

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

**TECHNICAL ASSISTANCE CIRCULAR
RSA-TAC-95-01
RSM-1050 1/
DATE: 10/27/94**

TO: STATE VOCATIONAL REHABILITATION AGENCIES (GENERAL)
STATE VOCATIONAL REHABILITATION AGENCIES (BLIND)
CLIENT ASSISTANCE PROGRAMS
PROTECTION AND ADVOCACY OF INDIVIDUAL RIGHTS
STATE SERVICES FOR INDEPENDENT LIVING
CENTERS FOR INDEPENDENT LIVING
REGIONAL REHABILITATION CONTINUING EDUCATION
PROGRAMS (RRCEPs)
SENIOR MANAGEMENT TEAM

SUBJECT: SUPPLEMENTARY INSTRUCTIONS FOR COMPLETING THE
STANDARD FORM 269 UNDER THE SECTION 110 PROGRAM

CITATIONS

IN LAW: Sections 3(b), 12(a)(4), 12(a)(5), 107(a)(2)(H) and 107(a)(2)(I) of the
Rehabilitation Act of 1973, as amended.

CITATIONS IN

REGULATIONS: 34 CFR 76.702, 80.3, 80.20, 80.23(b), 80.41, and 80.50

BACKGROUND: State Vocational Rehabilitation agencies are required to submit a Section
110 Financial Status Report, Standard Form 269, on a quarterly basis to
RSA. See Attachment A, SF-269 and general instructions. RSA uses
these reports to monitor the financial status of the program.

RSA monitoring during Fiscal Year 1993 indicated that State agencies are
experiencing difficulty in preparing financial status reports of the Section
110 program. About half the State agencies reviewed submitted reports
that had errors. In addition, State agencies have varying levels of
understanding on how to report program income to RSA.

This Circular provides supplementary instructions to State agencies on
preparing the SF-269 for the Section 110 program. See Attachment B,
Supplementary Instructions for Standard Form-269 Section 110 Program.

1/ Under Development

**EFFECTIVE
DATE:**

Date Issued

**EXPIRATION
DATE:**

None

INQUIRIES:

RSA Regional Commissioners

Commissioner
Rehabilitation Services Administration

**SUPPLEMENTARY INSTRUCTIONS FOR STANDARD FORM 269
SECTION 110 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.

Entity 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 10k, 10l, 10m and 10s are zero. All obligations have been liquidated and all program income has been 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. 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 accrual, receipts are recorded when earned and goods and services are recorded as they occur, regardless of when cash is received or paid. It is permissible for an agency to use a modified-cash accounting system. To report accrual information such as unliquidated obligations, the State agency is not required to convert its accounting system to the accrual basis but the agency is required to develop such accrual information through an analysis of the records on hand. (34 CFR 80.41(b)(2))

BLOCK 8. FUNDING PERIOD.

The time period established by the Act that limits the time Section 110 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 Section 110 funds by September 30 of the year of the appropriation and reports

sufficient non-Federal matching funds in the year of the appropriation should use a two-year funding period for carryover grant funds. (Section 19 of the Act, as amended)

Grant Period. The grant period is one year. (34 CFR 77.1)

Note: If a State agency obligates sufficient non-Federal funds in the year of the appropriation, the Section 110 funds qualify for carryover and may be obligated in the second year.

BLOCK 9. PERIOD COVERED BY THIS REPORT.

The SF-269 report for the Section 110 program is cumulative and is submitted by quarters, based on the Federal fiscal year. The period covered is the beginning of the grant period through the end of the reporting quarter. For example, if the report is for the third quarter of FY 1995, the period covered is October 1, 1994 through June 30, 1995.

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 for expenditures under the State Plan. (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 in the Federal fiscal year the expenditure was reported. For example, a refund, received in FY 1996, for an expenditure made in FY 1994 should be reported on the FY 1994 report. If the FY 1994 report has been submitted as final, the final FY 1994 report should be revised and resubmitted.

