



MICHIGAN DEPARTMENT OF
**LABOR & ECONOMIC
OPPORTUNITY**

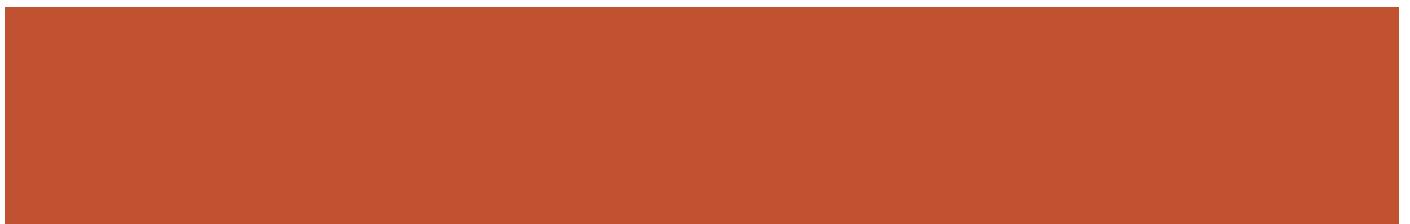


**WORKFORCE
DEVELOPMENT**

Budget Development Job Aid

**Talent Development Division
Adult Education**

Updated June 2025



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I. PURPOSE

As a supplement to the Adult Education Allowable Cost Policy, this document serves as a guide for fiscal agents entering the State School Aid Act, Section 107 and the Workforce Innovation and Opportunity Act (WIOA) Title II, Adult Education and Family Literacy Act (AEFLA) budgets in the Next Generation Grant, Application, and Cash Management System (NexSys).

II. GENERAL GUIDELINES

- All costs and activities must occur within the grant period of the funds (July 1 – June 30).
 - Grants provided under Section 107 Deferred, Section 107a, Special Projects, or Instructional Initiatives may have different grant periods.
- Budget descriptions indicate what is being paid for and the purpose/use of the cost.
- “Etc.,” “miscellaneous,” and other words that generalize or assume all-inclusiveness are insufficient budget descriptions and should not be used.
- For purchased/contracted services, identify the staffing agency or contractor. An upload of the contract may be requested.
- Enter FTE or hours information for all salary and benefits costs, regardless of direct or purchased/contracted service. Do not enter FTE and hours.
- When identifying a staff position, use the job title (e.g., adult education director, adult education coordinator, principal) consistently if used in multiple cost items and/or in multiple budgets.
 - Specify the level of instruction for instructional staff positions.
 - Salary and benefits must be prorated based on job functions and reported across function codes as practical.
- When costs (e.g., cell phone, professional development, computers) are related to a specific staff position, a reasonable portion of that individual’s salary and benefits must be in the same budget.

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- When costs (e.g., supplies, computers, textbooks) are related to a specific instructional area, there must be instructional salary and benefits for that instructional area in the same budget.
- When indicating dates, include the month and year.
- A tracking log must be maintained for tangible personal property purchased with adult education funding.
 - a. The log must include the item name, date of receipt, serial number (or other identification number), funding source, location, and disposition.
- When a location is included in the budget description, it must be listed on the Program Offerings page in NexSys and under Locations in the Michigan Adult Education Reporting System (MAERS).
 - a. Exceptions are locations not used for adult education classes (e.g., administrative offices, educational visits, conferences).
 - b. Location names must be consistent.
- When adding notes in the Section 107 application, it is important to include your district name, function code, and to which budget the note pertains, to assist finance staff in connecting the note to the correct budget item.

III. BUDGET DATA ENTRY

The following list is not exhaustive. Contact [LEO-WD Adult Education finance staff](#) for questions or guidance regarding budget items not listed.

BUDGET ITEM	BUDGET DESCRIPTION
Academic Student Assessments	<ul style="list-style-type: none">• Report each assessment on a separate budget line.• Identify specific assessment, delivery format, number of assessments, and cost per assessment. <p>Note:</p> <ul style="list-style-type: none">➤ Refer to the Adult Education Assessment Policy for a list of allowable assessments for WIOA Title II funds.
Advertising and Program Outreach	<ul style="list-style-type: none">• Identify method(s) being used.• Identify specific cost associated with each method. <p>Note:</p> <ul style="list-style-type: none">➤ Event fees, vendor table fees, sponsorships, and similar costs are not allowable costs.➤ Promotional items, gifts, gift cards, cash, door prizes, and souvenirs are not allowable costs.
Building/Site Improvements	<ul style="list-style-type: none">• A request for prior approval must be emailed to LEO-WD:<ul style="list-style-type: none">○ Include a detailed description of the proposed improvement.○ Identify location and building/site owner.○ Provide reasonable assurance that the adult education program will remain at that building/site for the foreseeable future to benefit from the improvement.

