

Program Fees and Program Income

21st Century Community Learning Centers (21st CCLC) and Lottery for Education Afterschool Programs (LEAPs)

New Applicants

The U.S. Department of Education (ED) has officially updated its guidance regarding program income/fees. As a result of the updates, the existing prior approvals granted to state education agencies (SEAs), in accordance with Uniform Guidance § 200.307, expires in 2023-24. 21st CCLC and LEAPs grantees are now required to request **prior written approval** for program income and fees. Please note that the process outlined in this document is based on information shared by ED in 2022-23 and may change as ED issues further guidance.

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.

For example, a Tennessee grantee wants to sell healthy snacks at afterschool events and re-invest the proceeds into its 21st CCLC program. If 21st CCLC program funds were used to purchase the snacks and other materials, then the revenue generated would be considered program income. In order to invest the program income into the 21st CCLC program, the grantee must first submit a request for written prior approval to earn program income (see below for more information). Upon receiving written approval from ED, the sub-recipient/grantee may generate and re-invest program income into its program.

Program fees are permissible only by approval from the Tennessee Department of Education (department) and ED. Per federal program guidance, fees may only be used to fund activities specified in the grant application. Note that programs must be equally accessible to all students targeted for services, regardless of their ability to pay. The priority of the program is to serve students who attend low-income and low-performing schools; therefore, a family's ability to participate must not be compromised through program fees. Program fees must be nominal and programs that charge fees may not prohibit any family from participating due to its financial situation. Programs that opt to charge fees must offer a sliding scale of fees and scholarships for those who cannot afford the program. **Again, no child can be excluded from the program if the student's family is incapable of paying the fee.**

Moving forward, the department will submit the subgrantee's request for program fees and income for 21st CCLC programs to ED. LEAPs programs will submit the same requested information, but the department will review and make these determinations. This request must include the following:

1. A description of how the subgrantee plans to generate program income/charge fees and an approximate amount of income likely to be generated;
2. An explanation of why the program income/fee is necessary to achieve the goals and objectives of the program; and

3. A description of how program income/fee funds will be tracked and reported to the SEA.
4. If program fees are being proposed, how the agency will provide a sliding scale of fees and how the agency will ensure that no children are being excluded based on their inability to pay the fee.

For 21st CCLC Programs: 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 request **before** the subgrantee may begin receiving program income/fees.

For LEAPs Programs: Once the agency submits the request and it is received by the department, the request will be reviewed, and a timely response will be provided. The department must approve the request before the subgrantee may begin receiving program income/fees.

IMPORTANT: Subgrantees must follow the steps below to submit requests to the department. See the current 21st CCLC or LEAPs Request for Applications for specific application timelines (found in [ePlan > TDOE Resources](#) > 5. Funding Applications and Grants > 21st CCLC/LEAPs Application Documents)

- LEA project directors must submit the request, in writing, on agency letterhead, addressing each item (1-4 as applicable) outlined above.
- Requests must be uploaded in the *Related Documents* section of the funding application in ePlan (e.g., 21st CCLC or LEAPs application) no later than the established due date of the application.
- ED will review and notify the department of approval or denial of program fees and income for 21st CCLC programs. The department will review and make determinations for LEAPs 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.