



Monitoring Handbook for Charter Management Organization (CMO) Grantees

FY19 Grantees

Charter School Programs Monitoring

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I. Introduction

Monitoring the implementation of Federal programs and the use of Federal program funds is an essential function of the U.S. Department of Education (ED). This document describes the purpose, rationale, and process used by the Charter School Programs (CSP) office in monitoring the use of CSP funds by grantees to support the planning, initial implementation, replication, or expansion of charter schools. This document will be reviewed and revised periodically to reflect lessons learned and programmatic clarification.

Beyond ensuring compliance with Federal regulations, monitoring supports the alignment of grantee efforts with the goals of the CSP and the principles of the *Elementary and Secondary Education Act* (ESEA) of 1965, as amended by the Every Student Succeeds Act (ESSA). Monitoring provides ED and grantee stakeholders with the data necessary to make educational improvements and holds grantees accountable for ensuring that charter schools and their students are well-supported in their pursuit of academic excellence.

Monitoring and the Strategic Plan

ED's 2018–2022 *Strategic Plan*¹ focuses on teaching and learning for students at all levels from early childhood education to college and career. The goals focus on improving learning outcomes for students at each level; strengthening the quality and use of data; and improving the effectiveness, efficiency, and accountability of ED. Regular monitoring of ED grant programs, such as the CSP, contributes to the accomplishment of the objectives and strategies outlined in the plan. It also supports the core principles of ESEA by helping States and other grantees leverage the law to improve academic performance for all students.

The ED *Handbook for the Discretionary Grant Process* (2020) states that active discretionary grants are to be monitored with a focus on technical assistance, continuous improvement, and attaining promised results. Monitoring is intended to ensure that grantees achieve expected results and assure compliance with all related requirements. To support this work, ED has contracted WestEd to conduct monitoring activities for select grantees.

WestEd supports the CSP's risk management efforts by providing annual implementation data on a subset of grantees. Monitoring data can identify specific concerns or risk factors from individual grantees or trends across grantees. Risk management efforts include the following:

- Individual monitoring reports identify implementation issues and other discrepancies from the approved grant program
- Annual comprehensive monitoring and data collection reports
- Post-visit debrief calls identify any implementation concerns or potential risks immediately following a monitoring visit
- Select monitoring findings are used to inform grantee site visit selection for each year

¹ The Department of Education's Strategic Plan 2018–2022 is available at <http://www2.ed.gov/about/reports/strat/index.html>

Definition and Purpose of Monitoring

Monitoring is the regular and systematic examination of a grantee’s administration and implementation of a Federal education grant, contract, or cooperative agreement administered by ED. Monitoring the use of Federal funds has long been an essential function of ED, which monitors programs under the general administrative authority of the U.S. Department of Education Organization Act. Also, Section 80.40(e) of Education Department General Administrative Regulations (EDGAR) permits ED to make site visits as warranted by program needs.

ED policy requires every Program Office overseeing discretionary or formula grant programs to prepare a monitoring plan for each of its programs. The plans are designed to link established monitoring to achieving program goals and objectives; adhering to laws, regulations, and assurances governing the program; and conforming to the approved application and other relevant documents. Each Principal Office was advised to monitor (a) for results; (b) to ensure compliance with the law; and (c) to protect against waste, fraud, and abuse.

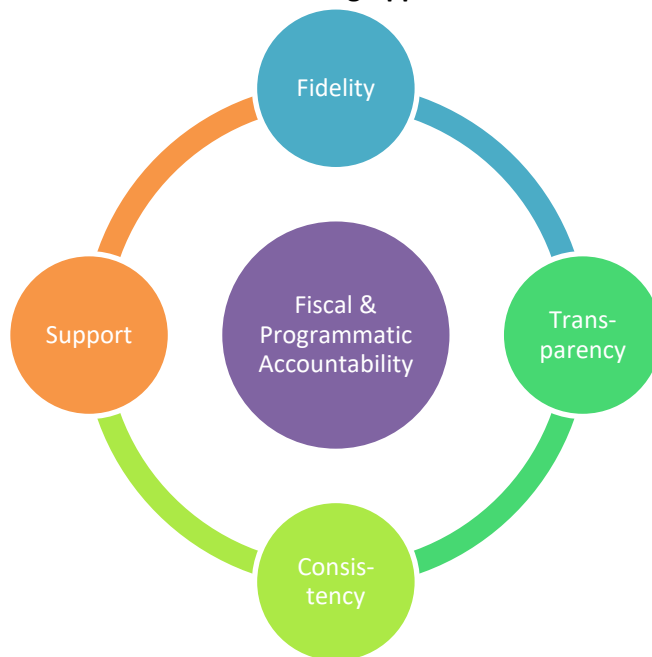
The primary purpose of WestEd’s monitoring approach is to ensure fiscal and programmatic accountability of programs and projects by providing objective implementation data. WestEd does this by using a monitoring approach that is uniquely designed for each program and focuses on critical concepts of program fidelity and financial responsibility. Complementary to this is an effort to support the quality of grant projects by identifying areas of noncompliance and technical assistance for corrective action and improvement. Our monitoring approach is based on four concepts:

- **Fidelity** to program requirements
- **Transparency** of monitoring expectations, content, and process
- **Consistency** in approach and analysis
- **Support** to stakeholders and participants

The central question to WestEd’s monitoring approach is whether or not the grantee is implementing its grant project as approved. Thus, monitoring serves not only as a means for helping grantees achieve high-quality implementation of their CSP grant project, but also helps ED to be a better advisor and partner in that effort. CSP monitoring efforts are designed to focus on the results of grantees’ efforts to implement critical requirements of the CSP using available resources and guidance. Information and data from monitoring also assist to inform the program’s performance indicators under the Government Performance Results Act (GPRA).

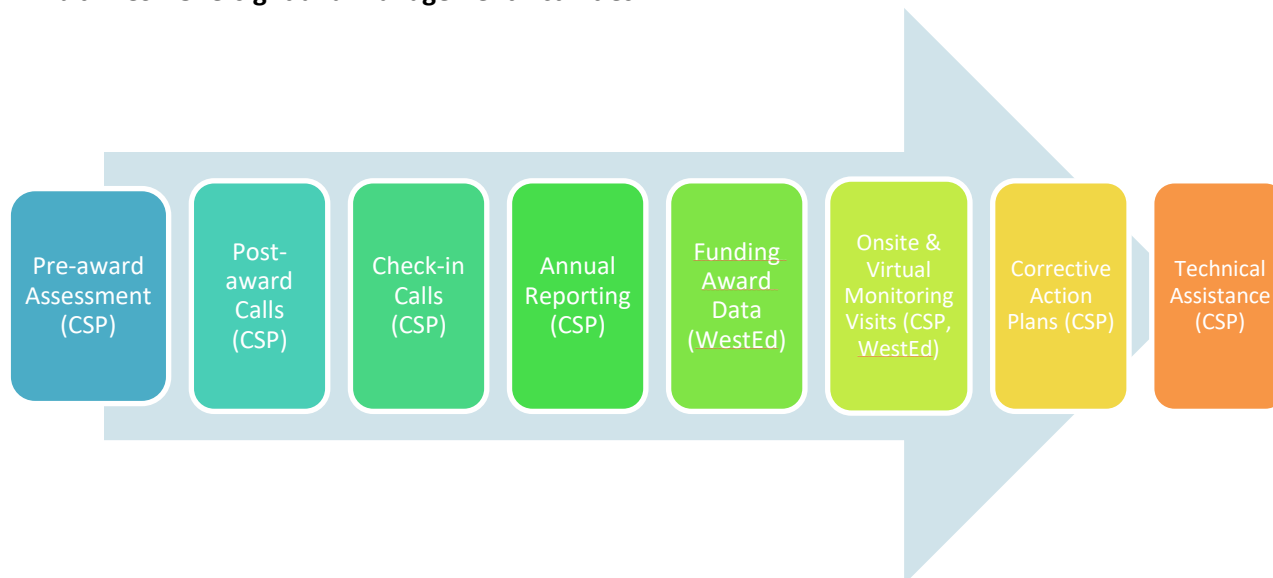
Monitoring and data collection occur within a larger realm of CSP oversight and management activities. The end goal of these activities is to mitigate risk as it relates to the awarded grants and the CSP. These program oversight and management activities include regular reporting requirements (e.g., Annual

Exhibit 1. Monitoring Approach



Performance Reports [APRs]), regular check-in calls, and other ongoing grant management activities. As Exhibit 2 illustrates below, monitoring and data collection are just two of several opportunities for CSP staff to collect information on grantee performance.

