

**Michigan Department of Education  
Office of Field Services**

**Title III, Part A  
Allowable Expenditure Guidelines and MEGS Function Codes**

Title III funds are supplemental and are to be used over and above the district's basic services and alternative programs designed to meet the educational needs of all language minority students (*Title VI of the Civil Rights Act of 1964; Lau v. Nichols, Castañeda Standards and OCR Policy*). The main objective of Title III is to accelerate students' English language proficiency and academic achievement in the core academic subjects. Funds are utilized to bring high quality language instruction educational programs, improve instruction and assessment, and provide research-based professional development and engage parents in the educational process of their children.

***Questions to ask when considering whether Title III Funds can be used without violating the Supplement, not Supplant Requirement:***

1. What is the instructional program/service provided to all students?
2. What does the Local Educational Agency (LEA) do to meet *Lau v. Nichols* requirements?
3. What services is the LEA required by other Federal, State, and local laws or regulations to provide?
4. Was the program/service previously provided with State, local, and Federal funds?

**When using Title III federal funds, the cost must meet the following requirements:**

**Reasonable**

A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.

**Allocable**

A cost is allocable to a cost objective if the goods or services involved are chargeable or assignable to the cost objective in accordance with the relative benefits received.

**Allowable**

A cost is allowable if it is necessary and reasonable for proper and efficient performance of the award and allocable to the award.

When meeting all three requirements, would the proposed funds be used to provide an instructional program/service that is in addition to or supplemental to an instructional program/service that would otherwise be provided to Limited English Proficient (LEP)/English Language Learner (ELL) students (or be required to be

provided by other laws/ regulations such as OCR or state laws) in the absence of a Title III grant?

**(Office of Management & Budget (OMB) Circular A-87)**

Here are some sample uses of Title III funds, which may be allowable IF they are determined to be supplemental:

- Extended day/year quality programs and interventions
- Supplemental personnel to support rigorous language and content area instruction and interventions **throughout the instructional day**
- Supplemental research-based, sustainable and job embedded professional development
- Supplemental instructional materials and supplies
- Supplemental and Title III-related parent notification, parent engagement and outreach-activities.

The following Function Code chart provides a partial listing of allowable expenditures commonly used by LEAs along with some examples of non-allowable items under Title III, Part A guidelines. This document is not intended to be exhaustive.

<b>120</b>	<b>Instruction-Added Needs:</b>
<b>125</b>	<p><b>Compensatory Education:</b> Costs for supplementary instructional services provided to eligible Title III LEP/ELL students. Example:</p> <ul style="list-style-type: none"> <li>• ELL/Immigrant supplemental instructional assistance in the form of resource teachers who provide individualized support to struggling ELLs</li> <li>• Paraprofessional/teacher aids to supplement OCR requirements</li> <li>• Supplemental educational supplies, outside of those provided by general funds</li> <li>• Reasonable and necessary supplies and snacks for before and after school programs for eligible ELL students</li> </ul>
<b>220</b>	<b>Instructional Staff Services:</b>
<b>221</b>	<p><b>Improvement of Instruction:</b> Costs for supplementary professional development for instructional staff designed to benefit eligible Title III LEP students. Example:</p> <ul style="list-style-type: none"> <li>• Instructional bilingual/ESL coaches to train teachers working with ELLs in research-based second language acquisition strategies, assessments and practices.</li> <li>• Cost for conference registration, workshops and in-services</li> <li>• Travel expenses and mileage</li> <li>• Training materials</li> <li>• Substitute cost for bilingual/ESL staff attending professional development that is focused on second language acquisition theory and practice</li> <li>• Stipends for completing and obtaining bilingual/ESL endorsements</li> </ul>

222	<b>Educational Media Services:</b> Costs for acquiring and planning the use of educational media for instruction of eligible Title III LEP/ELL students.
224	<b>Educational Television:</b> Costs for acquiring, planning and presenting educational programs by way of television for instruction of eligible Title III LEP students.
225	<b>Computer Assisted Instruction:</b> Costs for Title III LEP instructional activities when a computer is the principal medium of instruction Example: <ul style="list-style-type: none"> <li>Any supplemental media tools or resources, including scientifically researched based instructional DVDs, CDs, hardware, software, computer labs, workstations</li> </ul>
226	<b>Supervision and Direction of Instructional Staff:</b> Cost necessary to direct and manage the Title III LEP program ( <b>administrative and indirect cost cannot exceed 2% cap</b> ). Example: <ul style="list-style-type: none"> <li>Title III, LEP/ELL Director</li> <li>Clerical support staff</li> <li>Technician to enter Title III-related data and program information</li> </ul>
227	<b>Academic Student Assessment:</b> Supplemental diagnostic assessment of eligible Title III LEP/ELL students and other assessment necessary to evaluate the Title III program. Such tests must be over and above the state English Language Proficiency Assessment (ELPA) and content assessments.
230	<b>Support Services-General Administration:</b>
231	<b>Board of Education:</b> Costs for external audits of the Title III LEP program. ( <b>Administrative and indirect cost cannot exceed 2% cap</b> ).
250	<b>Business Support Services:</b>
252	<b>Fiscal Services:</b> Costs necessary for Title III LEP program budgeting, accounting and purchasing. ( <b>Administrative and indirect cost cannot exceed 2% cap</b> ).
270	<b>Pupil Transportation Services:</b>
271	<b>Pupil Transportation Services:</b> Cost for pupil transportation necessary for Title III LEP program operation. Example: <ul style="list-style-type: none"> <li>Supplement extended day/year educational program</li> <li>Expenditures for supplemental educational field trips that are aligned to program goals, objectives and strategies.</li> </ul>
330	<b>Community Activities:</b>
331	<b>Community Activities:</b> Costs for Title III, LEP/ELL parental involvement activities. Example: <ul style="list-style-type: none"> <li>Parent Advisory Committee (PAC) meeting refreshments, incentives, handouts, instructional materials, brochures</li> <li>Family literacy services and materials</li> </ul>

	<ul style="list-style-type: none"> <li>• Parent outreach activities such a bilingual/English as a Second Language (ESL) parent engagement educator or a bilingual liaison</li> <li>• Parent training activities</li> <li>• Postage cost for mailing notices to notify Title III required notices</li> <li>• Translation of written notices specific to Title III</li> <li>• Translation company to provide Title III required notices</li> <li>• Interpreters for Parent meetings specific to Title III</li> </ul>
<b>370</b>	<b>Non-Public School Pupils:</b>
<b>371</b>	<b>Non-Public School Pupils:</b> Costs of providing services to eligible Title III LEP students attending private schools and professional development, and parent engagement activities for private school staff.
<b>410</b>	<b>Payments to Other Public Schools:</b>
<b>411</b>	<b>Payments to Other Public Schools:</b> DO NOT USE THIS FUNCTION CODE. Payments to other school districts (including intermediate school districts) for Title III LEP services, supplies, and materials should be reported in the appropriate function code and object code 82xx.
<b>440</b>	<b>Payments to Other Governmental Entities:</b>
<b>441</b>	<b>Payments to Other Governmental Entities:</b> Costs of Title III LEP services provided by other government entities (e.g., Family Independence Agency).

**Two percent (2%) is the maximum allowed for administrative and indirect costs that are directly related to the Title III, Limited English Proficient (LEP) program.** Administrative costs include budget items in the following function codes: 226, 231, 252, 281, 282, 283, 284 and the amount budgeted for indirect costs.