

Originating Agencies: Montana Office of Public Instruction (OPI) & Montana Office of the Commissioner of Higher Education (OCHE)
Publication Date: May 2026 | **Applicability:** Perkins V Local Allocation Grants

1. General Guidance for Perkins V Local Uses of Funds

All Perkins V expenditures must comply with all the legislative rules attached to those funds. This includes the local uses of funds outlined in the [Strengthening Career and Technical Education for the 21st Century Act](#) as well as the Uniform Grant Guidance requirements for grant management of federal funds. LEA's must adhere to the required uses of funds (Section 135 of the law), and funds must be used to develop, coordinate, implement, and improve career and technical education programs.

When utilizing Perkins funding expenditures, these expectations must be met:

- The funding is for the purpose of development, implementation, refinement or support of an approved CTE program or Program of Study.
- Funding is allocable according to the Perkins V Act.
- There is no supplanting. You cannot use federal funds to pay for series, staff, programs, or materials that would otherwise be paid for with state or local funds. In other words, the expenditure was not previously funded by local funding.
- The expenditure is reasonable and necessary for the plan's execution.

Funds available under Section 135 of Perkins V shall be used to support CTE programs that are of sufficient size, scope, and quality to be effective and that:

- Provide career exploration and career development activities
- Provide professional development for CTE professionals
- Provide within CTE the skills necessary to pursue careers in high-skill, high-wage, or in-demand industry sectors or occupations
- Support integration of academic skills into CTE programs
- Plan and carry out elements that support the implementation of CTE programs and that result in increasing student achievement of the local levels of performance established under section 113
- Develop and implement evaluations of the activities carried out with funds under Section 135

Refer to Perkins V Section 135 for a complete description of requirements for uses of funds at the local level.

2. Algorithm for Making Local Funding Decisions

When determining whether or not the use of federal Perkins V grant funds is appropriate, LEA leadership should consider the following questions:

- **Does this use of funds constitute “supplanting” of other funding sources?** For example, if an individual's salary was funded through state funds previously, federal Perkins V funding cannot be used to fund the salary

now or in the future unless the job duties have changed and have been documented in a revised position description. The position description must specify which duties are funded with Perkins grant funds and what percentage of the overall duties are funded by federal Perkins grant funds.

- **Is the expense reasonable?** Does it meet the intent of size, scope, and quality as specified in the Perkins V law and in the Montana state plan?
- **Is the expense necessary?** For example, what are the consequences if Perkins funds are not used?
- **Is the expense allocable?** For example, does the expenditure comply with one of the six required uses of funds specified in Section 135(b) of Perkins V and with the Education Department General Administrative Regulations (EDGAR)?

Be prepared to identify and describe the following specific considerations as they apply to the expenditure:

- Which Perkins V required use of funds under Section 135(b) is being addressed?
- How does the expenditure support the LEA's Programs of Study?
- How does the expenditure support the recruitment, retention, and training of CTE professionals?
- How does the expenditure support special populations as identified in Perkins V?
- Does your comprehensive local needs assessment support the expenditure?
- Is the focus of the expenditure on systems alignment and program improvement?

3. Size, Scope, and Quality

Section 135 of Perkins V states, "Funds made available to eligible recipients ... shall be used to support CTE programs that are of sufficient size, scope, and quality..." The Perkins V Act does not define size, scope and quality, but instead leaves it to individual states to interpret what that means. Montana has defined Size, Scope, and Quality as follows:

Criteria for Size

Postsecondary degree/career programs approved by the Montana Board of Regents or specifically approved by the State are eligible for Perkins funding.

Criteria for Scope

Postsecondary programs must include rigorous, coherent CTE content aligned with challenging academic standards culminating in a certificate or degree. Links must exist between the secondary and postsecondary programs of study. All Perkins funded programs must be aligned with business and industry as validated by a local business advisory committee.

Criteria for Quality

Eligible postsecondary recipients offer students the opportunity to participate in programs of study that lead to two of the following three: high-skill, high-wage and/or in-demand occupations. Postsecondary programs must include rigorous, coherent CTE content aligned with challenging academic standards.

4. Additional Guidance

For a particular cost to be allowable, it must be necessary and reasonable for proper and efficient performance and administration of the Perkins grant. A cost is reasonable if it does not exceed what LEAs would normally incur in the absence of federal funds. Additional guidance about standards for determining costs for federal grants is available

from the federal Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ([2 CFR Part 200](#)).