Exhibit 2. CSP Oversight and Management Activities



The information collected through the monitoring and data collection activities complement the existing CSP, Common Core of Data, and ED*Facts* project activities. This reduces the reporting requirements for grantees while providing a more complete picture of grant implementation and impact for the CSP.

Technical Assistance Approach

WestEd provides technical assistance to CSP grantees and staff throughout the course of monitoring activities. Technical assistance opportunities include the following:

- Monitoring preparations webinar for all grantees
- One-on-one pre-visit technical assistance calls for grantees selected to be monitored
- Monitoring sessions at annual CSP Project Directors meetings

In addition, WestEd project staff and monitors are available to troubleshoot any issues grantees have with monitoring preparations.

II. Data Collection Process and Methodology

CSP's monitoring plan will help grantees support student achievement by building capacity to improve the quality of charter schools and ensure program compliance. Each grantee will be monitored at least once during its program period. Through the WestEd monitoring process, the monitoring team will collect data specific to defined indicators to determine program compliance, performance, and risk. The monitoring process is a 'snapshot' of grantee implementation of the CSP grant from the beginning of the grantee's current performance period to the time of the monitoring site visit. Monitoring outside of the scheduled cycle may be arranged as needed if a

grantee has serious or chronic compliance problems or has unresolved issues identified by ED or through the monitoring process.

Exhibit 3. Monitoring Process



Pre-visit Preparations

Grantees and monitors are involved in pre-visit preparations. For the grantees, WestEd conducts both a pre-visit webinar for all grantees and individual meetings with each grantee to provide an overview of the monitoring process and to inform the grantee of its role in preparing for the site visit. Grantee roles include collaborating with WestEd to develop the site visit schedule and to upload documentation to a cloud-based system, as well as preparing for the interviews and focus groups. The grantee is expected to develop the agenda for the visit and upload documents relevant to each indicator to provide some indication of the status of its grant-funded project. All relevant documentation and the completed agenda should be submitted to WestEd four weeks prior to the visit.

Prior to every site visit, the monitoring team is responsible for studying the grant application and other documentation provided by CSP. The grant application enables the monitors to understand the proposed grant project. Additional documentation enables the monitors to gain a preliminary understanding of the implementation of some aspects of the proposed project. Documentation submitted by the grantee provides additional information on the project status and helps the monitors identify important questions to ask during the site visit.

Site Visits (Onsite and Virtual)

Onsite and virtual monitoring visits follow the monitoring approach and process noted above. All onsite multi-site visits include interviews with relevant grantee staff at their respective locations as well as at a subset of grant-funded school sites. Onsite single-site visits include interviews with relevant grantee staff at their respective locations. The scope of the virtual visits is guided by the same grant-specific indicator protocol; however, interviews for these visits are conducted via video conferencing. Virtual

monitoring visits have been used for Developer grantees historically and have become standard practice during the COVID-19 pandemic across all grant types. Until schools are open and travel is safe, all site visits will be conducted virtually.

- **Multi-site visits** are for grantees that have more than one grant-funded school supported by their grant. For these grantees, WestEd includes a subset of four to six grant-funded schools in the monitoring process. Visits to these grant-funded schools (regardless of onsite or virtual approach) include interviews with the School Director, Business Manager, and Governing Board members. For onsite visits, the monitoring team also does a brief walkthrough of the school.
- **Single-site visits** are for grantees that have one grant-funded school supported by their grant. For these grantees, WestEd includes staff from the grant-funded school in the interviews as appropriate.

Post-visit Debrief and Analysis

Following the completion of the site visit, the monitoring team synthesizes and analyzes all available evidence to understand the grant project implementation. In the week following the monitoring visit, WestEd schedules a debrief call with the CSP Program Officer and the monitoring team to discuss all preliminary monitoring findings. The intention of this debrief is to confirm the monitoring team's understanding of implementation observations, to highlight any immediate concerns for the CSP Program Officers, and to identify any additional information that is needed from the grantee to clarify preliminary findings.

Report Review and Finalization

All monitoring reports progress through a series of stakeholder reviews. Initially, the first draft is reviewed by the assigned CSP Program Officer and Team Lead (as needed). Upon completion of all CSP reviews and approval, WestEd sends the revised report to the grantee for a technical review. WestEd includes grantee comments in report revisions, as necessary, to ensure the technical accuracy. WestEd sends the revised report to CSP for final review and approval. WestEd finalizes the report after all reviews and revisions are complete.

Corrective Action Planning

Once reports are finalized, CSP Program Officers share final reports with grantees and initiate any necessary corrective action plans and related processes. Grantees are expected to identify corrective actions for each identified implementation issue in their finalized monitoring report and to work with their CSP Program Officer to rectify each implementation issue within one year. WestEd monitors typically do not participate in the corrective action planning process, but are available as needed to explain specific implementation findings.

III. Monitoring Indicators

The content of CSP's CMO grantee monitoring is based on the CMO's responsibility to carry out the CSP program and provide guidance and support to charter schools based on the requirements of the grant competition, Federal charter school law, and related nonregulatory guidance. Monitoring CMO implementation of CSP grant projects means examining closely CMO policies, systems, and procedures to ensure CMO and school compliance with Federal statutes and regulations and to support the goals of the CSP program.

ED uses clear and consistent criteria—monitoring indicators—to determine the degree of implementation of CMO programs and activities. CSP staff have developed indicators in the following three monitoring areas:

- Charter School Status and Application Fidelity
- Program Quality and Management
- Administrative and Fiscal Responsibilities

A more detailed discussion of each of these monitoring areas and the corresponding indicators is presented in the following sections.

Charter School Status and Application Fidelity

This section focuses on the CMO's obligation to meet certain statutory requirements and invitational priorities, and to implement the project as proposed. The requirements and priorities reflected in this section are related to the Federal definition of a charter school, program and management implementation, parent/community involvement, and student outreach and equal access. Specifically, the four indicators in this section address the grantee's performance in fulfilling its responsibilities to:

- Ensure that replication and expansion charter schools continue to meet the Federal definition of a charter school
- Implement the educational program described in its approved CSP grant application among its replication and expansion schools
- Implement the management plan described in its approved CSP grant application
- Inform students in the community about the replication/expansion charter school and give them an equal opportunity to attend the charter school

Program Quality and Management

This section focuses on how the CMO promotes high quality through expansion and replication schools that assist disadvantaged students, plans for evaluation, and appropriately collects and interprets data on its application objectives. Four indicators cover the grantee's responsibilities to:

- Expand existing or open new charter schools of high quality
- Continue to meet absolute priorities and implement competitive priorities
- Assist educationally disadvantaged students
- Implement its evaluation plan as proposed

Administrative and Fiscal Responsibilities

CSP grantees incur specific administrative and fiscal responsibilities under Federal law. This section focuses on the CMO's allocation of, use of, and controls over the CSP grant funds and other Federal funds, as well as associated responsibilities in administering the CSP grant. It includes indicators that cover the grantee's responsibilities to:

- Use grant funds only for allowable activities
- Use fiscal control and fund accounting procedures to ensure proper disbursement of and accounting for grant funds
- Comply with Federal statutes and regulations, recordkeeping requirements, and the terms and conditions of the grant

The use of these monitoring indicators ensures a consistent application of standards across monitoring teams and across CMOs. The published indicators provide guidance for all CMOs regarding the purpose and intended outcomes of monitoring by describing what is being monitored, the standards expected, and the acceptable evidence that will be used in judging the quality of program implementation.

