



New Hampshire Charter School Office

Charter School Program Grant, GMS & Accounting Codes

GMS Project Entry Best Practices

GMS is NHED's grant management system. It is the only way to access your federal funding dollars that pass through the state of New Hampshire (Title Funds, CSP grants, etc.). This system allows schools to break down their individual grant or funding projects into manageable activities or goals. It also breaks the total award down into accounting codes for each of these activities. Together, the description of each activity coupled with the proper accounting code provides a clear picture of what the school is hoping to accomplish with each project. This plan becomes the working project on which you report monthly to the state on expenses incurred for reimbursement, drawing down from your award.

For CSP Sub-grantees, you will receive a startup project kickoff training where we will review your project budget submitted through the application process and obtain feedback to strengthen your project for entry into GMS. At this training, we will also review the GMS system, if you are new to it, so that you may understand how to enter your activities, submit your project for review, and make your monthly reports. Before you get started, this guide provides key information you need to consider when revising your grant budget and getting it ready for GMS entry. Topics in this guide include:

- Writing Activity ID Descriptions
- Budgeting with Function and Object Codes
- Equipment vs. Supplies
- Other Key Budgeting and Project Tips
- Common Codes

Writing Activity ID Descriptions

The CSP grant budget form was developed to give you a head start on your project entry into GMS. As you will see, GMS project entry requires that your project is organized by Activities IDs (6-digit number). Each Activity ID contains 5 parts, and while we review them in the CSP grant training sessions, we provided brief descriptions below.

- **Priority:** Each project has goals or milestones that need to be met in order to be successful. These are your priorities and will differ greatly depending on the size of the project and project type. For example, a priority could be to develop curriculum for some, or all of your students aligned to state standards.
- **Activities:** Activities are the smaller steps needed to achieve your overall priorities, and in the case of the GMS, these are the items and services you need to purchase. Activity descriptions should relay what and for whom. In the example above regarding curriculum, there are many activities that could be related to this priority such as:
 - Purchase up to 8 licenses for high school instructional staff to access XYZ curriculum package on ABC platform.



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- Professional services for a consultant to assist in the alignment of ELA, Math and Science to state standards
- **Performance Measurement:** How will you know you are on track and have purchased what you need per your plan? How will you know the activities have been completed as needed? Here is where many provide deadlines for the steps and milestones notes in the activities and priorities, and some prefer to provide quantity goals here instead of providing that in the activity. Either way is fine, as long as by the time your grant project reviewer has read through your priority, activity and performance measure sections, they know: what is being purchased, how many or much, for whom, and by when.
 - By August 25, 2024, all high school teachers will have access to the XYZ curriculum and will have attended 2 training sessions on the ABC platform.
 - By June 25, 2024, consultant will have delivered a crosswalk of our K-8 curriculum aligned to state standards.
- **Outcome:** During project entry, the outcome is a statement that is a check on the activities you have included to tie back to the priority. When you are reporting expenses for reimbursement, the outcome is a description or list of what was actually purchased.
 - Project Outcome: Curriculum and associated materials are created and available for staff and students at least one month prior to school opening.
 - Report Outcome: 6 licenses for ABC curriculum modules: \$6,000 and one-time administrative license fee for platform \$500.00.
- **Budget Breakdown:** We will review this in the next few sections, but this is where you provide a cost associated with the activities you have described and categorized the expenses by whom, what and how much.

Budgeting with Function and Object Codes

When entering your project into GMS, you will be working off the draft budget you developed during your grant application. The budget you submitted with your grant will need a review by the Office of Charter Schools and be further refined based on the feedback you receive. Some of the most common changes that need to be made include further breaking your activity expenses down into appropriate function and object codes to clarify expenditures.