Salary and benefits of any individual charged to a federal grant, including Perkins, must be supported by **time and effort** documentation that accurately reflects the work performed and supports the amounts claimed against the grant. “Standards for Documentation of Personnel Expenses” are established by the OMB ([2 CFR § 200.403\(i\)](#)).

The United States Department of Education requires that, when taken together, the **combined** expenditures proposed for both indirect and direct administrative costs in a Perkins V allocation grant not exceed **5%** of the total grant amount.

OPI Perkins Prohibited Consumable Items Rule: Perkins does not allow consumable items. Examples: wood, metal, gas, groceries, seeds, soils, printer ink, filament, etc.

OCHE Material Supply Exception: Exceptions for consumable supplies would be those supplies used specifically for career and technical education exploration events (i.e. metal for a Women in Welding event that attracts potential gender non-traditional students to explore a career option).

5. Purpose Categories (OPI Chart of Accounts)

OPI requires tracking activities based on structural environment classifications. The Office of Public Instruction recommends budgeting all 900 Transfers under Purpose Code 10 Instruction, rather than breaking down transfers into multiple purpose codes. (Used only for IDEA B and Preschool. NCLB/ESEA Transfers and REAP-flex are handled on the Allocations page.)

10 Instruction: Activities dealing directly with the interaction between teachers and students.

20 Support Services

- **Instructional Staff:** Activities associated with assisting the instructional staff with the content and process of providing learning experiences for students (i.e., improvement of instruction services, designing curriculum).
- **Students:** Activities designed to assess and improve the well-being of students and to supplement the teaching process. Non-instructional paraprofessionals should be recorded here.

21 Parental/Family Involvement: Activities provided by and for parent/guardians to learn about the intellectual and developmental needs of their children and to participate constructively in their children's education.

22 Professional Development: Activities associated with high-quality professional development and training of school system personnel including in-service training and workshops.

23 Administration: Includes support services for general administration, school administrators (i.e., federal program staff at the district office, district facilitators), and business office.

27 Pupil Transportation: Activities concerned with the conveyance of students to and from school, as provided by state and federal law. Includes trips between home and school.

33 School and Community Support: Activities concerned with providing community services to students, staff, or other community participants. Activities performed by students that address a given community need and provide for structured opportunities linking tasks to the acquisition of values, skills, or knowledge by participating youths.

40 Facilities: Activities concerned with the acquisition of land and buildings; remodeling and maintenance of buildings; construction of buildings and additions to buildings.

6. Unified Budget Item & Object Code Matrix

The following table aligns the common budget items from the OCHE chart with the structural examples from the OPI Object Code document.

The following chart lists budget items commonly found in Perkins grants. The list is not exhaustive and includes mostly those items that have surfaced over time and that have prompted additional discussion or guidance. Additional guidance can be found in UGG's 2.C.F.R 200 Specific Cost Items. Costs that are generally permissible under UGG may be prohibited under the specific terms of Perkins V. If an item is unallowable for any of these reasons, federal funds cannot be used to purchase it.

Key Takeaways for Grant Requests

ALLOWABLE

CONDITIONAL

NOT ALLOWABLE:

Allowable

Allowable, but only under certain circumstances

Not Allowable

Budget Item & OPI Code		Guidance & Special Requirements	Aligned OPI Object Code Examples
ADMINISTRATION Object 100/200/300	ALLOWABLE	Administrative expenses are those expenses used for running the grant, not expenses related to providing direct grant services to students. Indirect costs are always administrative expenses. Direct/indirect admin cap is 5% total. Categories include: developing local application, supervising local application activities, supervising Perkins-funded staff, ensuring compliance, supporting local data systems, and professional development for administrators.	<ul style="list-style-type: none"> Federal program staff at the district office. District facilitators & business office support.
PROFESSIONAL STAFF Object 100	ALLOWABLE	<p>May be used for costs of:</p> <ul style="list-style-type: none"> CTE instructor positions, Technical instructional aide positions, Career counselor positions, Other instructional or professional staff providing services in a Perkins program. <p>May be used for staff funded partially with grant funds or from multiple grants when the employee divides time, provided records of time distribution are kept current.</p>	<ul style="list-style-type: none"> CTE Teacher to initiate a new program of study in an emerging or in demand area. Career Coaches, CTE Counselors or WBL Coordinators. CTE Teacher stipend for serving as Chapter Advisors for a CTSO. Substitute Teacher Salary while CTE teachers are attending CTSO events, WBL activities, or CTE professional development.