IV. Monitoring Indicators and Acceptable Evidence

The indicators that will be used by the site visit monitoring team for each grantee are contained in this section. Each monitoring indicator includes a short title, the complete text of the indicator, the indicator sources and references, criteria for meeting the indicator, and lists of acceptable evidence that grantees and subgrantees must or can provide to show the grantee's compliance.

Section 1: Charter School Status and Application Fidelity

INDICATOR 1.1: DEFINITION OF CHARTER SCHOOL. The Charter Management Organization ensures each expansion and replication school meets the definition of a “charter school.”

<i>Criteria for Meeting Indicator</i>	<i>Examples of Acceptable Evidence</i>
<p>The CMO demonstrates how it ensures that each replication and expansion school receiving CSP funds meets the Federal definition of the term “charter school” throughout the period of Federal funding.</p>	<p>CMO guidance and procedures, such as monitoring plans or protocols, as related to the Federal charter school definition and State statutes, regulations, and policies regarding charter school definition in each applicable State</p> <p>Documentation that each replication and expansion school receiving CSP funds meets the Federal term “charter school”</p> <p>Proof of nonprofit status</p> <p>Performance contract and charter with authorizing agency</p> <p>Charter development materials and school policies related to educational program, admissions and lottery, autonomy and governance, nonsectarian status, nontuition status, compliance with IDEA</p>

Indicator Sources/References

ESSA Section 4310(2). Definitions.

(1) CHARTER SCHOOL. —The term ‘charter school’ means a public school that —

- (A) in accordance with a specific State statute authorizing the granting of charters to schools, is **exempt from significant State or local rules** that inhibit the **flexible operation and management** of public schools, but not from any rules relating to the other requirements of this paragraph;
- (B) is **created by a developer as a public school**, or is adapted by a developer from an existing public school, and is **operated under public supervision and direction**;
- (C) operates in pursuit of a specific set of educational objectives determined by the school’s developer and agreed to by the authorized public chartering agency;
- (D) provides a **program of elementary or secondary education**, or both;
- (E) is **nonsectarian** in its programs, admissions policies, employment practices, and all other operations, and is not affiliated with a sectarian school or religious institution;
- (F) **does not charge tuition**;
- (G) complies with the Age Discrimination Act of 1975, title VI of the Civil Rights Act of 1964, title IX of the Education Amendments of 1972, section 504 of the Rehabilitation Act of 1973, and part B of the Individuals with Disabilities Education Act;
- (H) is a school to which parents choose to send their children, and that—
 - (i) admits students on the basis of a lottery, consistent with section 4303(c)(3)(A), if more students apply for admission than can be accommodated; or
 - (ii) in the case of a school that has an affiliated charter school (such as a school that is part of the same network of schools), automatically enrolls students who are enrolled in the immediate prior grade level of the affiliated charter school and for any additional student openings or student openings created through regular attrition in student enrollment in the affiliated charter school and the enrolling school, admits students on the basis of a lottery as described in clause (i);
- (I) agrees to **comply with the same Federal and State audit requirements** as do other elementary schools and secondary schools in the State, unless such requirements are specifically waived for the purpose of this program;
- (J) meets all applicable Federal, State, and local health and safety requirements;
- (K) operates **in accordance with State law**; and

INDICATOR 1.1: DEFINITION OF CHARTER SCHOOL. The Charter Management Organization ensures each expansion and replication school meets the definition of a “charter school.”

(L) has a **written performance contract** with the authorized public chartering agency in the State that includes a description of how student performance will be measured in charter schools pursuant to State assessments that are required of other schools and pursuant to any other assessments mutually agreeable to the authorized public chartering agency and the charter school; and

(M) may serve students in early childhood education programs or postsecondary students.

INDICATOR 1.2: PROGRAM IMPLEMENTATION. The CMO implements the program described in its grant application in each of the replication or expansion schools funded by the grant.

<i>Criteria for Meeting Indicator</i>	<i>Examples of Acceptable Evidence</i>
The educational program implemented to date by the CMO in each of the replication and expansion schools and planned for the remainder of the grant period is substantially the same as that described in its approved application.	Documentation of the educational model(s) for replication/expansion schools, such as mission and vision statement, guidance to schools, monitoring protocols
The educational program implemented by the CMO in the replication and expansion schools enables all students to meet challenging State academic and performance standards.	Evidence that the implemented program enables all students to meet challenging State academic and performance standards, such as curriculum alignment documents, plans for educating educationally disadvantaged students, and interim assessments
The CMO is replicating and expanding schools as planned.	Documentation of efforts to ensure each replication and expansion school continues to implement the model described in its grant application throughout the period of Federal funding
The CMO is meeting the transportation needs of its students as planned.	Evidence of compliance with Title IX for any single-sex class or extracurricular activity
The replication and expansion schools with single-sex classes or extracurricular activities comply with Title IX requirements (if applicable).	

Indicator Sources Documents, such as a parent or student handbook, that describe the school’s student transportation plan **/References**

Charter School Program (CSP)- Grants to Charter Management Organizations. Notice Inviting Applications (NIA) for New Awards for Fiscal Year (FY) 2018

V. Application Review Information

1. Application Requirements

(a) Describe the *applicant’s* objectives in running a quality *charter school* program and how the program will be carried out, including—(ii) A description of how the applicant will ensure that each *charter school* receiving funds under this program has considered and planned for the transportation needs of the school’s students.

(c) Describe the **educational program** that the applicant will implement in each *charter school* receiving funding under this program, including—(i) Information on how the program will **enable all students to meet the State’s challenging academic and performance standards**; (ii) The **grade levels or ages of students** who will be served; and (iii) The **instructional practices** that will be used.

(g) If the applicant currently operates, or is proposing to *replicate* or *expand* a **single-sex charter school or coeducational charter school** that provides a single-sex class or extracurricular activity (collectively referred to as a “single-sex educational program”), demonstrate that the existing or proposed single-sex educational program is in **compliance with title IX** of the Education Amendments of 1972 and its implementing regulations.

INDICATOR 1.3: MANAGEMENT PLAN IMPLEMENTATION. The implementation of the grantee’s management plan reflects what was described in the grantee’s application and is operational.

<i>Criteria for Meeting Indicator</i>	<i>Examples of Acceptable Evidence</i>
<p>The management plan related to replication and expansion activities is substantially the same as that described in the approved application.</p> <p>Qualified personnel for implementing the CSP project is substantially the same as that described in the approved application.</p> <p>There is a succession plan to ensure smooth transitions when key project personnel need to be replaced.</p> <p>The financial and operating models are multiyear and will enable sustained operation of the charter schools after the grant has ended.</p> <p>There is a plan to help students attend another high-quality charter school if a school ceases to operate.</p>	<p>Documentation describing the Board composition and whether it is reflective of the community (<i>This information will not be considered when determining the level of implementation.</i>)</p> <p>Governing Board bylaws, meeting minutes, proposed or accomplished changes in policies or procedures, correspondence, other evidence that the grantee is implementing the management plan</p> <p>Plans, policies, correspondence, and other relevant evidence of the CMO’s support to the school in: Central Office functions, governance, daily operations, financial management, human resources management, instructional management</p> <p>Qualifications of key project personnel hired after the grant application was submitted</p> <p>Changes in roles or responsibilities of key staff based on revised organizational charts, job descriptions, or defined responsibilities</p> <p>Documentation of the grantee’s current personnel, such as organization chart, job descriptions, and qualifications</p> <p>Documentation that describes how key project personnel will be replaced</p> <p>Any revised multiyear financial and operating model</p> <p>Documents related to school closures, including a strategy to address school closures that helps students attend a high-quality school</p>

Indicator Sources/References

Charter School Program (CSP)- Grants to Charter Management Organizations. Notice Inviting Applications (NIA) for New Awards for Fiscal Year (FY) 2018

V. Application Review Information

1. Application Requirements

(d) Demonstrate that the applicant currently operates or manages more than one *charter school*. For purposes of this competition, multiple *charter schools* are considered to be separate schools if each school—(i) Meets the definition of “*charter school*” under section 4310(2) of the ESEA; and (ii) Is treated as a separate school by its *authorized public chartering agency* and the State in which the charter school is located, including for purposes of accountability and reporting under title I, part A of the ESEA.

