

UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF SPECIAL EDUCATION AND
REHABILITATIVE SERVICES
REHABILITATION SERVICES ADMINISTRATION
WASHINGTON, DC 20202

TECHNICAL ASSISTANCE CIRCULAR
RSA-TAC-01-01
DATE: August 8, 2001

TO : STATE VOCATIONAL REHABILITATION AGENCIES (GENERAL)
STATE VOCATIONAL REHABILITATION AGENCIES (BLIND)
CLIENT ASSISTANCE PROGRAM GRANTEEES
PROTECTION AND ADVOCACY OF INDIVIDUAL RIGHTS
PROGRAM GRANTEEES

SUBJECT : SUPPLEMENTARY INSTRUCTIONS FOR COMPLETING THE SF-
269, FINANCIAL STATUS REPORT, UNDER THE BASIC SUPPORT
PROGRAM

BACKGROUND: State Vocational Rehabilitation agencies are required to use the SF-269,
Financial Status Report, to report to RSA the status of funds for the Basic
Support Program. **See Attachment A, SF-269 and general instructions.**

The report must be submitted to the RSA Regional Office on a quarterly
basis until all obligations of Federal, State and program income funds are
liquidated.

RSA uses the SF-269's to monitor the financial status of the program and
to assess compliance with the fiscal requirements contained in the
Rehabilitation Act of 1973, as amended. Therefore, the reports must be
accurate and submitted timely.

This Circular provides supplementary instructions to State agencies on
preparing the SF-269 for the Basic Support Program. **See Attachment B,
Supplementary Instructions for Standard Form 269, Basic Support
Program.**

CITATIONS

IN LAW : Sections 3(b), 19, 107(a)(2)(H), 107(a)(2)(I) and 108 of the Rehabilitation
Act of 1973, as amended.

CITATIONS

IN

REGULATIONS: 34 CFR 76.702, 76.707, 77.1, 80.3, 80.20, 80.22, 80.23, 80.24(b)(1), 80.25(g), 80.41 (b), and 80.50; 34 CFR 361.40, 361.60(b), 361.63, 361.64.

EFFECTIVE

DATE : Issue Date

EXPIRATION

DATE : Until Retired

INQUIRIES : RSA Regional Commissioners

Deputy Commissioner
Rehabilitation Services
Administration

CC: American Indian Vocational Rehabilitation Services Program
Council of State Administrators of Vocational Rehabilitation
National Council for Independent Living
National Rehabilitation Facilities Coalition
National Association of Protection and Advocacy Systems
Regional Rehabilitation Continuing Education Program
(RRCEP)Grantees
RSA Senior Management Team

ATTACHMENT B

SUPPLEMENTARY INSTRUCTIONS FOR STANDARD FORM 269
BASIC SUPPORT PROGRAM

- BLOCK 1. FEDERAL AGENCY AND OTHER ORGANIZATIONAL ELEMENT TO WHICH REPORT IS SUBMITTED. Department of Education, RSA.
- BLOCK 2. FEDERAL GRANT OR OTHER IDENTIFYING NUMBER ASSIGNED BY FEDERAL AGENCY. Award Number from Block 4 of the grant award.
- BLOCK 3. RECIPIENT ORGANIZATION. Name and address of State agency.
- BLOCK 4. EMPLOYER IDENTIFICATION NUMBER. DUNS Number from Block 7 of the grant award.
- BLOCK 5. RECIPIENT ACCOUNT NUMBER OR IDENTIFYING NUMBER. State agency's internal tracking number.
- BLOCK 6. FINAL REPORTS. If yes, Blocks 10.k, 10.l, 10.m and 10.s are zero. All obligations must be liquidated and all program income disbursed. If no, the agency has unliquidated obligations and/or undisbursed program income.
- BLOCK 7. BASIS. CASH OR ACCRUAL. Indicate the type of accounting system the agency is operating under: cash, accrual, or modified accrual. For cash, receipts are recorded when received and expenditures are recorded when paid without regard to the reporting quarter in which the receipts are earned or the costs incurred. For reports prepared on an accrual basis, receipts are recorded when earned, and accrued expenditures are recorded when goods or services are received, regardless of when cash is received or paid. It is permissible for an agency to use a modified-accrual basis for reporting program expenditures. To report accrual information such as unliquidated obligations, the State agency is not required to convert its accounting system to the accrual basis, but shall develop such accrual information through an analysis of the documentation on hand. (34 CFR 80.3 and 80.41(b)(2))

