schoolwide program.

**Supplement Not Supplant for Targeted Assistance**

Funds for the Title I-A program must be used to supplement (increase the level of services) and not supplant (replace) funds from nonfederal sources. Any program activity required by state law, State Board of Education (SBOE) rules, or local board policy may not be paid with these funds. State or local
funds may not be decreased or diverted for other uses merely because of the availability of these funds. LEA and school personnel must maintain documentation that clearly demonstrates the supplementary nature of these funds.

The federal **supplement**, not **supplant** provision is intended to ensure that services provided under Title I are in addition to, and not in place of, services that would otherwise be provided to participating students with state and local funds if Title I funds were not available.

The three presumptions that **supplanting** has occurred in a targeted assistance program:

1. LEA uses funds to provide services that the LEA was required to make available under other federal, state or local laws;
2. LEA uses Federal funds to provide services that the LEA provided with non-federal funds in the prior year; or
3. LEA uses Title I funds to provide services for participating children that the LEA provided with non-federal funds for non-participating children.

**Supplement Not Supplant for Schoolwide Program**

The **supplement not supplant** requirement in ESEA section 1120 (A) does not apply to a schoolwide program school, and the school does not need to demonstrate that Title I-A funds are used only for activities that supplement those the school would otherwise provide with non-Federal funds. However, in order to make a difference in supporting school reform in a schoolwide program, the school must supplement those funds the school would otherwise receive. In other words, the supplement not supplant requirement for a schoolwide program is simply that the school receive all non-Federal funds it would receive if it did not receive Title I-A funds.

The three presumptions that supplanting has occurred in a targeted assistance school, do not apply in a schoolwide school.

The one presumption that **supplanting** has occurred in a schoolwide program is if Title I funds are used to reduce a school’s state/local funds.

**Allowable and Unallowable Activities**

**Examples of Unallowable Costs**

**Alcoholic Beverages** - Alcoholic beverages are not allowable under any circumstances.

**The following items may be donated by others but may not be purchased with grant funds:**

- Gifts or items that appear to be gifts
- Souvenirs, memorabilia, or promotional items, such as T-shirts, caps, tote bags, imprinted pens, and key chains
- Door prizes, movie tickets, gift certificates, pass to amusement parks, etc.

**Calendars and Calendaring Systems** - Calendaring systems to manage personal Calendars— whether paper calendars, personal digital assistants (PDAs), or electronic or Software calendars—are not allowable costs.
Cellular Telephones for Personal Use - A cellular telephone for personal use is not an allowable cost.

Ceremonies, Banquets, or Celebrations - Costs associated with ceremonies, banquets, or celebrations are not allowable.

Conflict of Interest - Any purchase or expenditure that would pose a conflict of interest, real or perceived, is not allowable.

Construction, Remodeling, or Renovation - These costs are not allowed unless specifically authorized in the authorizing program statute and unless specifically approved by SDE in the applicable grant application.

Consultants – Funds shall not be used or paid to any consultant in the conduct of this application if the services to be rendered by such consultant could have been rendered by your employees. Consultants must be selected based on demonstrated competence, qualifications, and experience and on the reasonableness of the proposed fee.

Employee Service Awards- Employee service awards cannot be paid from grants funds.

Employer Contributions to Voluntary Retirement Plan- Employer contributions to an Employee’s voluntary retirement plan, such as a 401k or 403b, is not allowable.

Entertainment, Recreation, Social Events - Costs associated with any type of Entertainment, recreation, or social events are not allowable.

Fund-Raising Activities - Costs of organized fund raising, including solicitation of gifts and bequests, endowment drives, financial campaigns, and similar expenses incurred to raise capital or obtain contributions are not allowable. Costs associated with training on fundraising are not allowable.

Gifts or items that appear to be gifts are not allowable.

Interest Paid - Interest paid in a prior grant period may not be charged retroactively to this grant period.