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	<ul style="list-style-type: none"> ○ Provide a justification for the improvement, including pictures to verify need. ○ Attach a formal estimate/quote. ○ Indicate the amount of school district funding supporting the improvement or provide an explanation if none. ○ State whether the location is used for adult education purposes only. If not, identify methodology for prorating the cost. <p>Note:</p> <ul style="list-style-type: none"> ➤ The building/site must be owned by the school district. ➤ Costs should be prorated and shared by a school district funding source. ➤ Building/site improvement costs are unallowable under WIOA Title II.
Cell Phone	<ul style="list-style-type: none"> • Identify staff position that will be using the phone to ensure correct function code. • Indicate the amount per month and timeframe. • State if used for adult education purposes only. <ul style="list-style-type: none"> ○ If not, identify methodology for prorating the cost.
Childcare	<ul style="list-style-type: none"> • Identify number and staff position(s). • Indicate if childcare is onsite or at an offsite state licensed facility. <p>Note:</p> <ul style="list-style-type: none"> ➤ Childcare services must be delivered in compliance with State licensing requirements. If parents or legal guardians are not immediately available to the children (in the same building as the childcare services), the childcare services must be provided by a State licensed provider. ➤ A tracking log must be maintained for all adult education participants that receive these services.
Copy Machine	<ul style="list-style-type: none"> • Specify location. • Specify instructional area, guidance services, or program administration to ensure correct function code. • State if used for adult education purposes only. <ul style="list-style-type: none"> ○ If not, identify methodology for prorating the cost.

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Corrections Education	<ul style="list-style-type: none"> Specify location. Identify number and staff position(s). Indicate instructional area to ensure correct function code (131/132). Complete FTE <u>or</u> hours. Report each position/instructional area on a separate budget line. <p>Note:</p> <p>➤ For Section 107, corrections education costs must be reported on separate budget line(s).</p>
Educational Visit (i.e., field trip)	<p>For each educational visit, include the following in the <u>budget description</u>:</p> <ul style="list-style-type: none"> Location to be visited and anticipated month/year. Itemized specific costs (e.g., transportation, entrance fees, other costs). Number attending and the adult education instructional area. <p>For each educational visit, provide the following additional information in the <u>Notes section</u>:</p> <ul style="list-style-type: none"> The course and standards-based curricular objectives for the visit. The student activities during the visit. How the location will contribute to the learning outcomes in a way that could not be achieved in the classroom. Amount to be paid by participants, if applicable. Any alternate funding being used to support the cost.
Facility Rent	<ul style="list-style-type: none"> Specify location. Indicate if the location is used for adult education purposes only. <ul style="list-style-type: none"> If not, identify methodology for prorating the cost. Indicate length of the lease and/or rental agreement. <p>Note:</p> <p>➤ A copy of the rental agreement may be requested.</p>
Foreign Postsecondary Credential Evaluation	<ul style="list-style-type: none"> Indicate how the credential evaluation is necessary to achieve the purposes of the Section 107 Special Program or WIOA Integrated Education and Training (IET) program. Indicate quantity and cost per credential.

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Furniture	<ul style="list-style-type: none"> Specify type of furniture and for whom (e.g., teacher, participant, or director). Indicate quantity and cost per item. Indicate where furniture will be located. State if used for adult education purposes only. <ul style="list-style-type: none"> If not, identify methodology for prorating the cost. <p>Note:</p> <ul style="list-style-type: none"> ➤ All tangible personal property purchased with federal/state funds remains the property of the district or region, as applicable, to be used for adult education purposes.
Graduation Costs	<ul style="list-style-type: none"> Identify specific items (e.g., diplomas, caps, gowns, invitations, programs, or facility/room rental). Include a justification for room rental costs, if applicable. <p>Note:</p> <ul style="list-style-type: none"> ➤ Food/beverages are unallowable. ➤ Graduation costs are unallowable under WIOA Title II.
High School Equivalency (HSE) Testing (GED®/HiSET®)	<ul style="list-style-type: none"> Report each test on a separate budget line. Identify specific test, delivery format, number of tests, and cost per test. Indicate that HSE-to-School vouchers will be used when possible. <p>Note:</p> <ul style="list-style-type: none"> ➤ Prorate cost to account for ineligible individuals if HSE testing is available to non-participants. ➤ HSE testing costs are unallowable under WIOA Title II.
Instructional Software and Online Curriculum	<ul style="list-style-type: none"> Identify specific software/curriculum. Indicate instructional area to ensure correct function code (131/132). Indicate quantity and cost per item.
Instructional Staff (teachers/instructors/parapros/aides)	<ul style="list-style-type: none"> Identify number and staff position(s). Indicate instructional area to ensure correct function code (131/132). Complete FTE <u>or</u> hours. Report each position/instructional area on a separate budget line.
Memberships (adult education related)	<ul style="list-style-type: none"> Identify specific organization. Identify number and staff position(s) to ensure correct function code.

