New Hampshire Charter School Program Grant, Budget Guidance

This document is intended to serve as general guidance as to what is an allowable cost under the Charter School Program Grant and help you in planning, preparing, and amending your budgets under this program. FAQs, additional resources, and a list of costs that are not allowed are also provided at the back of this guide.

Getting Started:

- Federal non-regulatory guidance notes "If the charter school can show that the state or local funds it has received are necessary to meet expenses other than the one at issue, then the charter school has met its burden of showing that the 'other initial operations costs' cannot be met from state or local sources and, therefore, is allowable under the CSP grant." Costs must be incurred during the grant project period, connected to a grant objective, and **cannot** include ongoing operational costs.
- All costs must be ***necessary and reasonable for the proper and efficient performance and administration of the grant*.** Any expenditure included in your budget must be: Allowable, Reasonable, and Allocable.
    - Allowable: refer to the guidance within this document and in other sited sources (See Uniform Guidance §200.403)
    - Necessary: to achieve the goals and objectives of your project
    - Reasonable: generally considered ordinary, necessary, and good practice (See Uniform Guidance §200.404)
    - Allocable: incurred for and specifically applies to the goals and objectives of the grant
- Some costs are allowed only in certain phases and we have included that information in these tables.
- Please **do not copy and paste** the descriptions below into your budget form. These are meant to be explanations and examples to help you determine whether the cost is allowed and in what phase. Please include sufficient detail in your budget document to explain:
    - What is the expense, who will use it, when the expense will be incurred, where it will be used, for what purpose, and how much/many?
- If you are approved for a sub-grant, additional information may be required when you request reimbursement including specification sheets or additional justification. Refer to guidance in this document and in the other cited sources.
- All items submitted for reimbursement must be included on an approved budget in order to be eligible for reimbursement.
- All documentation associated with expenditures needs to be retained for a minimum of 3 years after your grant project is completed. Please see the appendix of this document for more guidance.

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Allowable Cost Quick Guide

Allowable Classroom, Instructional Support, & Operations Costs in Planning & Implementation Phases

- Furniture, Fixtures and Equipment
- Textbooks
- Library Books
- Consumable Supplies
- Computer Lab Equipment
- Computer Hardware and Software
- Instructional Staff Training
- Instruction & Curriculum Development
- Postage
- Outreach & Recruitment
- Portable Playground Equipment
- Professional Services & Consulting
- Stipends
- Limited Salaries (see detail)
- Limited Travel (see detail)
- Limited Technology Installations (see detail)
- Repairs and Renovations required by an official (see detail)

UNALLOWED Costs Regardless of Phase or Category

- × Athletics, Activities, Field Trips
- × Uniforms or Apparel
- × Cleaning Supplies
- × Cafeteria Supplies or Food Equipment
- × Construction
- × Food and Beverages
- × Incentives, Awards, Gifts
- × Landscaping & Permanent Playground Structures
- × Lobbying (or related expenses)
- × Promotional Items (imprinted advertising materials)
- × Recruitment Placement Fees
- × Renewals of Subscription/ Reoccurring Fees
- × Student Membership Fees or Scholarships

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Allowable Cost Guidance Detail

	Description & Examples	Phase Guidance	Minimum Documentation *(retain in your records)*	Restrictions (if any)
Salaries	▪ Salary for essential school employee(s) during pre-opening period. ▪ Salaries for teaching staff hired pre-opening ▪ Portion of salaries for staff performing allowable activities in planning or implementation	Salaries associated with retention and hiring of key staff are allowable in planning only. Staff members may provide their time or a portion of their time on approved activities such as curriculum development in implementation but requires extra documentation.	▪ Time and effort reporting ▪ Payroll records including timesheets ▪ Employment agreements/Offers of employment to verify salaries	▪ Teaching staff members are up to 3 months prior to opening ▪ For school developers and leaders for work directly related to opening the new school, expansion or replication during planning (up to 12 months)
Facility Expenses	▪ Mortgage, lease or rent payment for school facility PRIOR to the start date of school	Allowable in planning only	▪ Invoices or statements with paid receipts ▪ Rental/Lease Agreements	▪ No utilities ▪ Additional documentation may be required for extraordinary costs.
Materials & Supplies	▪ Student workbooks, testing instruments, expendable items which are consumed as they are used. ▪ Office supplies for original set-up ▪ ***Some examples include**: Workbooks, testing materials, paper, pencils, toner, student headphones, basic calculators, computers, etc.*	Allowable in both	▪ Invoices or statements with paid receipts ▪ For high-priced or unusual equipment, attach a product specification sheet for a comparable item ▪ Asset tagging and inventory where applicable	▪ Additional documentation may be requested for extraordinary items ▪ No re-occurring costs (paper, office supplies post school setup)

