
ALLOWABLE AND UNALLOWABLE ADULT EDUCATION EXPENDITURES

This list has been created to assist all ICCB Adult Education Providers in maintaining compliance with Federal and State financial compliance guidelines. The allowable and unallowable grant expenditures detailed below encompass guidance from both the ICCB Adult Education Manual and the Education Department General Administrative Regulations (EDGAR). Please note that this list is not all-inclusive, and if any questions should arise, it is appropriate to seek guidance and approval from Illinois Community College Board staff.

Allowable Expenditures

- Administrative costs
- Advisory Councils
 - In virtually all cases, using grant funds to pay for food and beverages for receptions and “networking” sessions is not justified because participation in such because participation in such activities is rarely necessary to achieve the purpose of the meeting or conference.
- Audit costs in accordance with the Single Audit Act (2 CFR 200 Subpart F)
- Bonding costs
- Career guidance and counseling
- Communication costs (Publications, Postage)
- Compensation for instructors (*salaries, wages, fringe benefits*)
- Contracted services
- Curriculum development
- Displays, demonstrations, and exhibits of Adult Education coursework/ projects
- Equipment
- Excursions/extended learning opportunities tied directly to Adult Education coursework (*i.e. industry site visits*)
- Indirect costs (*Limited to 5%*)
- Instructional materials and supplies
- Outreach activities (*newspapers, radio, TV, magazines*)
- Meetings and conferences where technical information is being disseminated
 - Generally, there is a very high burden of proof to show that paying for food and beverages with Adult Education funds is necessary to meet the goals and objectives of an Adult Education grant. When a grantee is hosting a meeting, the grantee should structure the agenda for the meeting so that there is time for participants to purchase their own food, beverages, and snacks.
 - For further information regarding the uses of Adult Education funds for food purchases, please see [OCTAE’s Guidance on Food, Meetings, and Conferences](#)
- Memberships and subscriptions in business and professional groups/organizations
- Professional development costs
- Professional service costs (*consultants*)
- Program evaluation
- Publication and printing costs
- Rental/lease costs of buildings and equipment
- Stipends
- Substitute teachers (*salary and benefits*)
- Transportation costs (*associated with excursions/extended learning opportunities tied directly to Adult Education coursework*)
- Travel for staff to Adult Education-related meetings and conference

Allowable and Unallowable Adult Education Expenditures

Unallowable Expenditures

- Administrative or supervisory salaries (*May be charged as an indirect up to 5% of the award or meet the conditions detailed in 2 CFR 200.413(c)*)
- Advertising and public relations designed to promote the provider, not the specific Adult Education program
- Alcoholic beverages
- Alumni/alumnae activities
- Audits other than the Programmatic and Single Audit
- Bad debts
- Commencement and convocation costs
- Conference travel unrelated to Adult Education program improvement or any international travel
- Consumable supplies to be made into products to be sold or to be used personally by students, teachers, or other persons
- Contingency or “petty cash” funds
- Contributions and donations
- Copyrights/patents
- Entertainment
- Equipment and supplies for building maintenance
- Equipment or supplies not used directly to teach skills to students, including electronic student response systems (*e.g. Quizdoms*)
- Equipment solely for use by the teacher, administrator or other staff members
- Excessive installation costs for equipment purchased with Adult Education funds
- Fines and penalties
- Food/drink that do not meet the high burden of proof of basic cost principles
- Fundraising
- Gifts, door prizes, rewards, and promotional materials (*t-shirts, pens, cups, key chains, book bags*)
- Goods or services for personal use
- Insurance/Self-Insurance
- Interest and other financial costs
- Items to be retained by students
- Lobbying and other political activities
- Membership (costs) in any civic or community organization, country/social club Monetary awards
- Non-Instructional furniture (bookcases, drawers, file cabinets, lateral files)
- Pre-award costs
- Purchase or lease of passenger vehicles including automobiles, trucks, buses, utility vehicles, airplanes, boats, and gift cards which are not expressly for instructional purposes.
- Purchase or construction of buildings/facilities, including permanent modifications for existing buildings/facilities
- Scholarships
- Standard classroom furniture, files, and equipment not specific and unique to the instructional program (tables, chairs, desks)
- Student travel (unless direct student support)

Allowable and Unallowable Adult Education Expenditures

Direct Student Support and Serving Special Populations Students:

It is the long-standing interpretation of the U.S. Department of Education that Congress intended to give States and eligible recipients the flexibility to use Adult Education funds to provide direct assistance to special populations under certain, limited circumstances. Special populations students include: displaced homemakers, economically disadvantaged, individuals with disabilities, individuals with limited English proficiency, individuals seeking nontraditional careers, and single parents. Support for special populations students must be properly documented. An eligible recipient, as appropriate, may use Adult Education funds to provide direct assistance if the following conditions are met:

- i. Students must be a member of a special population and participating in an Adult Education program
- ii. Assistance is provided to address an overwhelming barrier to successful participation
- iii. Assistance must be part of a larger set of strategies to address the needs of the special population
- iv. Funds should supplement not supplant assistance

Allowable Expenditures:

- Bus passes and other forms of transportation assistance
- Child care assistance
- Textbook loans
- Tool and other learning supply loans
- Travel support to Adult Education-related workshops, conferences, or Adult Education events
- Uniform loans

Unallowable Expenditures:

- Cash
- Gift cards
- Insurance
- Tuition and fees