

relates directly to the financial resources available for carrying out the activities described. It is imperative, therefore, that the program staff work closely with the financial staff in the preparation of the Description of Projected Activities. Likewise the financial staff and program staff should collaborate in the preparation of the Estimate of Expenditures.

This description serves as justification to the U.S. Commissioner of Education for advance payment to States and also aids him to justify budget requests, expenditures, and appropriations.

Reports Due at the End of the Fiscal Year

Following the close of the fiscal year, each State is required to submit the Annual Report, which consists of three parts:

Part 1. Financial Report

Part 2. Statistical Report

Part 3. Narrative Report

The Financial Report shows expenditures in the various categories for the fiscal year. If adjustments of expenditures against the allotments of prior years are necessary, they also should be included on this form. Adjustments of audit exceptions and difference between reported obligations and final expenditures must be reported separately.

The Statistical Report provides the U.S. Office of Education with the data on personnel and projects in the various Title II categories needed to evaluate the program and show the degree of continuing need for financial support.

The Narrative Report is a document which summarizes and evaluates the progress of the State in its program to provide school library resources, textbooks, and other printed and published instructional materials for the use of the children and teachers in the elementary and secondary schools of the State. This document also serves, when compared with the Description of Projected Activities, to provide evidence of the extent to which the State has been able to improve its program within any given year.

It is essential that all three parts of the Annual Report be received in the Division of Plans and Supplementary Centers by September 1 so that the U.S. Office of Education can prepare its report to the Congress.

Reports Due During the Fiscal Year

During the fiscal year Statements of Anticipated Needs will be required. The Title II Regulations require that the amount of any State's allotment