

CHAPTER VI

FISCAL CONTROL AND FUND ACCOUNTING

A. Payments from the Allotments

Federal funds for Title II programs will be made available to the States through letter of credit procedures.

State Administration

Up to five percent of the total amount of the projects approved by the State for the first year and up to three percent of the amount of those for each succeeding year may be used for State plan administration. Costs of the kinds listed in Chapter I of the Guidelines may be charged against the portion of the allotment used for administration.

Acquisition

The allotment fund is for acquiring and making available school library resources, textbooks, and other instructional materials to children and teachers in public and private elementary and secondary schools. Funds needed to make the materials available for use, such as processing and delivering, or essential costs of processing by a public agency or by a commercial company, are allowable as a part of the acquisition cost. What is normally included in "processing" is described in Chapter V of these Guidelines. Preparation of purchase orders and other clerical work normally performed by the school business office staff are not included in acquisition costs, nor may any charges be claimed for distribution after the materials have been delivered to the initial place of use.

Services by Other Agencies

If the State agency administering the State plan arranges with other State or local public agencies to serve children and teachers in private schools, it may pay only for the services, subject to the same percentage limitation and other restrictions described elsewhere in this chapter.

In the event that the Commissioner is required to perform such services, the administrative costs of providing the services, as well as the cost of the materials made available to the children and teachers in private schools, will be deducted from the State's allotment.