

March 29, 2007

Note to Rachel Potter, OMB Desk Officer

Re: Change Sheet for ED 524, Budget Form (OMB No. 1890-0004)

The U. S. Department of Education (ED) proposes to clarify the instructions for the ED 524, Budget Form for Non-Construction programs by providing information to grant applicants on the types of information that they must include about the non-Federal portion of their proposed budgets, if applicable. The non-Federal portion of the budget includes non-Federal funds or resources that the applicant is using to meet cost-sharing or matching requirements or is proposing as a voluntary cost-sharing or matching commitment. Specifically, the applicant is instructed to include the specific costs or contributions by budget category; the source of the costs or contributions; and in the case of third-party in-kind contributions, a description of how the value was determined for the donated or contributed goods or services. In order to prepare the non-Federal portion of the budget for the ED 524, the applicant must already have had this information on hand in their internal grant accounting records. Under the Education Department General Administrative Regulations, 34 CFR 74.23 and 80.24, as applicable, a grantee is required to maintain this information regarding cost-sharing and matching resources. No additional burden is being created for the applicant by specifying that this information must be included with their ED 524 submission.

Please note that this revision to the ED 524 instructions is part of a corrective action under an ED Inspector General audit recommendation regarding ED's monitoring of matching requirements and will better assist ED staff in determining the allowability of costs proposed in the applicants' non-Federal budgets for meeting cost-sharing and matching requirements.

Thank you.

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