C PROGRAM INCOME USED IN ACCORDANCE WITH THE DEDUCTION ALTERNATIVE.

The amount of program income deducted upon receipt. This method of deducting costs is always available to a State agency even if the addition alternative has been approved. (34 CFR 80.25(g)(1)) and 34 CFR 80.21(f)(2))

D NET OUTLAYS.

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

E THIRD PARTY (IN-KIND) CONTRIBUTIONS.

This Block should be zero. Third party (in-kind) contributions are unallowable costs under the Section 110 program. (34 CFR 80.3 and 34 CFR 361.24(c))

F OTHER FEDERAL AWARDS USED TO MATCH THIS AWARD.

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 Policy Directive PD-92-04)

H ALL OTHER RECIPIENT OUTLAYS NOT SHOWN ON LINES E, F, or G.

These outlays should be State and local funds as defined in 34 CFR 361.76.

I TOTAL RECIPIENT'S SHARE OF NET OUTLAYS.

The sum of Blocks 10e, 10f, 10g, and 10h. This amount should be equal to or greater than 21.3 percent of final total outlays.

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 78.7 percent of final total outlays.

K TOTAL UNLIQUIDATED OBLIGATIONS.

Obligations incurred but not paid by the end of the reporting period. (34 CFR 76.707, 34 CFR 80.3, Policy Directive PD-94-05, and Information Memorandum IM-91-22)

L RECIPIENT'S SHARE OF UNLIQUIDATED OBLIGATIONS.

That portion of unpaid obligations to be paid with State and local funds.

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 10j and 10m.

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 10o minus Block 10n. (34 CFR 80.3)

Q DISBURSED PROGRAM INCOME SHOWN ON LINES C AND/OR G.

The sum of Blocks 10c and 10g.

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 as part of the program in which they are earned (Section 110) and used (Section 110 and other eligible programs). Transfers of any Social Security reimbursement funds for use under other eligible programs should be specifically annotated in Block 12, Remarks, of the report. (Section 108 of the Act, as amended, and 34 CFR 80.25(g)(2))

Note: The outlay of all program income funds must meet the same standards of allowability and applicability under OMB Circular A-87 as the expenditure of Federal funds. (CFR 80.22)

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

Note: Before issuing a final SF-269 report for the Section 110 program, all program income must be: (1) disbursed per a legal obligation (Block 10r), or (2) deducted as an offset to final total outlays (Block 10c) which may result in an increased Federal unobligated balance (Block 10p), or (3) transferred to an eligible program (Block 12).

T TOTAL PROGRAM INCOME REALIZED.

The sum of Blocks 10q, 10r, and 10s.

BLOCK 11. INDIRECT EXPENSE.

Indirect costs are normally charged to 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 workpapers referred to as the indirect cost proposal. Any State department or unit that wishes to claim indirect costs on Federal grants must prepare an indirect cost proposal and submit it to the cognizant Federal agency for approval.

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

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.

Indicate the indirect rate(s) approved by the Federal cognizant agency and denote its effective date. For example: six percent, July 1994 through June 1995.

C BASE.

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

D TOTAL AMOUNT.

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

E FEDERAL SHARE.

Multiply Block 11d 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 11a, 11b and 11c blank, and for Block 11d, enter the total amount of indirect expense charged to the Section 110 program during the reporting period. The Federal share of the amount reported in Block 11d should be reported in Block 11e.

BLOCK 12. REMARKS.

This Block is used to clarify and explain amounts reported, such as changes from amounts previously reported and transfers of Social Security reimbursement funds to eligible programs. In addition, on a quarterly basis, indicate the amount of expenditures for programs and activities identified in the agency's strategic plan for the innovation and expansion (I&E) of vocational rehabilitation services (the I&E part of Blocks 10j and 10m).

BLOCK 13. CERTIFICATION.

The report must be signed and dated by the authorizing official. A report is considered incomplete if not signed and dated.