Note: A State agency can report using either the cash or accrual basis of accounting. However, if a State changes from one basis to another, the State agency

should inform RSA of the change.

BLOCK 8. FUNDING PERIOD. The time period established by the Act that limits the time Basic Support Program funds may be obligated. A State agency that obligates all of its grant funds by September 30 of the year of the appropriation or cannot qualify to carry over grant funds should use a one-year funding period. A State agency that does not obligate all its Basic Support Program funds by September 30 of the year of the appropriation, but reports sufficient non-Federal matching funds in the year of the appropriation to carry over unobligated Federal grant funds, should use a two-year funding period. (Section 19 of the Act; 34 CFR 361.64)

GRANT PERIOD. The grant period is one year. (34 CFR 77.1)

Note: Federal funds which remain unobligated at the end of the year of appropriation may be carried over for obligation in the succeeding fiscal year only to the extent that the State agency complied with the matching requirement applicable to the Basic Support Program for the fiscal year for which the funds were appropriated. (34 CFR 361.64(b))

BLOCK 9. PERIOD COVERED BY THIS REPORT. The SF-269 report for the Basic Support Program is cumulative and is submitted by quarters, based on the Federal fiscal year. The period covered is always the beginning date of the grant through the end of the reporting quarter. For example, if the report is for the third quarter of FY 2001 the period covered is October 1, 2000 through June 30, 2001.

BLOCK 10. TRANSACTIONS:

a---TOTAL OUTLAYS. Report total outlays on a cash or accrual basis, whichever is applicable, in accordance with the general instructions in Attachment A. (34 CFR 80.3)

b---REFUNDS, REBATES, ETC. Refunds are recovery of excess payments due to cancellations, discounts or errors. Rebates are promotional incentives generated during the grant period.

Note: Refunds should be reported for the grant under which the expenditures were claimed. For example, a refund, received in FY 1999 for an expenditure claimed under a FY 1997 grant should be reflected on the

Financial Status Report for the FY 1997 grant. If the final report for the FY 1997 grant has already been submitted, that report should be revised and resubmitted.

c---PROGRAM INCOME USED IN ACCORDANCE WITH THE DEDUCTION ALTERNATIVE. The amount of program income deducted from total allowable costs. This reporting alternative is always available to a State agency even though the use of the addition alternative is also authorized in Basic Support Program regulations. (34 CFR 361.63(c)(3)(i) and (ii))

d---NET OUTLAYS. Total outlays (Block 10.a), minus the sum of Block 10.b and Block 10.c.

e---THIRD PARTY (IN-KIND) CONTRIBUTIONS. This Block should be zero. Third party (in-kind) contributions may not be used to meet the State's non-Federal share for matching purposes under the Basic Support Program. (34 CFR 80.3 and 34 CFR 361.60(b)(2))

f---OTHER FEDERAL AWARDS USED TO MATCH THIS AWARD. Outlays made from other Federal grant funds may be allowable costs if permitted by Federal statute. (34 CFR 80.24(b)(1))

g---PROGRAM INCOME USED IN ACCORDANCE WITH THE MATCHING OR COST SHARING ALTERNATIVE. This Block should be zero. RSA does not authorize the use of program income for match or cost-sharing purposes. (34 CFR 80.25(g)(3) and 34 CFR 361.63(c)(4))

h---ALL OTHER RECIPIENT OUTLAYS NOT SHOWN ON LINES E, F, or G. These outlays should be non-Federal expenditures meeting the matching requirements in 34 CFR 361.60(b).