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Furniture and Equipment	▪ Durable goods with a reasonable life expectancy of over a year. ▪ Classroom furniture, front office furniture, library/media room ▪ ***Some examples include:*** *Projectors, screens, copiers, vans/buses, items over $5,000 for equipment, desk, tables, chairs, bookshelves, meeting tables, filing cabinets*	Allowable in both	▪ Invoices or statements with paid receipts ▪ For high-priced or unusual equipment, attach a product specification sheet for a comparable item ▪ Procurement procedure documentation including contracts or bids, if applicable ▪ Asset tagging and inventory where applicable	▪ Additional documentation may be requested for extraordinary items
Books *Textbooks and Library Books*	▪ Instructional books, classroom books, and library books ▪ May include electronic media or e-books ▪ May be used as non-circulating reference or for student and teacher check-out. ▪ ***Some examples include:*** *Textbooks, supplemental instructional aids, curriculum packages, encyclopedia sets, fiction and non-fiction books, novels, book series, book sets.*	Allowable in both	▪ Invoices or statements with paid receipts ▪ Procurement procedure documentation ▪ For bundles, kits, packages, attach *example* product specifications to document quantities of items included	▪ For e-book subscriptions, renewals are not allowable.

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Playground Equipment	▪ **Non-permanent**, portable playground equipment. ▪ Used as part of daily school curriculum. ▪ ***Some examples include:*** portable basketball hoops, playscapes, tetherball sets, bleachers.	Allowable in both	▪ Invoices or statements with paid receipts ▪ For high-priced or unusual equipment, attach a product specification sheet for a comparable item ▪ Procurement procedure documentation including contracts or bids, if applicable ▪ Asset tagging and inventory (if appropriate)	▪ Capitalized improvements are not allowable. ▪ Equipment cannot be permanently affixed to the building. ▪ Costs associated with construction activities (engaging and architect, engineer, landscape architect) are not allowable.
Technology Installations	▪ Installation of instructional networks and hardware. ▪ ***Some examples include:*** *installation of interactive systems, wiring computer lab, and installation and wiring of school-wide wireless network*	Allowable in both phases, but for single project only (cannot be for continued support or services)	▪ Invoices or statements with paid receipts ▪ Contracts with scope of services and cost breakdowns. ▪ Applicable procurement requirements were followed	▪ Capital improvements are not allowable. ▪ Renewing contract fees are not allowable.
Professional Development	▪ Training for instructional staff designed to contribute to their professional or occupational growth and competence. ▪ ***Some examples include****: In-service training, professional development, conferences, workshops, demonstrations, school visits to other charter schools*	Allowable in both phases	▪ Invoices or statements with paid receipts ▪ Scope of services with deliverables and/or expectation of outcomes for training. ▪ Must include dates and duration, number of staff to receive training.	▪ Additional justification may be requested for out-of-state travel ▪ Extraordinary costs may be denied. ▪ If travel is included, school must use the most economical travel arrangements.

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Professional and Technical Service *Legal, Financial, Marketing, Curriculum Development*	▪ Services which are designed to aid in developing curriculum and understanding techniques for instruction. ▪ Costs for service related to start-up expenses and organization development ▪ Audits, system setup ▪ ***Some examples include:*** *Consulting fees to develop program goals and objectives, assessment tools, curriculum, legal costs, bylaws, consulting fees to develop organization policies and business plan, accounting/auditing professional to develop internal controls, accounting systems, and the development of auditable financial processes/financial reporting, first year audit*	**Curriculum Development:** Allowable in **both;** however, focus during implementation should be improvement or refinement **Legal:** Set-up costs allowable ONE-TIME ONLY during Planning **OR** Implementation, not for on-going retainage or consulting.	▪ Invoices or statements with paid receipts ▪ Contracts with scope of services and cost breakdowns. ▪ Applicable procurement requirements were followed	▪ Extraordinary costs may require additional documentation
Insurance *Insurance and Bond Premiums*	▪ Insurance prepaid for up to one year ▪ ***Some examples include****: property, officers and directors' liability, fidelity bond, commercial liability, employee liability.*	Expense is allowed in **EITHER phase, but not both.**	▪ Copy of invoice and coverages ▪	▪ Costs allowable ONE-TIME ONLY during planning **OR** implementation Year 1 (not allowable in both phases).
Travel *Travel, Lodging, and Registration*	▪ Travel to attend conferences and training. ▪ ***Some examples include:*** *Training and professional development, site visits to other charter schools.*	Allowable in **both phases**	▪ Invoices or statements and paid receipts ▪ Record of attendance and itinerary showing location	▪ Additional justification may be required