Land Purchase and Improvements - Land purchase and improvements to land are not allowable costs, unless specifically authorized in the grant program statute and specifically approved by SDE in the grant application.

Unallowable Costs Related to Field Trips (see another section for allowable field trip costs)

The following costs are not allowable related to field trips:
• Field trips for social, entertainment, or recreational purposes
• Field trips that supplant and do not supplement local or state expenditures or activities
• Field trips that are not part of a teacher’s lesson plan or that do not meet the instructional objectives of the grant program
• Field trips that are not reasonable in cost or are not necessary to accomplish the objectives of the grant program
• Field trips that are not properly documented (as described above)

**Memberships in Civic and Social Organizations or Lobbying Organizations** – are not allowable.

**Professional or Individual Liability Insurance** - Professional liability insurance for individual employees is not an allowable cost.

**Promotional Items, Memorabilia, or Souvenirs** - Promotional items, memorabilia, or souvenirs are not allowable costs.

**Renovation, Remodeling, or Construction** - Renovation, remodeling, or construction is not allowable unless specifically designated as allowed in the authorizing statute and specifically approved by SDE in the applicable grant application.

**Social Events** - The costs associated with social events of any kind are not allowable.

**Training or Technical Assistance on Grant Writing** - Funds may not be used for training or technical assistance on grant writing or for costs associated with obtaining funds from another grant.

**Construction or Acquisition of Real Property** - Title I statute does not authorize the use of Part A funds for construction or acquisition of real property.

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**Examples of Allowable Costs if the costs are reasonable and necessary**

**Audit Fees** - Direct administrative costs may include costs associated with accounting and other fiscal activities and auditing provided these costs are not typically included in the indirect cost pool and overall program administration.

**Awards for Recognition and Incentives for Participation** - Minimal-cost certificates, plaques, ribbons, small trophies, or instructionally-related items to be used in the classroom (such as pens and pencils) are acceptable incentives for participation in program activities or awards for recognition. These items should be tied to instructional strategies and activities.

**Equipment** – is an allowable cost; however, the LEA must determine that (1) the equipment is reasonable and necessary to operate its Title I, Part A programs effectively; (2) existing equipment it already has will not be sufficient; and 3) the costs are reasonable.

**Field Trips**

**Field Trips** - If specified in the grant program, educational field trips are allowable under certain circumstances if allowed in the grant program. Educational field trips are approved, planned instructional activities that involve students in learning experiences that are difficult to duplicate in a classroom situation. These field trips should provide hands-on activities that encourage students to
experiment and ask questions. The field trip must be reasonable in cost, and must be necessary to accomplish the objectives of the grant program. The field trip must also appear as a part of the teacher’s lesson plans, which should include activities that prepare students for the trip and follow-up activities that allow students to summarize, apply, and evaluate what they learned from the trip.

Costs for the field trip must be reasonable. Any entrance fees and transportation costs must be reasonable in comparison to the intended objectives of the trip. For audit purposes, the school must maintain documentation of the field trip and must provide clear evidence of how the expense ties back to an instructional objective.

Documentation should include:

- Destination of each field trip
- Costs associated with each field trip
- Objectives to be accomplished from conducting the field trip
- Teacher’s lesson plan and follow-up activities

If the supplement, not supplant requirement applies to the grant program in question, documentation must demonstrate the supplementary nature of the field trip as well.

Examples of appropriate educational field trips

- Curricular academic activities focused on math, science, and technology, such as service learning, internships, UIL competitions (robotics, math), or science and technology fairs
- Trips to a river, archaeological site, or nature preserve that might include contracting with local science centers, museums, zoos, and horticultural centers for visits and programs
- Trips to the local library to increase access to high-interest reading materials
- Visits to colleges and universities to encourage interest in the pursuit of higher education

Examples of Unallowable Costs Related to Field Trips

- Field trips for social, entertainment, or recreational purposes
- Field trips that supplant and do not supplement local or state expenditures or activities
- Field trips that are not part of a teacher’s lesson plan or that do not meet the instructional objectives of the grant program
- Field trips that are not reasonable in cost or are not necessary to accomplish the objectives of the grant program
- Field trips that are not properly documented (as described above)

Food and Beverages

Food and Beverage Costs - Expenditures on food must be reasonable in cost, necessary to accomplish program objectives, and an integral part of the instructional program. If the SDE determines that LEAs or schools expended grant funds on food costs that are not reasonable or necessary to meet the intent and
objectives of the grant, SDE reserves the right to restrict the organization from expending any funds on food costs or to disallow expenditures on food costs.