- **Function Codes:** Function codes are four-digit numbers that identify the area of the school the expense supports. Each digit in the code further identifies and categorizes each expense for further clarity. Please refer to the final pages of this document for a list of codes. An example is provided below.
 - **2000 Support Services**
 - **2300 Support Services: General Administration**
 - **2310: School Board Services**
 - **2317: Audit**



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- **Object Codes:** Object codes are three-digit codes that describe the item or service being purchased. Again, each digit offers further definition and clarity of the expenditure. Please refer to the final pages of this document for a list of codes. An example is provided below.
 - **700: Property**
 - **730 Equipment**
 - **733 New Furniture and Fixtures**

Function codes and object codes are important because 1) they add a layer of transparency of items purchased with federal funds, and 2) they provide key information on the allowability of those expenditures. The more granular the codes are laid out in GMS, the better able the Office of Charter Schools is to provide feedback on allowability, helping to avoid findings and the need to pay back funds. Let's walk through an example that involves setting up your front office for operations and how these codes can provide more clarity for your project and the required reporting.





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Activity ID: 123456

PRIORITY:

Set-up an Administrative Office area that will house the school director, office manager, and up to two more administrative staff positions while providing a space to welcome students, families and visitors.

ACTIVITIES:

Purchase furniture for office area to include desks, chairs, tables, storage, copiers, computers, consumable supplies, peripherals, desk supplies, etc.

Purchase a security system for the school that includes monitors, cameras, and entry security.

Purchase software packages for administrative team including SIS, assessments, enrollment/admissions, accounting, and others needed to support the administrative team.

PERFORMANCE MEASUREMENT:

- 4 work areas will be fit out with desks, chairs, appropriate storage, computers and monitors, and supplies by March 1, 2024.
- The front office will have up to 2 copier/scanners to support the operations and teaching staff by April 1, 2024.
- A greeting/waiting area and a private meeting area will be set up with guest chairs and tables to support up to 8 people by March 1, 2024
- A private meeting area will be set up with tables and chair to accommodate up to 8 people by April 1, 2024.

OUTCOME:

The main office area for the school will be completely outfitted to support teaching staff and students, and welcome parents in time for admission meetings in May 2024.

Function Code	Object Code	CHARTER
2400 – Support Services – School Administration	733 – New Furniture and Fixtures	\$XX,XXX.XX
2400 – Support Services – School Administration	650 – Software	\$XX,XXX.XX
2400 – Support Services – School Administration	610 – General Supplies	\$XX,XXX.XX
4600 – Building Improvement Services	739 – Other Equipment	\$XX,XXX.XX
2400 – Support Services – School Administration	739 – Other Equipment	\$XX,XXX.XX
1100 – Regular Education Programs (PreK-12)	650 – Software	\$XX,XXX.XX
2400 – Support Services – School Administration	734 – New Computers and Communications Equipment	\$XX,XXX.XX
	Totals	\$XXX,XXX.XX

From the function and object codes given in the example above, we can easily tie the budget line items to the activities noted in the description. For example, while there are two software expenses, one is categorized as Support Services and the other is Regular Education Programs. We can assume, that the regular education program software ties to the assessment software noted in the activity description and the remainder of



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the software budgeted is to support the administrative team. By review the other object codes in this activity id, we can see furniture, computers, and general supplies are clearly labeled in the budget. Further, we can see there are two “other equipment” lines that are also tied to different functions. Equipment suggests “big ticket” purchases over \$5K. In looking at their activity description, can you identify two other purchases noted that could fall into these object codes?

As you can see, this level of detail allows the project reviewer to clearly trace the budget amounts to the goals of the activity id. (By the way, the answer above was the security system and copiers. Were you able to spot them?) Let’s see how this analysis shifts using higher-level, less specific codes.

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OUTCOME:

The main office area for the school will be completely outfitted to support teaching staff and students, and welcome parents in time for admission meetings in May 2024.

Function Code	Object Code	CHARTER
2000 – Support Services	700 – Property	\$XX,XXX.XX
2000 – Support Services	650 – Software	\$XX,XXX.XX
2000 – Support Services	600 – Supplies	\$XX,XXX.XX
	Total	\$XXX,XXX.XX



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Now imagine that these codes are combined with vague activity descriptions like *administrative furniture, equipment and supplies in year 1 or classroom and curriculum materials*. It makes it difficult to understand what, for whom, how much, and when.