Budget Item & OPI Code		Guidance & Special Requirements	Aligned OPI Object Code Examples
STIPENDS Object 100	CONDITIONAL	<p>Stipends for staff employed by recipient LEA to perform tasks outside work hours and normal duties that support a Perkins program. Student stipends allowable to perform work directly related to career and technical education program improvement, provided there are no supplanting issues. Selection must comply with equal opportunity policies.</p> <p>✗ NOT ALLOWABLE: Staff attendance at meetings/PD unless there are follow-up activities/deliverables. Student stipends where the sole purpose is paying students to learn (e.g., hospital internships or co-ops).</p>	<ul style="list-style-type: none"> • CTE Teacher stipend for serving as Chapter Advisors for a CTSO. • Stipend for additional CTE related work outside of normal contracted employment. Example: Coordination of Summer Work-Based Learning for student to earn credit.
COMPENSATION – FRINGE BENEFITS Object 200	CONDITIONAL	<p>May be used for fringe benefits as allowances and services provided by employers to their employees as compensation in addition to regular salaries, wages, and stipends.</p> <p>✗ NOT ALLOWABLE: May not be used as prepaid debit and gift cards.</p>	<ul style="list-style-type: none"> • Should be calculated at 20% of salary cost.
PROFESSIONAL SERVICES COSTS Object 300	ALLOWABLE	<p>May be used for costs of educational professional and consultant services by persons who are members of a particular profession or possess a special skill and who are not employees of the school.</p>	<ul style="list-style-type: none"> • Curriculum Consortia. • Hosting speakers for industry, career exploration or training or professional development for staff held at school. • Technical Services (equipment repair or training).
CERTIFICATIONS Object 300 / 800	CONDITIONAL	<p>May be used for certifications for students within a special population category with prior approval.</p> <p>✗ NOT ALLOWABLE: May not be used to pay for an individual certification exam or test (e.g., Microsoft Office Specialist Certification licensing, OSHA Construction Safety Certification) for general populations.</p>	<ul style="list-style-type: none"> • Individual student testing costs are generally unallowable unless serving a special population under case-by-case approval rules.

Budget Item & OPI Code	Status	Guidance & Special Requirements	Aligned OPI Object Code Examples
PURCHASED PROPERTY SERVICES Object 400	RESTRICTED	Utilities, building usage charges, repairs and maintenance services, rent, minor construction.	<ul style="list-style-type: none"> • This is not typically used for Perkins funding - please contact CTE Specialist for approval.
TRAVEL COSTS / TRANSPORTATION Object 500	CONDITIONAL	<p>May be used for local travel for conferences, professional development, and field trips. Out-of-state travel requires justifying total costs, checking if similar training is in Montana, and justifying extra costs. May be used to transport students enrolled in CTE programs on field trips including college/registered apprenticeship visits.</p> <p>✗ NOT ALLOWABLE: International travel. May not directly pay individual students for transit. May not transport students for CTSO events.</p>	<ul style="list-style-type: none"> • Professional development: registrations, hotel, and transportation. • Teacher or Advisor travel: registration, hotels, and transportation. • Student travel: registration, hotels, and transportation for CTE program field trips including college/registered apprenticeship visits..
CONFERENCES & PD COURSES Object 500	CONDITIONAL	<p>May be used for costs paid by the school as a sponsor/host (facilities rental, speakers' fees, local transportation, incidental items). May be used for improving initial preparation and professional development of teachers, faculty, administrators, and counselors where deliverables benefit students/ programs.</p> <p>✗ NOT ALLOWABLE: Payments for food/beverages. Training outcomes that only benefit the individual teacher (e.g., training a plumbing teacher on new tech when there are no plans/equipment to upgrade the program).</p>	<ul style="list-style-type: none"> • Professional training and courses for educator skill sets. • Registrations, hotel, and transportation for professional development workshops.
PUBLICATIONS, PRINT & MARKETING Object 500 / 600	CONDITIONAL	<p>May be used only for publication costs for electronic and print media necessary to carry out the grant. May be used for marketing purposes necessary to meet requirements outlined in local application (e.g., awareness campaign for career exploration event).</p> <p>✗ NOT ALLOWABLE: Media cannot recruit to an individual college. Promotional materials are not allowable (cups, banners, folders, bags, key chains, gifts, t-shirts, etc.).</p>	<ul style="list-style-type: none"> • Printing or marketing for CTE Pathways, CTE programs outlined in grant application or CTE recruitment. <p>Not typically used in secondary grants</p>