**Food Costs for Participant Meetings/Training**

Unless otherwise specified by the SDE, a limited amount of funds may be expended on meals for participant meetings or training events. The use of grant funds for this purpose is specifically limited to light working lunches for participants when the working lunch is noted on an agenda, is clearly described, and is mandatory. The purpose of a working lunch should be to shorten the overall meeting or training time and to facilitate accomplishing the objectives of the meeting or training and the overall program.

Specifically, grant funds may be expended for the following costs provided that the grantee maintains adequate and sufficient documentation that the costs were necessary and reasonable to further the intent and objectives of the grant.

The following definitions/clarifications apply:

**Light Lunch** during an All-Day Meeting or Training Session: Light lunch for participants who are cloistered in an all-day (at least six-hour) meeting or training session. You must document that it was impractical for participants to obtain lunch on their own (for example, because of an isolated location or distance to eateries) and that their attendance at the meeting or training session was essential to accomplishing the objectives of the grant. You must maintain an agenda that clearly identifies the topics discussed during the meeting or training session and the time allocated to each topic, including the lunch period. Only a nominal amount of grant funds may be used per participant.

**Working Lunch** during an All-Day Meeting or Training Session: Light meals during a “working lunch”. A working lunch is defined as an activity in which staff or participants are engaged in exercises or activities during the normal meal time. You must maintain an agenda that shows that no other opportunity for a meal was provided and that clearly identifies the exercise or activity in which the participants were engaged. You should also retain a representative sample of the work product, if any, that was generated as a result of the working session. Only a nominal amount of grant funds may be used per staff or participant. No other food costs, including beverages and other refreshments, breaks, or snacks, are permitted.

**Food and Beverages for Parent Involvement Activities**

**Allowable Food Costs for Parents and/or Students**

The following costs are allowable for parents or students:

- Nutritional snacks for students in extended day (after-school) programs
- Nutritional snacks for children in child care while parents are participating in grant activities
- Food necessary to conduct nutrition education programs for parents
• Parent involvement activities in which refreshments are necessary to encourage participation or attendance by parents, such as in low-income areas, and thus meet program objectives

Unallowable Food Costs Related to Parent Involvement Activities

• Full meals for parents or students are not allowable for these purposes under any circumstances.
• Refreshments of any kind, including beverages, breaks, and snack foods except as necessary for parent involvement activities to encourage attendance by parents
• Refreshments or meals at an awards banquet or functions
• Any food costs that are not necessary to accomplish the objectives of the grant program
• Any food cost associated with an event in which a guest speaker or other individual conducts a presentation
• Gratuities or tips

Legal Fees - Legal fees and expenses are allowable only as necessary for the administration of the grant program. Retainer fees are not allowable costs.

Membership in business, technical, and professional organizations related to the grant program. Membership must be in the name of the grantee organization and not in the name of an individual.
Note: memberships in civic and social organizations and in organizations that are substantially engaged in lobbying are not allowable costs.

Printing Costs - Printing costs are allowable when documentation demonstrates that they are reasonable and necessary. Any multi-color printing must be reasonable in cost and must be necessary to carry out the objectives of the grant program. Documentation must be maintained demonstrating that any such costs are reasonable and necessary.

Subscriptions - Costs of business, professional, and technical periodicals when related to the grant program. Subscriptions must be in the name of the grantee organization and not in the name of an individual.

