

**U. S. DEPARTMENT OF EDUCATION
OFFICE OF SPECIAL EDUCATION & REHABILITATIVE SERVICES
REHABILITATION SERVICES ADMINISTRATION
WASHINGTON, D.C. 20202**

**INFORMATION MEMORANDUM
RSA-IM-92-10
RSM-1050 1/
DATE: December 31, 1991**

ADDRESSEES : STATE VOCATIONAL REHABILITATION AGENCIES
(GENERAL)
STATE VOCATIONAL REHABILITATION AGENCIES (BLIND)
CLIENT ASSISTANCE PROGRAMS
RSA DISCRETIONARY GRANTEES
RSA SENIOR MANAGEMENT TEAM

SUBJECT : ONE-TIME WAIVER -- USE OF PROGRAM INCOME

CONTENT : Policy Directive RSA-PD-92-04 specifies that the regulations at 34 CFR 80.25 apply to program income that State Vocational Rehabilitation (VR) agencies receive from certain sources, including reimbursement payments from the Social Security Administration for rehabilitating Social Security disability beneficiaries. This Policy Directive requires that program income be deducted from allowable costs charged to the grant, unless the Commissioner of RSA has approved a request that it be used for additional expenditures in the program in which it was earned.

It has come to our attention that the above-referenced policy will cause a hardship for some State VR agencies that are operating under approved budgets which anticipate using program income for purposes other than those permitted in the Policy Directive. EDGAR regulations at 34 CFR 80.6(c) allow the Commissioner of RSA to grant case-by-case exceptions to administrative regulations when appropriate. Therefore, for FY 1992 (ending 9/30/92) only, the Commissioner will consider requests for waiver of the regulations at 34 CFR 80.25 from any program operating under a budget that provides for the use of program income for purposes other than those permitted in RSA-PD-92-04.

This one-time waiver will allow State agencies more time to seek alternative sources of funding to support those program activities in FY 1993 and beyond.

Requests for waivers should be addressed to the Commissioner of RSA. The request should contain a description of the relevant circumstances regarding the need for the waiver. The Commissioner will then notify the grantee by letter whether the request has been approved.

INQUIRIES:

If you have any questions concerning this Information Memorandum, please call Mark Shoob, Associate Commissioner for Program Operations, at (202) 732-1406.

Nell C. Carney
Commissioner