

## Title IV, Part B: 21<sup>st</sup> Century Community Learning Centers (21<sup>st</sup> CCLC)

### Program Income (Parent/Participation Fees) Procedure

*Reference: 2 CFR Part §200.307 Program Income*

If you charge parent/participation fees, new conditions have been placed upon this award since the time of completing the 2017-18 continuation report. As the federal U.S. Department of Education (USDE) reviewed the Uniform Grant Guidance (UGG), there is a provision that requires states to seek *prior approval* for program income (2 C.F.R. Part 200.307). Parent/participation fees that are charged by sub-grantees are now considered income.

Missouri has requested and been given approval for sub-grantees to charge and collect program income (parent/participation fees only). Therefore, the conditions that come with this approval require:

- 1) ~~Sub-grantees to spend all program income (fees) collected within the same award year as collected.~~ **REVISED 2/11/19:** program income (fees) collected must be spent within the performance period. Please note that a performance period is defined as the awarded five-year grant cycle and program income cannot be held beyond the five-years.
- 2) These fees must be coded to a separate account by the fiscal agent and a clear audit trail must exist from the beginning to determine separation of federal funds from fees collected to participate in the program.
- 3) These fees must be used for the purposes and under the conditions of the awarded grant (expenditures allowable under the grant), no exceptions.
  - a. Income collected from fees must be used to fund program activities specified in the grant application/continuation report.
- 4) Programs collecting fees must offer a sliding scale of fees and scholarships for those who cannot afford to participate. The program will be equally accessible to all students targeted for services, regardless of their ability to pay and the program will not prohibit any family from participating due to their financial situation.

**NOTE:** You may NOT implement collection of fees without PRIOR approval from the DESE Extended Learning Office first. All collection and expenditures of program income (fees) are required to be reported to DESE (annually or as otherwise indicated). This change begins with the 2018-19 school year in which program income (parent/participation fees) are collected.

Programs are still reminded that they cannot earn any income (other than approved parent/participation fees) provided by federal funds (i.e. bake sales using an oven purchased by the grant in a cooking activity).

**Clarification on Subsidy (added 2/11/19):** nominal subsidy (fees) from the Missouri Department of Health and Senior Services (DHSS) for 21<sup>st</sup> CCLC programs are also considered approved fees collected by the sub-grantees as program income and are subject to the same requirements noted above; please note that the Missouri Department of Education will accept the fee rates as determined and set by the DHSS for subsidy.

**Added 2/20/19:** questions and answers received from USDE on next page.

*Approved 8/2018 (Rev 2/20/2019)*

The following are questions and answers provided to states by the U.S. Department of Education's 21<sup>st</sup> CCLC program office. If any further questions and answers are provided they will be added to this document upon receipt and reposted to the Portal.

**From:** ....@ed.gov  
**Sent:** Wednesday, February 20, 2019 12:33 PM  
**Subject:** Program Income  
**Importance:** High

Good Afternoon,

We received two questions regarding program income and wanted to share ED's response(program attorney). Please let me know if you need any additional clarification or have more questions regarding the topics below.

1. When one sub-recipient receives multiple awards to serve multiple schools, can they keep one account with all generated program income and spend that income on any or all programs as they see fit?

The program income generated under a specific award can only be spent for allowable services/activities for that award. So no, the subgrantee can't keep all of the program income generated under multiple awards in one account and spend it on schools that are part of different subgrants. When accounting for Federal funds, including program income, the subgrantee must use fiscal controls and fund accounting procedures that ensure proper disbursement of and accounting for such funds (*see* 34 C.F.R. 76.702).

2. How do we monitor or set up a system to allow for a sub-recipient to generate late program fees? In some instances, because of the timing of payment of child care subsidies (Care for Kids) or parents who make payment for unpaid program fees from the previous year when registering for the current year, programs may generate income beyond the fiscal year. Therefore they cannot spend it in the fiscal year.

Program income must be expended by the end of the grant period (*MO response is that grant period is the same as performance period noted on previous page #1*). If a subgrantee collects fees for the previous year, the funds would have to be spent by the end of the grant period. The generated funds must be tracked throughout the grant period for each school and as stated above the accounting records would need to be tailored/numbered so that each site can demonstrate when their income was generated and paid out on allowable services/activities. Subgrantees cannot collect program fees after the grant has ended.

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