



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

FEB 27 2006

*Monetary rewards letter*

Ms. Lisa C. Saavedra  
Bureau Chief  
Bureau of Student Assistance  
Florida Department of Education  
325 W. Gaines Street, Suite 314  
Tallahassee, Florida 32399-0400

Dear Ms. Saavedra:

This is in response to your letter asking whether a local educational agency (LEA) may use funds provided under Title I, Part A and Part C of the Elementary and Secondary Education Act, as amended, to provide stipends to eligible at-risk children as an incentive for them to attend school during regular classes, participate in before- and after-school tutorial programs, or attend school-based and residential summer programs. Please be advised that an LEA may not use Title I, Part A or Part C funds for the purposes mentioned in your letter.

While an LEA has the flexibility to use Title I, Part A or Part C funds for various activities that would enhance the academic achievement of at-risk children served under Title I, these activities must meet the general standard established in Office of Management and Budget (OMB) Circular A-87. This document states that the use of funds for a specific purpose must be necessary and reasonable for the proper and efficient performance and administration of the program and be authorized and not prohibited under State and local laws or regulations. (See Basic Guidelines under Attachment A of OMB Circular A-87.) We do not believe that an LEA's use of Title I, Part A or Part C funds to pay cash stipends to students as a reward or incentive to attend class or to participate in Title I, Part A or Part C programs meets the reasonable and necessary standard because it is tantamount to paying students to attend class.

We do believe, however, that an LEA could use Title I, Part A or Part C funds to provide non-monetary rewards of a nominal value (e.g., a plaque, a gift certificate for a pizza, a book, etc.) to recognize students for good performance but not as an incentive to participate in a program. For the reasons outlined earlier, an LEA could not use Part A or Part C funds to give cash awards to students for good performance.

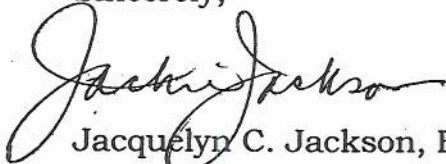
400 MARYLAND AVE., S.W. WASHINGTON, D.C. 20202

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Page 2 ~ Ms. Lisa C. Saavedra

We hope this clarifies our position. If you have any further questions, please let us know.

Sincerely,



Jacquelyn C. Jackson, Ed.D.  
Director  
Student Achievement and  
School Accountability Programs



Francisco Garcia  
Director  
Office of Migrant Education