(h) Describe **how** the applicant currently operates or manages the *high-quality charter schools* for which it has presented evidence of success and how the proposed *replicated or expanded charter schools will be operated or managed*, including the legal relationship between the applicant and its schools.

(o) Describe the applicant’s **policies and procedures to assist students** enrolled in a *charter school that closes or loses its charter* to attend other high-quality schools.

2. Selection Criteria

(d) *Quality of the management plan and personnel*

INDICATOR 1.3: MANAGEMENT PLAN IMPLEMENTATION. The implementation of the grantee’s management plan reflects what was described in the grantee’s application and is operational.

- (i) The ability of the applicant to **sustain the operation** of the replicated or expanded charter schools after the grant has ended, as demonstrated by the multi-year financial and operating model required under section 4305(b)(3)(B)(iii) of the ESEA
- (2) The **adequacy of the management plan** to achieve the objectives of the proposed project on time and within budget, including clearly defined responsibilities, timelines, and milestones for accomplishing project tasks.
- (iii) The **qualifications**, including relevant training and experience, of the **key project personnel**.

INDICATOR 1.4: RECRUITMENT, LOTTERY, AND ENROLLMENT. The CMO grantee informs students in the community about the replication/expansion charter schools and gives them an equal opportunity to attend such schools.

<i>Criteria for Meeting Indicator</i>	<i>Examples of Acceptable Evidence</i>
<p>The CMO has a general student recruitment strategy that informs students in the community about the replication/expansion charter schools.</p> <p>The CMO has a specific plan for recruiting and enrolling educationally disadvantaged students, including students with disabilities and English learners.</p> <p>The CMO demonstrates that students in the community are given an equal opportunity to attend the replication/expansion charter schools, by implementing a lottery if necessary.</p> <p>The CMO has a written rationale for its weighted lottery, which is consistent with State law if applicable.</p>	<p>Documentation of the grantee’s recruitment plan implementation activities such as flyers, signage, media coverage, marketing and advertising budgets, etc., or guidance to schools about community outreach</p> <p>Guidance to staff or schools about recruitment efforts and enrollment procedures, including what student populations were provided such materials and whether these materials specified services available for students with disabilities and English learners</p> <p>Outreach materials in languages other than English</p> <p>Documentation on lottery procedures</p> <p>Documentation on weighted lottery rationale and procedures, if applicable</p> <p>Documentation of student enrollment procedures</p>

Indicator Sources/References

Charter School Program (CSP)- Grants to Charter Management Organizations. Notice Inviting Applications (NIA) for New Awards for Fiscal Year (FY) 2018

V. Application Review Information

1. Application Requirements

(j) Describe the **lottery and enrollment procedures** that will be used for each replicated or expanded *charter school* if more students apply for admission than can be accommodated, including how **any proposed weighted lotteries** comply with section 4303(c)(3)(A) of the ESEA, as amended by the ESSA.

2. Selection Criteria

(b) Significance of *contribution in assisting educationally disadvantaged students*.

(ii) The quality of the plan to ensure that the *charter schools* the applicant proposes to *replicate* or *expand* will **recruit, enroll, and effectively serve educationally disadvantaged students**, particularly students with disabilities and English learners.

ESSA Section 4303(c)(3)(A)

Nothing in this Act shall prohibit the Secretary from awarding grants to State entities, or prohibit State entities from awarding subgrants to eligible applicants, that use a weighted lottery to give slightly better chances for admission to all, or a subset of, educationally disadvantaged students if—

- (i) the use of weighted lotteries in favor of such students is not prohibited by State law, and such State law is consistent with laws described in section 4310(2)(G); and
- (ii) such weighted lotteries are not used for the purpose of creating schools exclusively to serve a particular subset of students.

ESSA Section 4310(2)(H)

- (i) admits students on the basis of a lottery, consistent with section 4303(c)(3)(A), if more students apply for admission than can be accommodated; or
- (ii) in the case of a school that has an affiliated charter school (such as a school that is part of the same network of schools), **automatically enrolls students** who are enrolled in the **immediate prior grade level of the affiliated charter school** and, for any additional student openings or student openings created through regular attrition in student enrollment in the affiliated charter school and the enrolling school, admits students on the basis of a lottery as described in clause (i)

Section 2: Grantee Quality and Performance Assessment

INDICATOR 2.1: REPLICATION OR EXPANSION SCHOOL QUALITY. The CMO expands existing or opens new charter schools that are of high quality.	
<i>Criteria for Meeting Indicator</i>	<i>Examples of Acceptable Evidence</i>
<p>The CMO has a process to ensure the replication or expansion schools are of high quality.</p> <p>The CMO grantee demonstrates that parents and other community members provide input in the implementation and operation of the replication/expansion charter schools.</p> <p>The CMO has not extensively closed charter schools or revoked licenses due to noncompliance.</p> <p>The CMO does not have any significant compliance and management issues.</p>	<p>Documentation that the grantee reviews or monitors the replication and expansion schools to ensure the proven model is being implemented and student achievement is improving (e.g., results or feedback from CMO monitoring visits)</p> <p>Training schedules, materials, and other documents to ensure that the school staff understand and implement the requirements of the CMO charter school model</p> <p>Documents that demonstrate the involvement of parents and/or others in the community in the ongoing implementation of the schools (e.g., Board membership, committee sign-in sheets and meeting minutes, surveys)</p> <p>Evidence on school closures or network license revocations, including the rationale for closures or revocations</p> <p>Evidence of any significant issues with compliance or management</p>
<i>Indicator Sources/References</i>	
<p>Charter School Program (CSP)- Grants to Charter Management Organizations. Notice Inviting Applications (NIA) for New Awards for Fiscal Year (FY) 2018</p> <p>V. Application Review Information</p> <p>1. Application Requirements</p> <p>(b) For each charter school currently operated or managed by the applicant, provide—</p> <p>(iii) Information on any significant compliance and management issues encountered within the last three school years by any school operated or managed by the eligible entity, including in the areas of student safety and finance.</p> <p>(i) Describe how the applicant will solicit and consider input from parents and other members of the community on the implementation and operation of each replicated or expanded charter school, including in the area of school governance.</p> <p>2. Selection Criteria</p> <p>(a) <i>Quality of the eligible applicant.</i></p> <p>(ii) The extent to which one or more <i>charter schools</i> operated or managed by the applicant have closed; have had a charter revoked due to noncompliance with statutory or regulatory requirements; or have had their affiliation with the applicant revoked or terminated, including through voluntary disaffiliation.</p> <p>(iii) The extent to which one or more <i>charter schools</i> operated or managed by the applicant have had any significant issues in the area of financial or operational management or have otherwise experienced significant problems with statutory or regulatory compliance that could lead to revocation of the school’s charter.</p>	

INDICATOR 2.2: COMPETITION PRIORITIES. The grantee implements the absolute and competitive preference priorities addressed in the application.

