

**TEXAS WORKFORCE COMMISSION  
ADULT EDUCATION AND LITERACY LETTER**

<b>ID/No:</b>	AEL 08-15
<b>Date:</b>	June 22, 2015
<b>Keyword:</b>	AEL; Fiscal- Administration
<b>Effective:</b>	Immediately

**To:** Adult Education and Literacy Fiscal Agents  
Adult Education and Literacy Grant Recipients  
Local Workforce Development Board Executive Directors  
Commission Executive Offices  
Integrated Service Area Managers  
*Reagan Miller*

**From:** Reagan Miller, Director, Workforce Development Division

**Subject:** **Allowable Advertising and Public Relations Expenditures**

---

**PURPOSE:**

To provide Adult Education and Literacy (AEL) fiscal agents and grant recipients (AEL entities) with information and guidance on allowable advertising and public relations expenditures.

**BACKGROUND:**

To reach new student populations and increase enrollment, AEL entities are seeking guidance on allowable expenditures relating to advertising and public relations.

**PROCEDURES:**

**NLF:** AEL entities must be aware that the only allowable advertising costs are those that are solely for:

- the recruitment of personnel required for the performance by the institution of obligations arising under a sponsored agreement;
- the procurement of goods and services for the performance of a sponsored agreement;
- the disposal of scrap or surplus materials acquired in the performance of a sponsored agreement except when nonfederal and/or state entities are reimbursed for disposal costs at a predetermined amount; or
- other specific purposes necessary to meet the requirements of the sponsored agreement.

**NLF:** AEL entities must be aware that per Office of Management and Budget Circular A-21, “sponsored agreement” is defined as any grant, contract, or other agreement between the institution and the federal and/or state government.

**NLF:** AEL entities must be aware that the only allowable public relations costs are:

- specifically required by the sponsored agreement;
- used to communicate with the public and press pertaining to specific activities or accomplishments that result from performance of sponsored agreements (these costs are considered necessary as part of the outreach effort for the sponsored agreement); or
- used to conduct general liaison with news media and government public relations officers, to the extent that such activities are limited to communication and liaison necessary to keep the public informed on matters of public concern, such as notices of federal and/or state contract/grant awards, financial matters, etc.

**NLF:** Therefore, AEL entities must be aware that:

- if the above advertising and public relations costs are incurred specifically for participant outreach for the grant program, the costs are allowable; and
- in accordance with WD Letter 17-10, outreach and promotional materials that solely promote an organization are unallowable costs if the materials do not provide information that promotes program activities or goals. There must be no ambiguity on which service is being promoted.

*Note:* Please see [WD Letter 17-10](#) for further information.

**INQUIRIES:**

Direct inquiries regarding this AEL Letter to [aelpolicy.clarifications@twc.state.tx.us](mailto:aelpolicy.clarifications@twc.state.tx.us).

**RESCISSIONS:**

None

---

**REFERENCES:**

OMB Circular A-21, Cost Principles for Educational Institutions  
2 CFR §200.421  
Uniform Grant Management Standards  
Texas Workforce Commission Financial Manual for Grants and Contracts, Chapter 8  
WD Letter 17-10, issued May 11, 2010, and entitled “Outreach and Promotional Materials, Advertising, Sponsorships, Employee Apparel, and Award Ceremonies Charged to Grant Awards and Subawards Funded through the Texas Workforce Commission”

**FLEXIBILITY RATINGS:**

**No Local Flexibility (NLF):** This rating indicates that AEL entities must comply with the federal and state laws, rules, policies, and required procedures set forth in this AEL Letter and have no local flexibility in determining whether and/or how to comply. All information with an NLF rating is indicated by “must” or “shall.”

**Local Flexibility (LF)**: This rating indicates that AEL entities have local flexibility in determining whether and/or how to implement guidance or recommended practices set forth in this AEL Letter. All information with an LF rating is indicated by “may” or “recommend.”