

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

TECHNICAL ASSISTANCE CIRCULAR  
RSA-TAC-01-02  
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, FOR THE INDEPENDENT  
LIVING SERVICES PROGRAM, PART B, INDEPENDENT LIVING,  
PART C, CENTERS FOR INDEPENDENT LIVING PROGRAM (IF  
ADMINISTERED BY A STATE AGENCY PURSUANT TO SECTION  
723), INDEPENDENT LIVING SERVICES FOR OLDER  
INDIVIDUALS WHO ARE BLIND PROGRAM, CHAPTER 2,  
SUPPORTED EMPLOYMENT PROGRAM, CLIENT ASSISTANCE  
PROGRAM, AND PROTECTION AND ADVOCACY OF INDIVIDUAL  
RIGHTS PROGRAM

BACKGROUND: State Vocational Rehabilitation agencies and other grantees are required to use the SF-269, Financial Status Report, to report to RSA the status of funds for the Independent Living Services Program, Part B, Independent Living, Part C, Centers for Independent Living Program (if administered by a State agency pursuant to Section 723), Independent Living Services for Older Individuals Who Are Blind Program, Chapter 2, Supported Employment Program, Client Assistance Program, and Protection and Advocacy of Individual Rights Program. **See Attachment A, SF-269 and general instructions.**

The report must be submitted to the RSA Regional Office on an annual basis until the grant (or period during which the grantee is authorized to liquidate outstanding obligations) has expired.

RSA uses the SF-269's to monitor the financial status of each 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 Vocational

Rehabilitation agencies and other grantees on preparing the SF-269 for the above programs. **See Attachment B, Supplementary Instructions for Standard Form-269.**

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 74.2, 74.21, 74.23, 74.24, 74.27, 74.52, 76.702, 76.707, 76.709, 77.1, 80.3, 80.20, 80.22, 80.23, 80.24, 80.25, 80.41, and 80.50; 34 CFR 361.60, 361.64, 363.51, 364.5, 364.6, 365.12, 365.15, 367.40 and 381.33

EFFECTIVE

DATE : Issue Date

EXPIRATION

DATE : Until Retired

INQUIRIES : RSA Regional Commissioners

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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

**SUPPLEMENTARY INSTRUCTIONS FOR STANDARD FORM 269 FOR THE  
INDEPENDENT LIVING SERVICES PROGRAM-PART B  
INDEPENDENT LIVING-PART C, CENTERS FOR INDEPENDENT LIVING PROGRAM  
(IF ADMINISTERED BY A STATE AGENCY PURSUANT TO SECTION 723)  
IL SERVICES FOR OLDER INDIVIDUALS WHO ARE BLIND PROGRAM  
SUPPORTED EMPLOYMENT PROGRAM  
CLIENT ASSISTANCE PROGRAM  
PROTECTION AND ADVOCACY OF INDIVIDUAL RIGHTS 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 or other grantee.
- 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 or other grantee'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/grantee has unliquidated obligations and/or undisbursed program income.
- BLOCK 7.** BASIS. CASH OR ACCRUAL. Indicate the type of accounting system the State agency or other grantee 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 period 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 a State agency or other grantee to use a modified-accrual basis for reporting program expenditures. To report accrual information such as unliquidated obligations, the State agency or other grantee 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) for State agencies; 34 CFR 74.2 and 74.52 for Nonprofit Organizations)

**BLOCK 8.** FUNDING PERIOD. The time period established by the Act that limits the time the grant funds may be obligated. A State agency or other grantee that obligates all of its grant funds by September 30 of the year of the appropriation should use a one-year funding period. With the exception of the IL-Part B and IL-Older Blind Programs, a grantee that does not obligate all its grant funds by September 30 of the year of the appropriation should use a two-year funding period to carry over grant funds. IL-Part B and IL-Older Blind grantees reporting sufficient matching funds by September 30 of the year for which the funds were appropriated should also use a two-year funding period to carry over grant funds. IL-B and IL-Older Blind grantees that do not meet the requirements to carry over grant funds should use a one-year funding period. (Section 19 of the Act; 34 CFR 76.709, 361.64, 364.6, 381.33(c))

GRANT PERIOD. The grant period is one year, which is the Federal fiscal year for which the grant funds were appropriated EXCEPT AS NOTED ABOVE. (34 CFR 77.1)

**Note:** Federal funds which remain unobligated at the end of the year of appropriation in the IL-Part B and IL-Older Blind Programs, 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 these programs for the fiscal year for which the funds were appropriated. (34 CFR 364.6(b))

**BLOCK 9.** PERIOD COVERED BY THIS REPORT. The SF-269 report for each grant program is cumulative and is submitted annually based on the Federal fiscal year. The period covered is always the beginning of the grant period through the end of the reporting period. For example, October 1, 1999 through September 30, 2000 for an annual report; October 1, 1999 through September 30, 2001 if funds were carried over from the FY 2000 year.