i---TOTAL RECIPIENT SHARE OF NET OUTLAYS. The sum of Blocks 10.f and 10.h. (Blocks 10.e and 10.g must be zero.) This amount should be equal to or greater than 21.3 percent of total outlays. (34 CFR 361.60)

Note: Unless the State agency is submitting a correction to previously reported expenditures, the sum of the recipient's share of net outlays reported in Block 10.i (column III) and the recipient's share of unliquidated obligations (Block 10.l), should not increase after submission of the 4th quarter (year-end) Financial Status Report.

j---FEDERAL SHARE OF NET OUTLAYS. This amount should

be less than or equal to 78.7 percent of total outlays.
(34 CFR 361.60)

k---TOTAL UNLIQUIDATED OBLIGATIONS. Obligations incurred but not paid by the end of the reporting period. (34 CFR 76.707 and 80.3)

l---RECIPIENT'S SHARE OF UNLIQUIDATED OBLIGATIONS. That portion of unpaid obligations to be paid with funds meeting the requirements in 34 CFR 361.60(b).

Note: Unless the State agency is submitting a correction to previously reported expenditures, the sum of the recipient's share of net outlays reported in Block 10.i (column III) and the recipient's share of unliquidated obligations (Block 10.l), should not increase after submission of the 4th quarter (year-end) Financial Status Report.

m---FEDERAL SHARE OF UNLIQUIDATED OBLIGATIONS. That portion of unpaid obligations to be paid with Federal funds.

n---TOTAL FEDERAL SHARE. The sum of Blocks 10.j and 10.m.

o---TOTAL FEDERAL FUNDS AUTHORIZED FOR THIS FUNDING PERIOD. The cumulative amount shown on the last grant award received for the quarter or for the fiscal year, including amounts received during reallocation.

p---UNOBLIGATED BALANCE OF FEDERAL FUNDS. Block 10.o minus Block 10.n. (34 CFR 80.3)

q---DISBURSED PROGRAM INCOME SHOWN ON LINES C AND/OR G. Enter the amount from Block 10c. (Block 10.g must be zero.)

r---DISBURSED PROGRAM INCOME USING THE ADDITION ALTERNATIVE. The amount of program income funds used in accordance with the addition alternative. This block is actual disbursements, i.e., outlays. The outlay of all program income funds must meet the same standards of allowability in OMB Circular A-87 that are applicable to Federal funds. (Section 108 of the Act, 34 CFR 80.22 and 80.25(g)(2), and 34 CFR 361.63(c)(3))

Note: All Social Security reimbursements must be reported in the program in which they are earned (Basic Support Program) as well as in the program(s) in which they are used (Basic Support Program and other eligible programs). Any Social Security reimbursement funds

that have been used under other eligible programs should be reported as a disbursement in Block 10r, and specifically annotated in Block 12, Remarks, of the report. This income must also be shown as obligated and/or expended in Block 12, Remarks on the Financial Status Report of the eligible program into which the funds were transferred.

Example: Basic Support Program SF-269 - FY 2000

Block 10r. *Disbursed program income using the addition alternative* \$100,000*

Block 12. *Remarks.*

*Reported amount (\$100,000) includes \$15,000 in Social Security reimbursements transferred to and used in the Independent Living-Part B Program.

s---UNDISBURSED PROGRAM INCOME. The cumulative amount of program income received during the appropriation year but not yet disbursed. The amount to be reported here includes the total of both unobligated funds and unliquidated obligations. If reporting as of the end of the fiscal year of receipt, the amount of program income reported here is available for obligation during the subsequent Federal fiscal year. (Section 19 of the Act; 34 CFR 361.64(a))

Note: Before filing a final SF-269 report for the Basic Support Program, all program income must be: (1) disbursed per a legal obligation (Block 10.r), or (2) deducted as an offset to final total outlays (Block 10.c) which may result in an increased Federal unobligated balance (Block 10.p), or (3) with respect to Social Security reimbursements, transferred to an eligible program and disbursed in that program (Block 12).

t---TOTAL PROGRAM INCOME REALIZED. The sum of Blocks 10.q, 10.r, and 10.s.