<i>Criteria for Meeting Indicator</i>	<i>Examples of Acceptable Evidence</i>
<p>The CMO replicates or expands one or more charter schools in rural communities (Absolute Priority 1).</p>	<p>Evidence that the CMO is opening or operating a school in a rural community (Absolute Priority 1)</p>
<p>At least 40 percent of the students in the replication and expansion schools are from low-income families (Absolute Priority 2).</p>	<p>School demographic data summaries (Absolute Priority 2)</p>
<p>The CMO has policies and conducts activities to promote diversity (as defined in the application notices) in its replication and expansion charter schools (Competitive Preference Priority 1).</p>	<p>Plans, policies, or strategies for promoting diversity (Competitive Preference Priority 1)</p> <p>Evidence that the CMO is implementing its proven model in poor-performing school(s) that it has taken over or restarted and is serving a demographically similar student population (Competitive Preference Priority 2)</p>
<p>The CMO takes over or restarts one or more academically poor-performing schools, implements its proven model, and targets a demographically similar student population as was served in the academically poor-performing schools (Competitive Preference Priority 2).</p>	<p>Evidence the CMO is preparing high school students for enrollment in postsecondary education institutions (Competitive Preference Priority 3)</p> <p>Evidence of support for enrollment, persistence, and degree or certificate attainment at postsecondary education institutions by students served by the high school (Competitive Preference Priority 3)</p>
<p>The CMO replication and expansion charter schools serve high school students, including educationally disadvantaged students; prepare students for enrollment in postsecondary education institutions; and support students in persisting in and attaining a degree or certificate from such institutions. The CMO proposes one or more performance measures and provides data to indicate progress in meeting them (Competitive Preference Priority 3).</p>	<p>Annual Performance Reports with performance measure(s) and relevant data on postsecondary education (Competitive Preference Priority 3)</p> <p>Data on the proportion of Native American students served (Competitive Preference Priority 4)</p>
<p>The CMO replication and expansion charter schools serve a high proportion of Native American students with a mission and focus to address their unique educational needs and have a governing Board with a substantial percentage of members who are members of Indian Tribes or Indian Organizations (Competitive Preference Priority 4).</p>	<p>Policies, curricula, etc. that address the unique educational needs of Native American students (Competitive Preference Priority 4)</p> <p>Evidence that schools serving Native American students have a governing Board with a substantial percentage of members who belong to Indian Tribes or Organizations, and that Indian Tribes or Organizations support and have meaningful involvement in the development and implementation of the school’s academic program (Competitive Preference Priority 4)</p>

Indicator Sources/References

Charter School Program (CSP)- Grants to Charter Management Organizations. Notice Inviting Applications (NIA) for New Awards for Fiscal Year (FY) 2018

Absolute Priority 1 – Rural Community

Replicate or expand one or more *high-quality charter schools* in a rural community.

Absolute Priority 2 – Low-income Demographic

Demonstrate that at least 40 percent of the students across all of the *charter schools* the applicant operates or manages are *individuals from low-income families*, and that the applicant will maintain the same, or a substantially similar, percentage of such students across all of its *charter schools* during the grant period.

Competitive Preference Priority 1 – Promoting Diversity

Propose to *replicate or expand high-quality charter schools* that have an **intentional focus on recruiting students from racially and socioeconomically diverse backgrounds** and maintaining racially and socioeconomically diverse student bodies in those *charter schools*, consistent with nondiscrimination requirements contained in the U.S. Constitution and Federal civil rights laws.

Competitive Preference Priority 2 – Reopening Academically Poor-performing Public Schools as Charter Schools

(i) Demonstrate past success working with one or more *academically poor-performing public schools* or schools that were previously designated as persistently lowest-achieving schools or priority schools under the former School Improvement Grant program or in States that exercised ESEA flexibility, respectively, under the ESEA, as amended by the No Child Left Behind Act of 2001 (NCLB); and

(ii) Propose to use grant funds under this program to **reopen one or more academically poor-performing public schools as charter schools** during the project period

Competitive Preference Priority 3 – High School Students

(i) *Replicate or expand high-quality charter schools* to serve high school students, including *educationally disadvantaged students*;

(ii) Prepare students, including *educationally disadvantaged students*, in those schools for enrollment in postsecondary education institutions through activities such as, but not limited to, accelerated learning programs (including Advanced Placement and International Baccalaureate courses and programs, dual or concurrent enrollment programs, and early college high schools), college counseling, career and technical education programs, career counseling, internships, work-based learning programs (such as apprenticeships), assisting students in the college admissions and financial aid application processes, and preparing students to take standardized college admissions tests;

(iii) Provide support for students, including *educationally disadvantaged students*, who graduate from those schools and enroll in postsecondary education institutions in persisting in, and attaining a degree or certificate from, such institutions, through activities such as, but not limited to, mentorships, ongoing assistance with the financial aid application process, and establishing or strengthening peer support systems for such students attending the same institution; and

(iv) Propose one or more project specific performance measures, including aligned leading indicators or other interim milestones, that will provide valid and reliable information about the applicant's progress in preparing students, including *educationally disadvantaged students*, for enrollment in postsecondary education institutions and in supporting those students in persisting in and attaining a degree or certificate from such institutions. An applicant addressing this priority and receiving a CMO grant must provide data that are responsive to the measure(s), including performance targets, in its annual performance reports to the Department.

(v) For purposes of this priority, postsecondary education institutions include institutions of higher education, as defined in section 8101(29) of the ESEA, and one-year training programs that meet the requirements of section 101(b)(1) of the Higher Education Act of 1965, as amended (HEA).

Competitive Preference Priority 4 – Replicating or Expanding High-Quality Charter Schools to Serve Native American Students

(A) Utilize targeted outreach and recruitment in order to **serve a high proportion of Native American students**, consistent with nondiscrimination requirements contained in the U.S. Constitution and Federal civil rights laws;

INDICATOR 2.2: COMPETITION PRIORITIES. The grantee implements the absolute and competitive preference priorities addressed in the application.

(B) Have a **mission and focus that will address the unique educational needs of *Native American* students**, such as through the use of instructional programs and teaching methods that reflect and preserve *Native American language*, culture, and history; and

(C) Have a **governing board** with a **substantial percentage of members who are members of *Indian Tribes* or *Indian organizations*** located within the area to be served by the replicated or expanded *charter school*;

(iii) Meaningfully **collaborate with the *Indian Tribe(s)* or *Indian organization(s)*** from which the applicant has received a letter of support in a timely, active, and ongoing manner with respect to the development and implementation of the educational program at the *charter school*.

INDICATOR 2.3: ASSISTING EDUCATIONALLY DISADVANTAGED STUDENTS. The replication and expansion charter schools assist educationally disadvantaged students.

<i>Criteria for Meeting Indicator</i>	<i>Examples of Acceptable Evidence</i>
<p>The CMO replication and expansion charter schools assist educationally disadvantaged students in meeting State academic standards.</p> <p>The CMO tracks the contribution the project makes in assisting educationally disadvantaged students and acts on information related to assisting educationally disadvantaged students.</p> <p>The CMO ensures that students with disabilities receive a free appropriate public education in accordance with IDEA Part B.</p>	<p>Plans, procedures, intervention strategies, etc. for addressing the needs of educationally disadvantaged students, including students with disabilities, English learners, students experiencing homelessness, migrant students, etc.</p> <p>Rates of students with disabilities and English learners served compared to surrounding schools</p> <p>Evidence of staff special education certification, co-planning, any evidence of processes to meet the needs of educationally disadvantaged students including students with disabilities and English learners</p>

Indicator Sources/References

Charter School Program (CSP)- Grants to Charter Management Organizations. Notice Inviting Applications (NIA) for New Awards for Fiscal Year (FY) 2018

V. Application Review Information

1. Application Requirements

- (k) Describe how the applicant will ensure that all eligible children with disabilities receive a **free appropriate public education** in accordance with Part B of the Individuals with Disabilities Education Act (IDEA).
- (l) Describe how the proposed project will **assist educationally disadvantaged students** in mastering challenging State academic standards.

2. Selection Criteria

(b) Significance of *contribution in assisting educationally disadvantaged students*.

In determining the significance of the contribution the proposed project will make in expanding educational opportunities for *educationally disadvantaged students* and enabling those students to meet challenging State academic standards, the Secretary considers the following factors:

- (i) The extent to which *charter schools* currently operated or managed by the applicant serve *educationally disadvantaged students*, particularly students with disabilities and English learners, at **rates comparable to surrounding public schools** or, in the case of virtual *charter schools*, at rates comparable to public schools in the State.
- (ii) The quality of the plan to ensure that the *charter schools* the applicant proposes to *replicate* or *expand* will recruit, enroll, and effectively serve *educationally disadvantaged students*, particularly students with disabilities and English learners.

ESSA Section 4305

(b)(5)(A) plan to operate or manage high-quality charter schools with racially and socioeconomically diverse student bodies

INDICATOR 2.4: EVALUATION PLAN. The CMO grantee implements its evaluation plan.