Training/Professional Development - The cost of training personnel is allowable if it relates to the needs documented in the comprehensive needs assessment and LEA/school improvement plan goals and objectives for participating schools. The cost for personnel not paid with Part A funds is an allowable charge if the training is specifically related to the Title I, Part A program, designed to meet the specific educational needs of Title I, Part A participants, and supplements, rather than supplants, State and local training. The costs for staff travel and conferences are allowable if 1) the travel and conferences are specifically related to the Part A program and not to the general needs of the LEA and school and 2) the costs are reasonable and necessary.

Title I, Part A funds may not be used for LEA wide professional development, unless all schools are served through the program. LEAs must ensure that the professional development is supplemental.
The statute does not authorize a LEA or school to pay a parent to attend a meeting or training session or to reimburse a parent for salary lost due to attendance at Part A parental involvement activities. Parental involvement expenditures are limited to costs that a parent may incur to participate, such as babysitting fees.

**Transportation Costs** - The cost of transporting students (or parents, if appropriate for the particular grant program) to or from extracurricular grant activities is an allowable expenditure. LEA and schools may not charge the grant for costs incurred in transporting students to and from the regular school day.

**Transportation of Goods** – Transporting goods for allowable purchases using grant funds is allowable, e.g., shipping costs.

**Travel Costs** – Travel is an allowable cost if it relates to the grant activities. All LEAs should have a local travel policy that is applied consistently among all employees so employees are reimbursed at the same rates, whether traveling on a state or federal grant or for other purposes. The maximum amounts that may be charged to the grant are restricted to the rates that are approved in the State of Idaho for the particular grant period. Out-of-state travel may not exceed the federal government rates.

Travel generally means a destination outside the city or town in which the individual works (i.e., duty point). Travel can also mean transportation from one duty point to another within the same city or town, such as with an itinerant teacher or counselor who visits multiple schools in the same work day.

**Tuition fees**, either paid directly to an institution or on a reimbursement basis to an employee, are allowable only for courses directly related to the grant program and where authorized in the grant program as an allowable use of funds.

**Employee Benefits** such as Pension Plans, Unemployment Insurance Coverage, Health Insurance, Severance Pay, and Life Insurance - Employers' contributions for employee benefits such as these are an allowable use of Part A funds provided the benefits are granted under approved plans and the costs are distributed equitably to the Part A grant and to other activities.

**Salary Costs for Employees During Periods of Authorized Absences** such as Annual Leave, Sick Leave, and Sabbatical Leave - Employee benefits in the form of compensation paid during reasonable authorized absences from the job are an allowable use of Title I, Part A funds if the benefits are provided under an established leave system and the costs are equitably allocated to all related activities.

**Renting or Leasing Privately Owned Facilities** for Instructional Purposes or Office Space - The cost to rent or lease space in privately owned buildings is allowable if the space is necessary for the success of the program and space in publicly owned buildings is not available to the grantee.

**Allowable Activities for Students Identified as Homeless**
Serving students under McKinney-Vento Act is an integral part of Title I, Part A. Identified homeless students (further references as identified student) who attend any school served by an LEA, regardless of whether the school receives Title I funds, are eligible for Title I services. (ESEA section 1115(b)(2)(E).) Specifically, an LEA must reserve such funds as are necessary to provide services to such students who
attend non-Title I schools that are comparable to those provided to students in Title I schools. These services may include providing educationally related support services to identified students in shelters and other locations where they may live. (ESEA section 1113(c)(3)(A).) To the extent that services to identified students in Title I schools increase due to the large increase in Title I, Part A funds, the obligation to provide comparable services to identified students in non-Title I schools would increase accordingly.

