

To the listserv member addressed:

News from the Division of Grants Administration

Federal Cost Principles and Regulations Applicable to *All* LEAs, Including *All* Open-Enrollment Charter Schools

On May 13, 2013, TEA received clarifying guidance from the US Department of Education (USDE) regarding the federal cost principles applicable to open-enrollment charter schools. Refer to the “To the Administrator Addressed” letter posted on the [TEA Correspondence](#) page on [June 12, 2013](#), for details.

In accordance with the USDE guidance, beginning in the 2013–2014 school year and extending into future school years, ***all* LEAs, including open-enrollment charter schools operated by a nonprofit organization (NPO) or institution of higher education (IHE)**, will be governed by the cost principles in [OMB Circular A-87: Cost Principles for State, Local, and Indian Tribal Governments](#) (Title 2 of the Code of Federal Regulations [\[2 CFR\] Part 225](#)) and the regulations in [34 CFR Part 80](#).

For grants to charter schools that span multiple school years, such as Texas Title I Priority Schools, Cycle 2, for school years 2011–2012, 2012–2013, and 2013–2014, [OMB Circular A-87](#) and [34 CFR Part 80](#) will become applicable beginning in the 2013–2014 school year.

OMB Circular A-87 Reference Material

The following materials are linked to the Division of Grants Administration’s [OMB A-87 Communications](#) page, which can be reached from the Guidance section of the [Grants](#) page of the TEA website:

- The [June 12, 2013](#), “To the Administrator Addressed” letter. In the near future, TEA’s Division of Federal Fiscal Monitoring will post a separate letter to the [TEA Correspondence](#) page detailing the effects of the clarifying guidance for open-enrollment charter schools operated by an NPO or IHE.
- The Federal Cost Principles Side-by-Side, posted in the Allowable Cost Guidance section of the [Grant Management Resources](#) page
- The errata notice being posted along with application materials for all 2013–2014 grants
- The errata notice posted for the 2012–2014 Public Charter School Start-Up grant, which specifically informs new charter schools of the clarifying guidance

TEA will be updating grant reference material and supporting documents on an ongoing basis to reflect USDE’s clarifying guidance. As those updates are made, the links will be added to the [OMB A-87 Communications](#) page.

For Further Information

With any further questions related to the clarifying guidance, email the Division of Grants Administration at grants@tea.state.tx.us.

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