



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

FEB 20 2014

Ms. Pat Kaiser
 Director, Federal Financial Management
 Missouri Department of Elementary and Secondary Education
 P. O. Box 480
 Jefferson City, MO 65102

Dear Ms. Kaiser:

As you know, in May 2013, the U.S Department of Education (ED) issued *Frequently Asked Questions to Assist U.S. Department of Education Grantees to Appropriately Use Federal Funds for Conferences and Meetings* (FAQs) [available at: <http://www2.ed.gov/policy/fund/guid/gposbul/gposbul.html>]. Those FAQs include a number of questions regarding using Federal grant funds to pay for food. As a general rule, the FAQs state:

Generally, there is 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. 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. In addition, when planning a meeting, grantees may want to consider a location in which participants have easy access to food and beverages.

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. Grantees, therefore, will have to make a compelling case that the unique circumstances they have identified would justify these costs as reasonable and necessary.

Since the FAQs were issued, you posed a number of scenarios regarding whether the “unique circumstances” referenced in this FAQ would include using Federal funds to provide meals during a “working lunch.” Some of those scenarios involve the use of Title I, Part A funds; others involve the use of funds from other Federal education programs. Because my responsibilities include Title I, Part A, I am responding with guidelines that address the use of Title I, Part A funds only. However, I believe the guidelines discussed below will be helpful to you in also evaluating the use of other Federal education funds.

Providing meals during a “working lunch” may be an allowable use of Title I, Part A funds if, in order to carry out a conference or meeting agenda within the time available, it is necessary to work through lunch. As noted above, however, a State educational agency (SEA) or local

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educational agency (LEA) must make a compelling case for this cost. As an initial matter, an SEA or LEA should determine whether a face-to-face meeting or conference is the most cost-effective way to conduct business or whether video conferencing or other technological approaches would suffice. Assuming a face-to-face meeting or conference is necessary, the SEA or LEA should determine if it is possible to accomplish the agenda of the meeting or the conference without working through lunch, because Federal grant funds may not be used to pay for a “working lunch” that is not necessary.

To evaluate the appropriateness of using Title I, Part A funds for a working lunch, an SEA or LEA should consider the following guidelines: *

1. *Is a working lunch necessary?* An SEA or LEA using Title I, Part A funds to host a conference or meeting should, before deciding that a working lunch is necessary, plan the agenda and, consistent with these guidelines, determine that there are no alternatives to working through lunch in order to accomplish all the key business of the conference or meeting. For that reason, it is not appropriate to decide — prior to planning the agenda — that a working lunch is desired or needed and then construct an agenda in order to justify that decision.
2. *Is the portion of the agenda to be carried out during lunch substantive and integral to the overall purpose of the conference or meeting?* Attendance during a working lunch must be necessary to ensure attendees’ full participation in substantive discussions, lectures, or speeches that are integral to the purpose of the meeting or conference. Inspirational talks, testimonials, entertainment, award ceremonies, and informal discussions among attendees or networking, in most instances, would not be an appropriate agenda item for a working lunch. If a working lunch is not justifiable, an SEA or LEA might offer attendees the opportunity to purchase a lunch that the SEA or LEA delivers to the conference or meeting site. Alternatively, the SEA or LEA might deduct the cost of lunch from any per diem paid to attendees. These options could suffice, for example, if there are not opportunities near the meeting site to purchase lunch or if disabilities prevent individuals from easily going off site to procure lunch.
3. *Is there a genuine time constraint that requires the working lunch?* If a conference or meeting agenda could, without unduly disrupting attendee schedules or making the day unreasonably long, e.g., starting an hour earlier or ending later, a working lunch might not be justified. If, however, an SEA or LEA has designed a day-long meeting in order to save lodging costs and some participants must travel a considerable distance to attend, a working lunch might be appropriate because, absent the working lunch, it would not be possible for the SEA or LEA to cover the entire agenda and still provide participants sufficient time to return home in order to avoid the additional costs of lodging.
4. *If a working lunch is necessary, is the cost of the working lunch reasonable?* A working lunch, when it is necessary, must also be reasonable in cost. Lunches that include extravagant components would not only raise appearance concerns, but also violate the requirements of the Education Department General Administrative Regulations and the cost principles that costs charged to Federal grants must be reasonable.

5. *Has the SEA or LEA carefully documented that a working lunch is both reasonable and necessary?* An SEA or LEA that is hosting a conference or meeting and determines that a working lunch is reasonable and necessary should carefully document its justification for using Title I, Part A funds for this purpose, including any cost savings that result from working through lunch. In the example above, avoiding lodging costs would likely result in considerable cost savings compared to paying for meals during a working lunch.

Please note that, aside from a working lunch that meets these guidelines, it is unlikely that other food and beverage costs for a conference or meeting — for example, breakfast, dinner, snacks, or networking receptions — would be reasonable and necessary and, therefore, an allowable cost under Title I, Part A. Moreover, please remember that entertainment costs, including costs for amusement, diversion, and social activities, are never allowable.

In providing this guidance, I want to make clear that it does not preclude an SEA or LEA from paying the travel expenses of those attending a conference or meeting that is necessary to carry out its Title I program, which could include a per diem for food. For example, an SEA may pay the travel and per diem costs for members of its Committee of Practitioners to attend regularly scheduled meetings of the Committee. Similarly, if an SEA or LEA is hosting a meeting and needs certain people to attend to effectively conduct grant business, such as a parent or teacher advisory meeting, the SEA or LEA may pay travel and per diem costs if they are reasonable and necessary and consistent with the SEA's or LEA's policies and procedures on travel and per diem. And, if an SEA or LEA provides a working lunch to conference or meeting attendees, the per diem of the attendees paid for with Title I, Part A funds should be reduced to reflect the fact that the attendee did not have to pay for lunch.

If you have questions about this letter, please contact Todd Stephenson of my staff at: (202) 205-1645.

Sincerely,



Monique M. Chism, Ph.D.
Director
Student Achievement and
School Accountability Programs

cc. Ms. Margie Vandeven