<i>Criteria for Meeting Indicator</i>	<i>Examples of Acceptable Evidence</i>
The CMO has a logic model that is aligned with the evaluation plan and grant project activities.	Evidence of the alignment between the logic model and evaluation plan
The CMO has implemented the evaluation plan specified in the approved application.	Evidence of the activities undertaken to implement the evaluation plan specified in the approved application
The evaluation methods include objective performance measures and produce quantitative and qualitative data.	Data collection related to application objectives and its use to assess progress with quantitative and qualitative data, including performance measure development or benchmarking
	Reports, recommendations, analyses, or other briefs from the grantee’s external evaluation (if applicable)

Indicator Sources/References

Charter School Program (CSP)- Grants to Charter Management Organizations. Notice Inviting Applications (NIA) for New Awards for Fiscal Year (FY) 2018

V. Application Review Information

1. Application Requirements

(f) Provide a **complete logic model** for the grant project. The *logic model* must include the applicant’s objectives for replicating or expanding one or more *high-quality charter schools* with funding under this competition, including the number of *high-quality charter schools* the applicant proposes to *replicate* or *expand*.

2. Selection Criteria

(c) *Quality of the evaluation plan for the proposed project*. The extent to which the methods of evaluation include the use of **objective performance measures** that are **clearly related to the intended outcomes** of the proposed project, as described **in the applicant’s logic model**, and that will produce **quantitative and qualitative data** by the end of the grant period.

Section 3: Administrative and Fiscal Responsibilities

INDICATOR 3.1: USE OF CSP FUNDS. The CSP grant funds are used only for allowable activities.	
Criteria for Meeting Indicator	Examples of Acceptable Evidence
<p>The CMO demonstrates that CSP funds are used only for allowable purposes.</p> <p>The CMO demonstrates that grant funds are used within noted restrictions.</p> <p>The CMO demonstrates that the charter schools funded under this grant did not receive another grant for the same purpose.</p>	<p>Samples of invoices and other information submitted by grant-funded schools for reimbursement</p> <p>Expenditure reports, financial reports, audits, or other documentation on the use of the grant funds</p> <p>Any approved grant budget modifications as well as correspondence from ED regarding any changes and approvals</p> <p>Records of all prior CSP grant awards including the schools funded and the purpose of the funding (e.g., replication or expansion)</p>
Indicator Sources/References	
<p>Charter School Program (CSP)- Grants to Charter Management Organizations. Notice Inviting Applications (NIA) for New Awards for Fiscal Year (FY) 2018</p> <p>IV. Application and Submission Information</p> <p>4. Funding Restrictions</p> <p>(a) Preparing teachers, school leaders, and specialized instructional support personnel, including through paying costs associated with—</p> <p>(i) Providing professional development; and</p> <p>(ii) Hiring and compensating, during the applicant’s planning period specified in the application for funds, one or more of the following:</p> <p>(A) Teachers,</p> <p>(B) School leaders, and</p> <p>(C) Specialized instructional support personnel.</p> <p>(b) Acquiring supplies, training, equipment (including technology), and educational materials (including developing and acquiring instructional materials).</p> <p>(c) Carrying out necessary renovations to ensure that a new school building complies with applicable statutes and regulations, and minor facilities repairs (excluding construction).</p> <p>(d) Providing one-time, startup costs associated with providing transportation to students to and from the <i>charter school</i>.</p> <p>(e) Carrying out community engagement activities, which may include paying the cost of student and staff recruitment.</p> <p>(f) Providing for other appropriate, non-sustained costs related to the replication or expansion of high-quality charter schools when such costs cannot be met from other sources.</p> <p>III. Eligibility Information</p> <p>4. Other</p> <p>(a) <i>Reasonable and Necessary Costs</i>: The Secretary may elect to impose maximum limits on the amount of grant funds that may be awarded per <i>charter school replicated</i>, per <i>charter school expanded</i>, or per new school seat created.</p>	

INDICATOR 3.1: USE OF CSP FUNDS. The CSP grant funds are used only for allowable activities.

Note: Applicants must ensure that all costs included in the proposed budget are authorized under the CSP and are reasonable and necessary in light of the goals and objectives of the proposed project. Any costs determined by the Secretary to be unreasonable or unnecessary will be removed from the final approved budget.

(b) **Other CSP Grants:** A *charter school* that previously has received CSP funds for replication or expansion under this program, or for opening or preparing to operate a new *charter school*, replication, or expansion under CSP Grants to State Entities (State Entities) program (CFDA number 84.282A) or CSP Grants to Developers for the Opening of New Charter Schools and for the Replication and Expansion of High-quality Charter Schools (Developers) program (CFDA numbers 84.282B and 84.282E), **may not use funds under this grant to carry out the same activities**. However, such *charter school* may be eligible to receive funds under this competition to *expand* the *charter school* beyond the existing grade levels or student count. Likewise, a charter school that receives funds under this competition is ineligible to receive funds to carry out the same activities under the State Entities program (CFDA number 84.282A) or Developers program (CFDA numbers 84.282B and 84.282E), including opening and preparing to operate a new *charter school*, replication, or expansion.

(c) **Costs for Evaluation:** Consistent with 34 CFR 75.590, CMO grant funds may be used to **cover post-award costs associated with an evaluation** described in response to Selection Criterion (c) of this notice, provided that such costs are reasonable and necessary to meet the objectives of the approved project.

Code of Federal Regulations - Title 2, Subtitle A, Chapter II, Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
Subpart E – COST PRINCIPLES

34 CFR 200.403 – Factors affecting allowability of costs.

Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:

- (a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.
- (b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items.
- (c) Be consistent with policies and procedures that apply uniformly to both Federally-financed and other activities of the non-Federal entity.
- (d) Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
- (e) Be determined in accordance with generally accepted accounting principles (GAAP), except, for State and local governments and Indian tribes only, as otherwise provided for in this part.
- (f) Not be included as a cost or used to meet cost sharing or matching requirements of any other Federally-financed program in either the current or a prior period. See also § 200.306 Cost sharing or matching paragraph (b).
- (g) Be adequately documented. See also §§ 200.300 Statutory and national policy requirements through 200.309 Period of performance of this part.

34 CFR 200.405 Allocable costs.

- (a) A cost is allocable to a particular Federal award or other cost objective if the goods or services involved are chargeable or assignable to that Federal award or cost objective in accordance with relative benefits received. This standard is met if the cost: (1) Is incurred specifically for the Federal award; (2) Benefits both the Federal award and other work of the non-Federal entity and can be distributed in proportions that may be approximated using reasonable methods; and (3) Is necessary to the overall operation of the non-Federal entity and is assignable in part to the Federal award in accordance with the principles in this subpart.

INDICATOR 3.1: USE OF CSP FUNDS. The CSP grant funds are used only for allowable activities.

- (b) All activities which benefit from the non-Federal entity's indirect (F&A) cost, including unallowable activities and donated services by the non-Federal entity or third parties, will receive an appropriate allocation of indirect costs.
- (c) Any cost allocable to a particular Federal award under the principles provided for in this part may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by Federal statutes, regulations, or terms and conditions of the Federal awards, or for other reasons. However, this prohibition would not preclude the non-Federal entity from shifting costs that are allowable under two or more Federal awards in accordance with existing Federal statutes, regulations, or the terms and conditions of the Federal awards.
- (d) Direct cost allocation principles. If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost should be allocated to the projects based on the proportional benefit. If a cost benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved, then, notwithstanding paragraph (c) of this section, the costs may be allocated or transferred to benefitted projects on any reasonable documented basis. Where the purchase of equipment or other capital asset is specifically authorized under a Federal award, the costs are assignable to the Federal award regardless of the use that may be made of the equipment or other capital asset involved when no longer needed for the purpose for which it was originally required. See also §§ 200.310 Insurance coverage through 200.316 Property trust relationship and 200.439 Equipment and other capital expenditures.
- (e) If the contract is subject to CAS, costs must be allocated to the contract pursuant to the Cost Accounting Standards. To the extent that CAS is applicable, the allocation of costs in accordance with CAS takes precedence over the allocation provisions in this part.

INDICATOR 3.2: FISCAL CONTROL AND FUND ACCOUNTING. The grantee uses fiscal control and fund accounting procedures that meet the standards of Financial Management Systems and ensure proper disbursement of and accounting for grant funds.

