

## Program Fees and Program Income

### 21st Century Community Learning Centers (21st CCLC)

The U.S. Department of Education (ED) has officially updated its guidance regarding program income/fees. Program Income is the gross income earned by the state or subgrantee/grantee that is directly generated by a supported activity or earned as a result of the federal award (21st CCLC) during the period of performance. A simple definition of sub-recipient/grantee program income is revenue generated directly from the 21st CCLC award and that is in addition to the federal funds provided by the state through its competitive grant application process. As a result of the updates, the existing prior approvals granted to state education agencies (SEAs), in accordance with Uniform Guidance § 200.307, will expire when the current subgrant cycle/cohort ends. States are now required to request prior written approval for program income on behalf of a subgrantee.

Moving forward, the Tennessee Department of Education (department) must provide the following information to ED on behalf of any subgrantee who charges program fees or generates program income:

1. A description of how the subgrantee plans to generate program income and an approximate amount of income likely to be generated;
2. An explanation of why the program income is necessary to achieve the goals and objectives of the program; and
3. A description of how program income funds will be tracked and reported to the SEA.

Once the department sends the request and it is received by ED, ED will review the request and work to provide a timely response. ED must approve the LEA's/SEA's request **before** the subgrantee may begin receiving program income/fees.

**IMPORTANT:** Subgrantees must follow the steps below to submit requests to the department by **Jan. 27, 2023**:

- LEA project directors must create the request, in writing, on agency letterhead, addressing each item (1-3) outlined above.
- Requests must be uploaded in the *Related Documents* section of the applicable funding application in ePlan (e.g., 21st CCLC Remaining Funds, 21st CCLC Cohort 2022) **no later than Jan. 27, 2023**.
- ED will review and notify the department of approval or denial of program fees and income for 21st CCLC programs.
- The department will notify subgrantees via comment on the funding application in ePlan, which will automatically email the subgrantee.

Questions regarding this process should be sent to [Extended.Learning@tn.gov](mailto:Extended.Learning@tn.gov).