Equipment vs. Supplies

One of the biggest issues we see with codes is the categorization of Property (700), the sub-category Equipment (730), and Supplies (600). 2 CFR 200.1 defines equipment as tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000. Items labeled 700 Property rather than drilling down a bit further to equipment or new vehicles are vague and can be red flagged for review. In general, these property codes should be reserved for larger item purchases categorized as an asset.

We see a lot of sub-grantees labeling new computer purchases as either “Property” (700) or “New Computers and Communications Equipment” (734). In practice, these purchases with federal funds could be listed as Supplies (600) or General Supplies (610) since their per unit cost is often less than \$5,000.

Ultimately, the choice where to categorize these expenses is up to you. Using codes that are more specific provides clarity in your project and could help avoid findings during monitoring. Regardless of how you categorize items like cameras, projectors, laptops, tablets, etc., these items are all considered pilferable and should be included in your inventory tagging and management process and procedures.

Other GMS Notes

Your budget in GMS takes the priority and activity of your project and breaks it out into budget line items that should somewhat align to your accounting system and the state’s budget/DOE 25 templates. It also helps to provide a check on the items you listed in your activity descriptions. In reviewing expenditures and activities in GMS, here are some of the more common issues that we have seen:

- **Travel Expenditures:** Schools have lumped travel expenses into their professional development budget line items. Since travel is a more restricted expense than professional development, we really should see that pulled out and separated. Consider using the 2213/580 to reflect the budget for travel expenses related to professional development.
- **Using 1100 Function Code Exclusively:** We want the function code to reflect the area of the school’s operation being impacted by the service purchased. Code 1100 is for expenses related to instruction and shouldn’t be used for all areas of operation. Please review the popular function codes in the following pages to help you better define the expense.
- **Bundling:** When we mention bundling in training under activities, we mean smaller activities that can be bundled together into a larger activity (the example we give is rather than having an activity to fit out 5th grade classrooms, have an activity to fit out 6 classrooms for



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3-5th grades to reduce the number of activities you are creating). We still want to see a good level of detail and breakdown in the budget section as given in the Example on page 2.

List of Common Codes

Below is a list of common codes. This list is NOT inclusive and does NOT include guidance on the types of expense each code should include. For more information and detail, please see the Accounting Handbook for LEAs (Appendix A located here: [Microsoft Word - Handbook 1999 Edition Updated August 2001.doc \(nh.gov\)](#)).

FUNCTION CODES

1000 Instruction

- 1100 Regular Education Programs (PreK-12)
- 1200 Special Programs
 - 1210 Special Education (for students with disabilities)
- 1300 Vocational Programs
- 1400 Other Instructional Programs (PreK-12)
 - 1430 Summer School
 - 1490 Other

2000 Support Services

- 2100 Support Services: Students
 - 2120 Guidance Services
 - 2122 Counseling Services
 - 2130 Health Services
 - 2134 Nursing Services
 - 2190 Other Support Services—Student
- 2200 Support Services-Instructional Staff
 - 2210 Improvement of Instruction Services
 - 2212 Instruction and Curriculum Development
 - 2213 Instructional Staff Training Services
 - 2290 Other Support Services—Instructional Staff
- 2300 Support Services-General Administration
 - 2310 School Board Services

OBJECT CODES

100 Personal Services—Salaries

- 110 Salaries of Regular Employees
- 120 Salaries of Temporary Employees
- 130 Salaries for Overtime

200 Personal Services—Employee Benefits

- 210 Group Insurance
 - 211 Health Insurance
 - 212 Dental Insurance
 - 214 Disability Insurance
 - 219 Other Group Insurance
- 220 Social Security Contributions
- 230 Retirement Contributions
 - 231 State Retirement for Non-Teachers
 - 232 State Retirement for Teachers
 - 239 Other Retirement
- 250 Unemployment Compensation
- 260 Workers' Compensation
- 270 Health Benefits
- 290 Other Employee Benefits