Unallowable Cost Detailed Guidance

Apparel	▪ Student uniforms ▪ Athletic & extracurricular uniforms and costumes ▪ Staff uniforms
Capital Improvements	▪ Addition of permanent structural improvement or restoration of some aspect of a property that will either enhance the property's overall value or increase its useful life
Construction	▪ Construction of new facility ▪ Building renovations, refurbishments, and restoration (except as required by local/state agencies for health and safety)
Supplies	▪ Cleaning supplies
Food	▪ Food ▪ Beverages ▪ Equipment and supplies used exclusively for the service of food/beverages (cafeteria equipment)
Incentives	▪ Gift certificates ▪ Awards and gifts
Lobbying	▪ Lobbying or related expenses
Promotional items	▪ Promotional materials (often imprinted), such as pencils, pens, notepads (even under outreach) ▪ Fundraising costs
Recruitment	▪ Placement fees (employment advertising okay)
Recurring Expenses	▪ Rent/leases on or after first day of school ▪ Operating expenses and utilities, equipment leases, monthly and annual contracts ▪ Recurrent/repeated professional development and training ▪ Software license renewal costs (on a subscription previously paid) ▪ Fees such as monthly insurance and payroll services, management company fees, service contracts, trash disposal, gas/electric/phone/water/utilities, cell phones, etc.
Student	▪ Student membership fees, Scholarships ▪ Field Trips, After/Before School Programs, extracurricular activities ▪ Athletic (team/afterschool) equipment
Technology	▪ No electrical installation or modification to room dividers or existing walls, floors, ceilings, or structural elements. ▪ Installation of computer network cabling is only allowable when not already present and may not comprise a capital improvement to the property

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Additional Helpful Resources

The following are additional resources to assist you in understanding allowable costs under the CSP program:

- Elementary and Secondary Education Act (ESEA) 5204(f)(3)
- Uniform Guidance: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards - U.S. Department of Education
- Office of Management and Budget (OMB) Circular A-21, Cost Principles for Educational Institutions
- OMB Circular A-122, Cost Principles for Non-Profit Organizations
- U.S. Department of Education (ED) Charter Schools Program (CSP) Nonregulatory Guidance

Record Retention Minimums and Guidance

All sub-recipients of federal grant dollars are required to have a Record Retention Policy. For sub-recipients of Federal Charter School Program Grants, the Office of Charter Schools has established the following guidance for record retention.

Record Type	What to Keep	Minimum Retention Time
Assets & Equipment	✓ Asset and Inventory Tracking for Assets in Possession Including: • Unique Identifier and Description • Date of Purchase and Cost • Percent Purchased with Federal Dollars • Location of Property, Use and Condition ✓ For Disposed Assets: • Instructions/Policy Followed • Value at time of disposition, date of disposal, Sales prices, if applicable	3 years from last expenditure approval*
Financial Records	✓ Accountant Records and Audits ✓ Source Documentation, examples include: • Paid Invoices/Contracts/Purchase Agreements • Bank Statements • Fundraising Records • Payroll Records/Time and Effort Reporting • Authorizations/Purchase Orders	5 years from last expenditure approval
Grant Program Compliance Related Documents	✓ Lottery Records during funding period ✓ Annual Progress Reports during funding period ✓ Monitoring Documentation including CAP reports (provided after monitoring activities) ✓ Program Audits ✓ Program Measure/Assurance Documentation	3 years from last expenditure approval
Procurement Records	✓ Documentation of Proper Procurement Method Used • RFP Process Documents/Bid Documents/Price Analysis • Quantities and Totals ✓ Contract Documents ✓ Selection/Scoring Summary and Criteria ✓ Evidence of Proper Purchasing Approval/Authorization/Sign-offs	3 years from last expenditure approval

*This is general guidance from the State. Please note for real property and equipment, the federal government has greater standards for record retention depending on use. Please take this into account when building your policy.