Budget Item & OPI Code	Status	Guidance & Special Requirements	Aligned OPI Object Code Examples
<p>MATERIALS / SUPPLIES / SOFTWARE</p> <p>Object 600</p>	<p>CONDITIONAL</p>	<p>May be used for costs for materials, non-consumable supplies, and fabricated parts necessary to carry out the grant. Materials/supplies must represent most current and relevant technology and have a useful life of more than one year.</p> <p>✗NOT ALLOWABLE: Consumable, routine and general office supplies (pens, paper, workbooks, laptops, tablets, sandpaper, nails, etc.). See Section 4 for non-traditional career event exceptions.</p>	<ul style="list-style-type: none"> • Upgrading technology for CTE classrooms and laboratories. • Minor equipment specific to the program area; power/ and hand tools, culinary items, digital equipment, medical equipment, PPE, etc. • Textbooks for a new CTE program area or enrichment of a program resource library (Not ongoing updates - this should be a district expense). • Subscriptions for software (Adobe, iCEV, MyCAERT, PLTW, etc.).
<p>EQUIPMENT & CAPITAL PROPERTY</p> <p>Object 700</p>	<p>CONDITIONAL</p>	<p>Tangible, non-expendable personal property having a useful life of more than one year and an acquisition cost of \$10,000 per unit major equipment. Equipment requires property records, adequate safeguards, and maintenance procedures. May be used for exemplary instruction or start-up.</p> <p>✗NOT ALLOWABLE: Non-commercial/household grade equipment. Capital expenditures for general purpose equipment, buildings, land, or improvements that materially increase value/ life.</p>	<ul style="list-style-type: none"> • Capital outlay, including major construction and equipment usually >\$10,000. • Requires Pre-Approval by the OPI.
<p>MEMBERSHIP, FEES & CTSO COSTS</p> <p>Object 800</p>	<p>CONDITIONAL</p>	<p>May be used for fees/dues for instructional CTE Memberships in business, technical, and professional organizations. Student organizations are assisted especially to increase special population participation. May be used to purchase a classroom set of items.</p> <p>✗NOT ALLOWABLE: Individual memberships, social/dining/country clubs, lobbying, or civic organizations. May not buy supplies, jackets, and effects for students' personal ownership. May not transport/house students for CTSO conventions, nor purchase food for banquets/award ceremonies.</p>	<ul style="list-style-type: none"> • Teacher memberships for AAFCS, MAFCS, ACTE, MACTE, MAAE, NAAE, MBEA, WBEA, MITEA, ITEA, NCHE etc. • CTSO memberships for teachers or students: BPA, DECA, FCCLA, FFA, HOSA, SkillsUSA, TSA. • Instructional or organizational supplies for CTSO's. • Classroom set of Official Dress for CTSO students (cannot be for student ownership). • Professional and Industry Memberships for Educator necessary for their job.

Budget Item & OPI Code	Status	Guidance & Special Requirements	Aligned OPI Object Code Examples
<p>PROHIBITED GENERAL COSTS</p> <p>N/A</p>	<p>PROHIBITED</p>	<p>Federal statutory frameworks and specific state provisions completely deny grant funding for these items under any circumstance.</p>	<ul style="list-style-type: none"> • AUDIT SERVICES: May not be used for audit services expenditures. • COMMENCEMENT & CONVOCATION COSTS: May not be used for costs for commencement and convocation. • ENTERTAINMENT: Costs of entertainment, including amusement, diversion and social activities, and any associated costs. • FOOD: Never allowable. • INSTALLATION FEES: Expenses for installing equipment or materials, including wiring, is not allowable (unless professional setup is required to validate an equipment warranty). • TUITION COSTS: Tuition costs for students are not allowable.

7. Special Populations

Perkins V makes revisions and expansions regarding special populations. This allows for an increase in employment opportunities for populations who are chronically unemployed, including individuals pursuing nontraditional occupations by gender, individuals with disabilities, individuals from economically disadvantaged families, out of workforce individuals, youth who are in, or have aged out of, the foster care system, and homeless individuals.

Allowances may include supporting the costs associated with fees, transportation, childcare, or mobility challenges for special populations. Consult with OCHE on exceptional expenses for special populations.

Perkins V makes special populations include:

- Gender
- Race and ethnicity
- Migrant status
- Individuals with disabilities
- Individuals from economically disadvantaged families, low-income youth and adults
- Individuals preparing for nontraditional fields
- Single parents including single pregnant women
- Out of work individuals
- English-language learners
- Homeless individuals
- Youth who are in or who have aged out of the foster care system
- Youth with a parent who is on active-duty military