300 Purchased Professional and Technical Services

- 310 Official/Administrative Services



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- 2317 Audit

2000 Support Services (continued)

- 2318 Legal
- 2319 Other School Board Services
- 2320 Executive Administration Services
 - 2322 Community Relations Services
- 2500 Support Services—Business
 - 2510 Fiscal Services
 - 2514 Payroll Services
 - 2515 Financial Accounting Services
 - 2516 Internal Auditing Services
 - 2590 Other Support Services—Business
- 2600 Operation and Maintenance of Plant Services
- 2700 Student Transportation Services
 - 2740 Vehicle Servicing and Maintenance Services
- 2800 Support Services-Central
 - 2820 Information Services
 - 2824 Management Information Services
 - 2830 Staff Services
 - 2832 Recruitment and Placement Services

3000 Operation of Non-Instructional Services

- 3100 Food Services Operations

4000 Facilities Acquisition and Construction Services

- 4200 Site Improvement Services
- 4300 Architecture and Engineering Services
- 4500 Building Acquisition and Construction Services
- 4600 Building Improvements Service

- 319 Other Official/Administrative Services

- 320 Professional Educational Services

300 Purchased Professional and Technical Services (continued)

- 321 Professional Services for Instruction
- 322 Professional Services for Instructional Program Improvement
- 323 Professional Services for Pupils
- 329 Other Professional Educational Services
- 330 Other Professional Services
- 340 Technical Services

400 Purchased Property Services

- 410 Utility Services
 - 411 Water/Sewerage
 - 419 Other Utility Services
- 420 Cleaning Services
 - 421 Disposal Services
 - 422 Snow Plowing Services
 - 423 Custodial Services
 - 429 Other Cleaning Services
- 430 Repairs and Maintenance Services
- 440 Rentals
 - 441 Rental of Land and Buildings
 - 442 Rental of Equipment
 - 443 Rental of Vehicles
 - 444 Rental of Computers and Communications Equipment
 - 449 Rental of Other Equipment
- 450 Construction Services
- 490 Other Purchased Property Services

500 Other Purchased Services

- 510 Student Transportation Services
- 520 Insurance (Other Than Employee Benefits)



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- 530 Communications

500 Other Purchased Services (continued)

- 531 Voice Communications
- 532 Data Communications
- 533 Video Communications
- 534 Postage Fees
- 539 Other Communications
- 540 Advertising
- 550 Printing and Binding
- 560 Tuition
- 570 Food Service Management
- 580 Travel
- 590 Miscellaneous Purchased Services

600 Supplies

- 610 General Supplies
- 620 Energy
 - 621 Natural Gas
 - 622 Electricity
 - 624 Oil
 - 626 Gasoline
- 630 Food
- 640 Books and Information Resources
 - 641 Books and Other Print Media
 - 642 Electronic Information
 - 649 Other Information Resources
- 650 Software

700 Property

- 710 Land and Improvements
- 720 Buildings
- 730 Equipment
 - 732 New Vehicles



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- 733 New Furniture and Fixtures

700 Property (continued)

- 734 New Computers and Communications Networking Equipment
- 735 Replacement Machinery
- 736 Replacement Vehicles
- 737 Replacement Furniture and Fixtures
- 738 Replacement Computers & Communications Networking Equipment
- 739 Other Equipment
- 740 Depreciation
- 750 Capital Software Purchases

800 Other Objects

- 810 Dues and Fees
- 820 Judgments Against the LEA
- 830 Interest
- 840 Contingency
- 890 Miscellaneous Expenditures

900 Other Uses of Funds

- 910 Redemption of Principal
- 920 Housing Authority Obligations
- 930 Fund Transfers
- 940 Payments to Escrow Agents