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Mileage	<ul style="list-style-type: none"> Identify staff position and purpose of travel to ensure correct function code. Include number of miles and cost per mile. <p>Note:</p> <ul style="list-style-type: none"> ➤ Report general travel mileage under the same function code used for the position's salary and benefits. ➤ Use FC 221/283 for mileage related to professional development.
MWA Infrastructure Costs	<ul style="list-style-type: none"> Specify Michigan Works! Agency (MWA) location(s). If more than one location, specify cost per location.
Occupational Training	<ul style="list-style-type: none"> Identify specific Career and Technical Education (CTE) course or training program. Identify specific CTE costs (e.g., prorated salaries/benefits of CTE instructor (Section 107 Special Program) or occupational trainer (IET), or supplies/materials). <p>Note:</p> <ul style="list-style-type: none"> ➤ Equipment evaluated on a case-by-case basis and requires prior approval before purchase.
Professional Development (adult education related)	<ul style="list-style-type: none"> Identify specific activity, dates, and location. Identify number and staff position(s) of attendees to ensure correct function code. Identify specific costs associated with the activity (e.g., lodging, meals, mileage, registration). <p>Note:</p> <ul style="list-style-type: none"> ➤ Complete and upload the Out-of-State Travel form, if applicable.
Secondary Vocational (CTE courses as part of Section 107(14))	<ul style="list-style-type: none"> Identify specific CTE course. Identify how the CTE coursework is used to satisfy adult education programming. Identify specific secondary vocational costs (e.g., prorated salaries/benefits of secondary vocational instructor, supplies/materials). <p>Note:</p> <ul style="list-style-type: none"> ➤ Equipment is unallowable for Secondary Vocational.
Substitute Permit Fees	<ul style="list-style-type: none"> Identify number and staff position(s). Indicate instructional area to ensure correct function code (131/132). <p>Note:</p> <ul style="list-style-type: none"> ➤ Prorate cost if permit will be used to substitute in both K-12 and adult education. ➤ Prorate cost between FC 131 and 132 if permit will be used to substitute in adult basic and adult secondary education.

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Supplies and Materials	<ul style="list-style-type: none">• Indicate whether instructional supplies or office supplies.• Identify any supplies and materials not listed on the consumable supplies list below.• Include quantity and cost per item for electrical items and textbooks. <p>Note:</p> <ul style="list-style-type: none">➤ Report costs under the function code relative to which position or activity will utilize these items.➤ The items in the following list may be combined and reported as “consumable supplies” under the applicable function code(s) without detailing the items and quantities in the budget item description. These items must be off-the-shelf products, not products custom made with a name and/or logo. All items must be consumed during the program year that the items are purchased. <p><u>Consumable Supplies List</u></p> <ul style="list-style-type: none">• Binders• Correction fluid/tape• Dry-erase board cleaner• Envelopes• Erasers• Folders (including hanging and file folders)• Highlighters• Index cards• Markers (including dry-erase markers)• Paper (printer, writing, notebook, and chart paper)• Paperclips and binder clips• Pens and pencils• Printer ink/toner• Staples• Sticky notes/flags• Tape refills <p>LEO-WD reserves the right to request additional information to ensure all costs are reasonable, allocable, and necessary.</p>

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Technology	<ul style="list-style-type: none">• Identify item, quantity, and cost per item.• Specify location.• Identify activity and/or staff position to ensure correct function code.• State if used for adult education purposes only.<ul style="list-style-type: none">○ If not, identify methodology for prorating the cost.
Transportation Costs for Participants	<ul style="list-style-type: none">• Identify purpose (e.g., participant transportation to/from adult education program, educational visit, job fair, postsecondary institution, and MWA) and report each purpose on a separate budget line.• Identify specific method of transportation.• Identify specific cost per transportation method, including quantity and cost per item/method. <p>Note:</p> <ul style="list-style-type: none">➤ A tracking log must be maintained for all adult education participants that receive these services.
Utilities	<ul style="list-style-type: none">• Identify specific utilities and the costs associated with each utility, if applicable.• Specify location.• State if the location is used for adult education purposes only.<ul style="list-style-type: none">○ If not, identify methodology for prorating the cost.• Indicate timeframe of costs. <p>Note:</p> <ul style="list-style-type: none">➤ Do not separate utilities costs if part of rental/lease agreement cost.➤ If utilities costs are separate and the building is leased/rented, the rental agreement/lease may be requested to ensure utility costs are not also included in the agreement.➤ Water and sewage costs are reported in the purchased service category.➤ Electric and gas are reported in the supplies category.