Title I, Part A funds may provide a wide variety of services under homeless education program. In addition to providing services to assist identified students in meeting the State’s challenging academic achievement standards, Title I, Part A funds may be used to provide services that may not ordinarily be provided to other Title I students. For example, to help such students effectively take advantage of educational opportunities, an LEA may use Title I, Part A funds to provide, where appropriate, items or services including, but not limited to:

- Items of clothing, particularly if necessary to meet a school’s dress or uniform requirement
- Clothing and shoes necessary to participate in physical education classes
- Student fees that are necessary to participate in the general education program
- Personal school supplies such as backpacks and notebooks
- Birth certificates necessary to enroll in school
- Immunizations
- Food
- Medical and dental services
- Eyeglasses and hearing aids
- Counseling services to address anxiety related to homelessness that is impeding learning
- Outreach services to students living in shelters, motels, and other temporary residences
- Extended learning time (before and after school, Saturday classes, summer school) to compensate for lack of quiet time for homework in shelters or other overcrowded living conditions
- Tutoring services, especially in shelters or other locations where homeless students live
- Parental involvement specifically oriented to reaching out to parents of homeless students
- Fees for AP and IB testing
- Fees for SAT/ACT testing
- GED testing for school-age students

**Allowable Use of Funds specific to Targeted Assistance Programs**

Title I, Part A funds are used on targeted assistance schools to meet the needs of only Title I-served children. Some allowable targeted costs are included below:

- Employee salaries and benefits that are for time devoted to the performance of the Title I, Part A program are allowable costs. LEAs must maintain appropriate time distribution records of any employee who works on Title I, Part A program duties but also has other duties.
- Professional development is an allowable cost, if specifically related to the Title I, Part A program, designed to meet the specific educational needs of program participants, and supplements rather than supplants, state and local training. Teachers whose professional development is paid by Title I, Targeted Assistance must have program participants in their classrooms. The professional development plan should support the need to increase high quality teachers.
• Supplies and educational materials are allowable if reasonable and acquired/consumed specifically for the purpose of the Title I, Part A program. The LEA must document the details and location of the supplies and the reason for the purchases.  
• Equipment is allowable if 1) necessary to operate Title I, Part A programs effectively, 2) existing equipment will not be sufficient and 3) the costs are reasonable. The LEA must document the details and location of the equipment and the reason for the purchases.  
• Travel and conference costs are allowable if specifically related to the Title I, Part A program and not to general needs of the LEA or school and are reasonable and necessary.

Allowable Use of Funds specific to Schoolwide Programs (based on the Needs Assessment)

• Increased learning time;  
• High-quality preschool or full-day kindergarten;  
• Evidence–based strategies to accelerate the acquisition of content knowledge for English Learners;  
• Equipment, materials, and training needed to compile and analyze data to monitor progress, alert the school to struggling students, and drive decision making;  
• Devices and software for students to access digital learning materials and collaborate with peers, and related training for educators;  
• Instructional coaches to provide high-quality, school-based professional development;  
• Evidence-based activities to prepare low-achieving students to participate successfully in advanced coursework;  
• School climate interventions, e.g., anti-bullying strategies, positive behavior interventions and supports;  
• Activities that have been shown to be effective at increasing family and community engagement in the school;  
• Family literacy programs.

Private Non-Profit School Expenditures

For private non-profit schools, services should be equitable to the public school, not necessarily identical, and designed to meet the needs of the private school students and teachers. No public funds are distributed to private schools, only services and materials. No reimbursements to private schools are allowed.  
The local school LEA will keep title to and exercise continuing administrative control of all property, equipment, and supplies that the public agency acquires with these funds for the benefit of eligible private school students. These services must be supplemental, secular, neutral, and non-ideological. Any items purchased for private non-profit use are property of the LEA and must be labeled, as such. Title I-A services are provided by a highly qualified teacher contracted with the district. Title I-A services cannot be provided by a paraprofessional.
Parent Involvement Expenditures
At least 1% of Title I, Part A funds must be designated for parent involvement activities, if the LEA receives $500,000 or more. Of the funds, 95% must be allocated to participating schools for such activities. Parents of children receiving Title I, Part A services must be involved in the decisions about how these funds are allotted for parental involvement activities. Therefore, parental involvement programs, activities, and procedures provided with Title I, Part A funds are planned and implemented with meaningful consultation with parents of participating children. Additional information regarding these expenditures is provided in subsequent sections.