**BLOCK 10.** TRANSACTIONS:

**a---**TOTAL OUTLAYS. The issuance of checks or

disbursement of cash to liquidate an obligation. Outlays are the sum of actual cash disbursements. Outlays are made by the State agency or other grantee for allowable program expenditures. (34 CFR 80.3 for State agencies; 34 CFR 74.2 for Nonprofit Organizations)

**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 2001 for an expenditure claimed under a FY 1999 grant should be reflected on the Financial Status Report for the FY 1999 grant. If the final report for the FY 1999 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 must be used in the Supported Employment Program unless written prior approval is obtained from RSA to use the addition alternative. (34 CFR 80.25(g) for State agencies; 34 CFR 74.24(b) for Nonprofit Organizations)

**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 except for the Independent Living Services - Part B and IL-Older Blind Programs, which may have an entry here. (34 CFR 80.3, 34 CFR 361.60(b)(2), and 34 CFR 365.15)

**f**---OTHER FEDERAL AWARDS USED TO MATCH THIS AWARD. Outlays made with other Federal grant funds may be allowable costs if permitted by Federal statute. (34 CFR 80.24(b)(1) for State agencies; 34 CFR 74.23(a)(5) for Nonprofit Organizations)

**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) for State agencies; 34 CFR 74.24 for Nonprofit Organizations)

**h**---ALL OTHER RECIPIENT OUTLAYS NOT SHOWN ON LINES E, F, or G. These outlays should be outlays not reported on Lines e and f.

**i**---TOTAL RECIPIENT SHARE OF NET OUTLAYS. The sum of Blocks 10.e, 10.f and 10.h. (Block 10.g must be zero.) This amount should be equal to or greater than 10 percent of total outlays for the Independent Living - Part B and IL-Older Blind Programs. (34 CFR 365.12(b)(1))

**Note:** Unless the grantee is submitting a correction to previously reported expenditures in the IL-Part B and IL-Older Blind Programs, 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 year-end Financial Status Report.

**j**---FEDERAL SHARE OF NET OUTLAYS. The required amount under the grant agreement that will be paid with the Federal grant. This amount should be less than or equal to 90 percent of total outlays for the Independent Living - Part B and IL Older Blind Programs. (34 CFR 365.12(b)(1))

**k**---TOTAL UNLIQUIDATED OBLIGATIONS. Obligations incurred but not paid by the end of the reporting period. (34 CFR 76.707, 34 CFR 80.3 and 34 CFR 74.2)

**l**---RECIPIENT'S SHARE OF UNLIQUIDATED OBLIGATIONS. For the Independent Living - Part B Program, that portion of unpaid obligations to be paid by the recipient.

**Note:** Unless the grantee is submitting a correction to previously reported expenditures in the IL-Part B and IL-Older Blind Programs, 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 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 reporting period (Block 9),

including amounts received during reallocation.

**p**---UNOBLIGATED BALANCE OF FEDERAL FUNDS. Block 10.o minus Block 10.n. (34 CFR 80.3 and 34 CFR 74.2)

**q**---DISBURSED PROGRAM INCOME SHOWN ON LINES C AND/OR G. Enter the amount from Block 10.c. (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. 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 10.r and specifically annotated in Block 12, Remarks, of the Financial Status Report for the Basic Support Program. 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. (Section 108 of the Act, and 34 CFR 80.25(g)(2) and 34 CFR 74.24)

**Example 1:**        Basic Support Program SF-269 - FY 2000<sup>1</sup>

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

Block 12. *Remarks.*

\*Includes \$15,000 in program income transferred to and used in the Independent Living-Part B Program.

**Example 2:**        SF-269 Submitted for Independent Living (Part B) Program - FY 2000<sup>2</sup>

Block 10r. *Disbursed program income using the addition alternative*    \$5,000\*

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<sup>1</sup> In this example, the total program income received in the Basic Support Program during FY 2000 consists of the \$100,000 in disbursed program income shown above in Block 10.r, any program income used in accordance with the deduction alternative (Block 10.c), and any undisbursed program income reported in Block 10s.

<sup>2</sup> In this example, the total program income earned and reported as a disbursement in this program is \$5,000. However, the grantee also received and disbursed \$15,000 in additional program income that was transferred from the Basic Support Program. The receipt and disbursement of the transferred program income is reflected in Block 12 - Remarks. In addition, the grantee has provided additional information to clarify the total amount in program income expended under this grant program.

Block 12. *Remarks.*

\*Additional Program Income transferred from the Basic Support Program and used in this program - \$15,000. Total program income expended - \$20,000.

Note: The outlay of all program income funds must meet the same standards of allowability in OMB Circular A-87 for State agencies and OMB Circular A-122 for Nonprofit Organizations that are applicable to the expenditure of Federal funds. (34 CFR 80.22 and 34 CFR 74.27)

**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 year of receipt, the amount of program income reported here is available for obligation and expenditure during the subsequent Federal fiscal year. (Section 19 of the Act)

Note: Before filing a final SF-269 report for any of the subject programs, 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).

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

**Note:** Unless the grantee is submitting a correction to previously reported program income receipts, the amount reported in Block 10.t should not increase after submission of the 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 agency or other grantee 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 for State agencies and OMB Circular A-122 for non-profits)

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, or 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, July 1998 through June 1999.

**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 (90 percent for Independent Living - Part B and Independent Living -- Older Blind Programs) 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 should be reported in Block 11.e.

**BLOCK 12. REMARKS.** This Block is used to clarify and explain amounts reported, such as changes from amounts previously reported and the use of program income (Social Security reimbursement funds) that were transferred from the Basic Support Program. An example to clarify reporting requirements is provided under the instructions for Block 10.r.

NOTE: For the Supported Employment, Title VI-B Program, Federal regulations in 34 CFR 363.51(b) stipulate that no more than five percent of the allotment may be spent on administrative costs.

For the Protection and Advocacy for Individual Rights Programs, Federal regulations in 34 CFR 381.33(b) stipulate that an eligible system located *within a State agency* may not use more than five percent of any allotment for the costs of administration of the

program.

Of the total amount of outlays and unliquidated obligations reported for these programs, enter in this block how much was for services and administrative costs respectively.

**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.