<i>Criteria for Meeting Indicator</i>	<i>Examples of Acceptable Evidence</i>
<p>The CMO’s fund accounting procedures are adequate to meet the Federal standards of Financial Management Systems and ensure proper disbursement of and accounting for Federal funds.</p>	<p>Guidance or communication to the grant-funded schools on proper fund accounting procedures</p>
<p>The CMO has processes to identify all CSP-funded assets and to dispose of those assets according to regulations if a charter school is closed.</p>	<p>Samples of grants management/tracking documents, reports, or schedules that demonstrate grantee’s disbursement of and accounting for funds</p>
<p>The CMO grantee has regular audits conducted for its schools. If violations are found, the grantee addresses the violations.</p>	<p>Inventories or other records that list CSP-funded assets and, as applicable, their locations</p>
<p>The CMO’s fiscal controls are adequate to ensure compliance with all applicable Federal requirements including fiscal procedures, competitive bidding processes and contracting procedures, disposition of assets, and conflict of interest provisions.</p>	<p>Documentation of a process that lists and tracks assets purchased with CSP funds and a process to dispose of assets if a school closes.</p> <p>Financial audits, including A-133 audit if applicable, along with documentation that any violations were addressed</p> <p>Documentation of procurement, conflict of interest, internal controls, accounting, and disbursement policies</p>

Indicator Sources/References

Code of Federal Regulations - Title 2, Subtitle A, Chapter II, Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

Subpart D – POST FEDERAL AWARD REQUIREMENTS

2 CFR 200.302 – Financial management.

- a) Each State must expend and account for the Federal award in accordance with State laws and procedures for expending and accounting for the State's own funds. In addition, the State's and the other non-Federal entity's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, must be **sufficient to permit the preparation of reports required by general and program-specific terms and conditions**; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award. See also §200.450 Lobbying.
- b) The financial management system of each non-Federal entity must provide for the following (see also §§200.333 Retention requirements for records, 200.334 Requests for transfer of records, 200.335 Methods for collection, transmission, and storage of information, 200.336 Access to records, and 200.337 Restrictions on public access to records):
 - (1) **Identification, in its accounts, of all Federal awards received and expended** and the Federal programs under which they were received. Federal program and Federal award identification must include, as applicable, the CFDA title and number, Federal award identification number and year, name of the Federal agency, and name of the pass-through entity, if any.
 - (2) **Accurate, current, and complete disclosure of the financial results of each Federal award or program** in accordance with the reporting requirements set forth in §§200.327 Financial reporting and 200.328 Monitoring and reporting program performance. If a Federal awarding agency requires reporting on an accrual basis from a recipient that maintains its records on other than an accrual basis, the recipient must not be required to establish an accrual accounting system. This recipient may develop accrual data for its reports on the basis of an analysis of the documentation on hand. Similarly, a pass-through entity must not require a subrecipient to

INDICATOR 3.2: FISCAL CONTROL AND FUND ACCOUNTING. The grantee uses fiscal control and fund accounting procedures that meet the standards of Financial Management Systems and ensure proper disbursement of and accounting for grant funds.

establish an accrual accounting system and must allow the subrecipient to develop accrual data for its reports on the basis of an analysis of the documentation on hand.

(3) **Records that identify adequately the source and application of funds for Federally funded activities.** These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest, and be supported by source documentation.

(4) **Effective control over, and accountability for, all funds, property, and other assets.** The non-Federal entity must adequately safeguard all assets and assure that they are used solely for authorized purposes. See §200.303 Internal controls.

(5) **Comparison of expenditures with budget amounts** for each Federal award.

(6) Written procedures to implement the requirements of §200.305 Payment.

(7) Written procedures for determining the **allowability** of costs in accordance with Subpart E—Cost Principles of this part and the terms and conditions of the Federal award.

2 CFR 200.303 – Internal controls.

The non-Federal entity must:

(a) Establish and maintain **effective internal control** over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States and the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

(b) Comply with Federal statutes, regulations, and the terms and conditions of the Federal awards.

(c) Evaluate and monitor the non-Federal entity’s compliance with statute, regulations and the terms and conditions of Federal awards.

(d) Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings.

(e) Take reasonable measures to safeguard protected personally identifiable information and other information the Federal awarding agency or pass-through entity designates as sensitive or the non-Federal entity considers sensitive consistent with applicable Federal, State, and local laws regarding privacy and obligations of confidentiality.

2 CFR 200.318 – Equipment.

(e) **Disposition.** When original or replacement equipment acquired under a Federal award is no longer needed for the original project or program or for other activities currently or previously supported by a Federal awarding agency, except as otherwise provided in Federal statutes, regulations, or Federal awarding agency disposition instructions, the non-Federal entity must request disposition instructions from the Federal awarding agency if required by the terms and conditions of the Federal award.

Disposition of the equipment will be made as follows, in accordance with Federal awarding agency disposition instructions:

(1) Items of equipment with a current per unit fair market value of \$5,000 or less may be retained, sold or otherwise disposed of with no further obligation to the Federal awarding agency.

(2) Except as provided in §200.312 Federally-owned and exempt property, paragraph (b), or if the Federal awarding agency fails to provide requested disposition instructions within 120 days, items of equipment with a current per-unit fair-market value in excess of \$5,000 may be retained by the non-Federal entity or sold. The Federal awarding agency is entitled to an amount calculated by multiplying the current market value or proceeds from sale by the Federal awarding agency’s

INDICATOR 3.2: FISCAL CONTROL AND FUND ACCOUNTING. The grantee uses fiscal control and fund accounting procedures that meet the standards of Financial Management Systems and ensure proper disbursement of and accounting for grant funds.

percentage of participation in the cost of the original purchase. If the equipment is sold, the Federal awarding agency may permit the non-Federal entity to deduct and retain from the Federal share \$500 or ten percent of the proceeds, whichever is less, for its selling and handling expenses.

(3) The non-Federal entity may transfer title to the property to the Federal Government or to an eligible third party provided that, in such cases, the non-Federal entity must be entitled to compensation for its attributable percentage of the current fair market value of the property.

(4) In cases where a non-Federal entity fails to take appropriate disposition actions, the Federal awarding agency may direct the non-Federal entity to take disposition actions.

2 CFR 200.317–327 – Procurement.

- (a) The non-Federal entity must have and use documented procedures, consistent with State, local and tribal laws for the acquisition of services under a Federal award.
- (b) Non-Federal entities must maintain oversight to ensure contractors perform according to the terms of their contracts.
 - (1) A grantee must maintain written standards for the selection, award, and administration of contracts covering conflicts of interest.
- (c) All procurement transactions for services required under a Federal award must provide a full and open competition consistent with the standards of this section and section 200.320.

2 CFR 200.112 – Conflict of interest.

The non-Federal entity must disclose in writing any potential conflict of interest to the Federal awarding agency or pass-through entity in accordance with applicable Federal awarding agency policy.

Subpart E – COST PRINCIPLES

2 CFR 200.436 – Depreciation.

- (a) Depreciation is the method for allocating the cost of fixed assets to periods benefitting from asset use. The non-Federal entity may be compensated for the use of its buildings, capital improvements, equipment, and software projects capitalized in accordance with GAAP, provided that they are used, needed in the non-Federal entity's activities, and properly allocated to Federal awards. Such compensation must be made by computing depreciation.
- (b) The allocation for depreciation must be made in accordance with Appendices III through IX.
- (c) Depreciation is computed applying the following rules. The computation of depreciation must be based on the acquisition cost of the assets involved. For an asset donated to the non-Federal entity by a third party, its fair market value at the time of the donation must be considered as the acquisition cost. Such assets may be depreciated or claimed as matching but not both. For the purpose of computing depreciation, the acquisition cost will exclude:
 - (1) The cost of land;
 - (2) Any portion of the cost of buildings and equipment borne by or donated by the Federal Government, irrespective of where title was originally vested or where it is presently located;
 - (3) Any portion of the cost of buildings and equipment contributed by or for the non-Federal entity where law or agreement prohibits recovery; and
 - (4) Any asset acquired solely for the performance of a non-Federal award.
- (d) When computing depreciation charges, the following must be observed:

INDICATOR 3.2: FISCAL CONTROL AND FUND ACCOUNTING. The grantee uses fiscal control and fund accounting procedures that meet the standards of Financial Management Systems and ensure proper disbursement of and accounting for grant funds.