Note: Unless the State agency is submitting a correction to previously reported program income receipts, the amount reported in Block 10.t should not increase after submission of the 4th quarter (year-end) Financial Status Report.

BLOCK 11. INDIRECT EXPENSE. Indirect costs are normally charged under Federal awards via an indirect cost rate. The rate is simply the percentage relationship of indirect costs to direct costs and is substantiated by a

standardized set of work papers referred to as the indirect cost proposal. Any State department or unit that wishes to claim indirect costs under Federal grants must prepare an indirect cost proposal and submit it to the cognizant Federal agency for approval. (OMB Circular A-87, Attachment A, Paragraphs B and F)

Note: Grantees claiming indirect expense based on an approved indirect cost rate should complete Blocks 11.a through 11.e.

a---TYPE OF RATE. At the time of approval, the Federal cognizant agency will determine and identify one of three kinds of agreements that the rate is based on -- Provisional/Final, Predetermined, Fixed with Carry Forward (FCF). Indicate the kind of agreement that is identified in the Federal cognizant agency approval.

b---RATE. Enter the indirect rate(s) approved by the Federal cognizant agency and the period(s) covered. For example: six percent (6%), July 1999 through June 2000.

c---BASE. Enter the total amount of expenditures (Base) that the indirect rate is being applied against.

d---TOTAL AMOUNT. Multiply Block 11.c by the percentage rate identified in Block 11.b and indicate that amount.

e---FEDERAL SHARE. Multiply Block 11.d by the percentage of Federal Financial Participation (78.7 percent) and indicate that amount as the claimed Federal share.

Note: Grantees claiming indirect expense based on an approved cost allocation plan, rather than an indirect cost rate, should leave Blocks 11.a, 11.b and 11.c blank, but should enter the total amount of indirect expense claimed during the reporting period in Block 11.d. The Federal share of the amount reported in Block 11.d (78.7%) should be reported in Block 11.e.

BLOCK 12. REMARKS. This Block **must** be used to report cumulative expenditures (including obligations) for innovation and expansion activities, as well as, the amount of Basic Support Program (Title I) funds expended (including obligations) for in-service training activities. Basic Support Program funds include Federal Title I funds, State matching funds, and program income. This Block can also be used to clarify and explain amounts reported, such as sources of matching funds, changes

from amounts previously reported, and transfers of Social Security reimbursement funds to eligible programs.

In addition, on the fourth quarter SF-269 and each quarter thereafter, note the amount of non-Federal (third-party) match that has restrictions as to its use under the VR program (e.g., cooperative programs, donations, establishment, construction, etc.).¹

Grantees expending funds for the establishment of a community rehabilitation program or the construction of a rehabilitation facility should also report total expenditures, Federal share and non-Federal share, for these projects in this block.

BLOCK 13. CERTIFICATION. The report must be signed and dated by the authorizing official. A financial status report submitted without a signature or a date is considered an invalid report.

SUBMISSION

OF THE REPORT: Send the original and two copies of the report to the RSA Regional Office serving your State.

¹ For the purposes of this reporting requirement, third parties include all entities external to the State VR agency, e.g., other State agencies, local government agencies, private organizations and individuals. The amount reported would include expenditures from funds earmarked by a contributor for the purpose of establishing or constructing a facility for a community rehabilitation program; expenditures under a cooperative arrangement (34 CFR 361.28) with a local government or other State agency; and expenditures from funds donated by an individual that are earmarked for any permissible purpose under the Basic Support Program.

However, do not include, for example, any expenditures made on behalf of the State VR agency from a central fund account maintained by the State's Department of Treasury which is used to pay expenses common to all State agencies such as fringe benefits, indirect costs, etc. Also, do not include any expenditures made from any set-aside funds under the Randolph-Sheppard program or any other State-VR-agency-supervised business enterprise program.