Considerations for Title I, Part A and English Language Learners
LEAs can use Title I allocations to identify and develop appropriate curricula and instructional methods that meet the content learning and English language development needs of Title-I qualified ELLs and to provide focused professional development for subject area knowledge to become effective in developing subject-area knowledge and academic language proficiency in their students. Professional development can also be provided to enhance teacher capacity to assess the content and language needs of Title I-qualified ELLs.

These funds may also be used to extend learning time for all participating students, including Title I-qualified ELLs. Extended learning time might include extended-day or after-school programs, extended week (Saturday school), and extended year (summer school and intercession). It is important to consider establishing and/or expanding fiscally sustainable activities provided before school, after school, during the summer, or over an extended school year that are offered in partnership with community after-school programs to leverage additional resources and expertise to support collectively student learning and positive development. In addition, funds may be used to identify, develop/adapt, and purchase supplemental instructional materials that will help qualified Title I ELL students meet challenging grade-appropriate state standards and address their language development needs. Instructional supplemental software should be among the materials considered. Schoolwide funds may also be used to evaluate family literacy programs and to design and implement enhancements that focus on the development of English literacy, English language, and parent-child reading activities for ELL students qualifying for services.

Technology-Related Expenditures
Title I, Part A funds may be used for technology labs and/or software, if 1) there is a documented need in the schoolwide needs assessment and improvement plan goals and objectives and/or 2) it is supplemental to the targeted assistance program. Software purchases should align with an identified need of the school, as well as to a core instruction and reform.

Upgrading the infrastructure to support technology at a schoolwide school may be allowable. If a LEA is rewiring the entire LEA so that in a couple of years the LEA can upgrade technology, then it is not allowable. If the LEA buys computers for Title I schools and must also re-wire so the computers may work, then this may be a possibility. Final approval must be provided by SDE prior to documenting expenditures.
A server might be a viable purchase to support the amount of technology programs purchased from Title I; however, there must be a documented need and since this would be an LEA purchase, all schools must be Title I, Part A-served or the server may only be used by Title I, Part A-served schools.

Any technology-related capital outlay expenditure must be approved by the SDE prior to the purchase of goods and services. If the LEA and/or school are uncertain as to whether technology-related items are allowable, the grant manager should contact the SDE for clarification.

**Capital Outlay**

The purchase of capital outlay must meet a need identified in the comprehensive needs assessment and must be tied to the improvement plan goal(s) and objective(s). In addition, the expenditures should be aligned to one of the activities in the Title I, Part A program schedule of the application. All capital outlay except for library books and media requires prior specific approval from SDE. Capital outlay expenditures must be approved in the funding application and require justification for the following questions:

- How is the capital outlay expenditure reasonable and necessary to carry out the intent and purpose of the program?
- What need, as identified in the comprehensive needs assessment, does the capital outlay expenditure address? Explain how the capital outlay expenditure addresses this need.
- Provide the description, as written in the school or LEA improvement plan, of the program, activity, or strategy that will be addressed by the capital outlay expenditure requested.
- How would the program, activity, or strategy be funded if the Title I, Part A funds are not available?
- How will the capital outlay expenditure be evaluated to measure a positive impact on student achievement?
- If for a schoolwide school, how will the capital outlay expenditure upgrade the entire educational program on the school?
- How is the capital outlay expenditure supplemental to other nonfederal programs?

**Conclusion**

It is important that all grant managers and business office staff responsible for approving and posting expenditures understand the provisions for allowable and unallowable costs to ensure that Title I, Part A federal funds awarded are spent in accordance with federal requirements and for the intended purpose of the grant. This document, therefore, provides the basis and principles to which recipients must adhere when expending Title I, Part A funds.

For additional information or technical assistance, please contact the Title I Department at the SDE.