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MEMORANDUM

TO: All Vermont Schools and AOE Staff
FROM: Bill Talbott, Deputy & Chief Financial Officer
SUBJECT: Clarifying the use of federal grant funds for conferences and meals
DATE: July 17, 2013

In May 2013 the US Education Department issued guidance regarding the use of federal grant funds for conferences and paying for meals in the form of a "Frequently Asked Questions" (FAQ) document. This guidance appears to be more restrictive than what our practice has been and we are now attempting to determine what changes need to be made internally and in our subgrants to the field.

Go to: <http://www2.ed.gov/policy/fund/guid/gposbul/gposbul.html> to read the FAQ.

Please see **question 6** in the [FAQ](#) as it addresses the topic of providing food and snacks at meetings. Determinations rely on the cost principle found in OMB Circular A-87, Appendix A. C.1., which states costs must "be necessary and reasonable for proper and efficient performance and administration of Federal awards." The new guidance indicates "a very high burden of proof to show that paying for food and beverages with Federal funds is necessary to meet the goals and objectives of a Federal grant." It goes on to say, "While these determinations will be made on a case-by-case basis, and there may be some circumstances where the cost would be permissible, **it is likely that those circumstances will be rare.**"

Subsequent to the FAQ, the Deputy Director for Student Achievement and School Accountability Programs issued a statement offering more direction. The Deputy Director states, "**This new guidance is generally intended to apply to professional meetings, including those that you may have with LEA staff**, and not to school-based events such as a Title I parent meeting." Please keep in mind however, for school-based events the amount spent should be reasonable and necessary to achieve the goals of the program.

Using federal funds to provide food at meetings **should not be the practice** but only reserved for those times when it is truly necessary. For example, avoid arranging meetings around a meal time if possible.

When an assurance can be made that using federal funds to provide food is necessary, the justification must be documented. Examples of the justification could include the following:

- A statement of necessity explaining why providing a meal is necessary and reasonable to meet the goals and objectives of the grant;
- Why the meeting must occur around a meal time;
- Why the meeting location was not set where meals can be purchased by participants;
- What is the per person meal cost.

When it is necessary to use federal funds for a meal expense for a meeting, the “reasonable” standard must also be met. Certainly keeping meal costs at or below the in-state meal cost allowances are acceptable, but in all cases keep the menu light and simple such as salads or sandwiches.