- (1) The period of useful service or useful life established in each case for usable capital assets must take into consideration such factors as type of construction, nature of the equipment, technological developments in the particular area, historical data, and the renewal and replacement policies followed for the individual items or classes of assets involved.
 - (2) The depreciation method used to charge the cost of an asset (or group of assets) to accounting periods must reflect the pattern of consumption of the asset during its useful life. In the absence of clear evidence indicating that the expected consumption of the asset will be significantly greater in the early portions than in the later portions of its useful life, the straight-line method must be presumed to be the appropriate method. Depreciation methods once used may not be changed unless approved in advance by the cognizant agency. The depreciation methods used to calculate the depreciation amounts for indirect (F&A) rate purposes must be the same methods used by the non-Federal entity for its financial statements.
 - (3) The entire building, including the shell and all components, may be treated as a single asset and depreciated over a single useful life. A building may also be divided into multiple components. Each component item may then be depreciated over its estimated useful life. The building components must be grouped into three general components of a building: building shell (including construction and design costs), building services systems (e.g., elevators, HVAC, plumbing system and heating and air-conditioning system) and fixed equipment (e.g., sterilizers, casework, fume hoods, cold rooms and glassware/washers). In exceptional cases, a cognizant agency may authorize a non-Federal entity to use more than these three groupings. When a non-Federal entity elects to depreciate its buildings by its components, the same depreciation methods must be used for indirect (F&A) purposes and financial statements purposes, as described in paragraphs (d)(1) and (2) of this section.
 - (4) No depreciation may be allowed on any assets that have outlived their depreciable lives.
 - (5) Where the depreciation method is introduced to replace the use allowance method, depreciation must be computed as if the asset had been depreciated over its entire life (i.e., from the date the asset was acquired and ready for use to the date of disposal or withdrawal from service). The total amount of use allowance and depreciation for an asset (including imputed depreciation applicable to periods prior to the conversion from the use allowance method as well as depreciation after the conversion) may not exceed the total acquisition cost of the asset.
- (e) Charges for depreciation must be supported by adequate property records, and physical inventories must be taken at least once every two years to ensure that the assets exist and are usable, used, and needed. Statistical sampling techniques may be used in taking these inventories. In addition, adequate depreciation records showing the amount of depreciation taken each period must also be maintained.

Subpart F – AUDIT REQUIREMENTS

2 CFR 200.501 – Audit requirements.

- (a) **Audit required.** A non-Federal entity that expends \$750,000 or more during the non-Federal entity's fiscal year in Federal awards must have a single or program-specific audit conducted for that year in accordance with the provisions of this part.
- (b) **Single audit.** A non-Federal entity that expends \$750,000 or more during the non-Federal entity's fiscal year in Federal awards must have a single audit conducted in accordance with §200.514 Scope of audit, except when it elects to have a program-specific audit conducted in accordance with paragraph (c) of this section.

INDICATOR 3.3: COMPLIANCE WITH GRANT CONDITIONS. All financial and programmatic records, supporting documents, statistical records, and other records of grantees related to the CSP grant funds are maintained and retained for grant monitoring and audit purposes.

<i>Criteria for Meeting Indicator</i>	<i>Examples of Acceptable Evidence</i>
<p>The CMO demonstrates an adequate system for maintaining all financial and programmatic records, supporting documents, statistical records, and other records of the grant including school use of funds.</p> <p>The CMO complies with grant conditions.</p> <p>The CMO demonstrates that it is able to produce grant-related documents in a timely manner.</p> <p>The CMO has its own or follows established policies and practices for the adequate retention of grant files.</p>	<p>Grant file, including original grant application; approved budgets; Grant Award Notification; correspondence with Federal Project Office; annual and final performance reports; corrective action notices, if applicable; budget/expenditure tracking documents</p> <p>Grant-related personnel lists and timesheets</p> <p>Documentation of meeting grant conditions, including correspondence indicating when a condition has been closed</p> <p>File maintenance policies and procedures</p> <p>File retention policies and procedures</p>

Indicator Sources/References

Charter School Program (CSP)- Grants to Charter Management Organizations. Notice Inviting Applications (NIA) for New Awards for Fiscal Year (FY) 2018

V. Application Review Information

2. *Review and Selection Process:* We remind potential applicants that in reviewing applications in any discretionary grant competition, the Secretary may consider, under 34 CFR 75.217(d)(3), the past performance of the applicant in carrying out a previous award, such as the applicant’s use of funds, achievement of project objectives, and compliance with grant conditions. The Secretary may also consider whether the applicant failed to submit a timely performance report or submitted a report of unacceptable quality.

3. *Risk Assessment and Special Conditions:* Consistent with 2 CFR 200.205, before awarding grants under this competition the Department conducts a review of the risks posed by applicants. Under 2 CFR 3474.10, the Secretary may impose specific conditions and, in appropriate circumstances, high-risk conditions on a grant if the applicant or grantee is not financially stable; has a history of unsatisfactory performance; has a financial or other management system that does not meet the standards in 2 CFR part 200, subpart D; has not fulfilled the conditions of a prior grant; or is otherwise not responsible.

Code of Federal Regulations - Title 34. Part 75 - Direct Grant Programs

Subpart F – What are the administrative responsibilities of a grantee?

34 CFR 75.730 – Records related to grant funds.

A grantee shall keep records that fully show:

- (a) The amount of funds under the grant;
- (b) How the grantee uses the funds;
- (c) The total cost of the project;
- (d) The share of that cost provided from other sources; and
- (e) Other records to facilitate an effective audit.

INDICATOR 3.3: COMPLIANCE WITH GRANT CONDITIONS. All financial and programmatic records, supporting documents, statistical records, and other records of grantees related to the CSP grant funds are maintained and retained for grant monitoring and audit purposes.

34 CFR 75.731 – Records related to compliance.

A grantee shall keep records to show its compliance with program requirements.

34 CFR 75.732 – Records related to performance.

(a) A grantee shall keep records of significant project experiences and results.

(b) The grantee shall use the records under paragraph (a) to:

- (1) Determine progress in accomplishing project objectives; and
- (2) Revise those objectives, if necessary.

Code of Federal Regulations - Title 2, Subtitle A, Chapter II, Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
Subpart D – POST FEDERAL AWARD REQUIREMENTS

2 CFR 200.334 – Retention requirements for records.

Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. Federal awarding agencies and pass-through entities must not impose any other record retention requirements upon non-Federal entities.

2 CFR 200.337 – Access to records.

(a) Records of non-Federal entities. The Federal awarding agency, Inspectors General, the Comptroller General of the United States, and the pass-through entity, or any of their authorized representatives, must have the right of access to any documents, papers, or other records of the non-Federal entity that are pertinent to the Federal award, in order to make audits, examinations, excerpts, and transcripts. The right also includes timely and reasonable access to the non-Federal entity's personnel for the purpose of interview and discussion related to such documents.

2 CFR 200.339 – Remedies for noncompliance.

If a non-Federal entity fails to comply with Federal statutes, regulations or the terms and conditions of a Federal award, the Federal awarding agency or pass-through entity may impose additional conditions, as described in §200.208 Specific Conditions.

V. Indicator Source Crosswalk

Section 1: Charter School Status and Application Fidelity	Sources
INDICATOR 1.1: DEFINITION OF CHARTER SCHOOL. The Charter Management Organization (CMO) ensures each expansion and replication school meets the Federal definition of a “charter school.”	ESSA Section 4310 (2)
INDICATOR 1.2: PROGRAM IMPLEMENTATION. The CMO implements the program described in its grant application in each of the replication or expansion schools funded by the grant.	NIA 2018 Application Requirement (a), (c), and (g)
INDICATOR 1.3: MANAGEMENT PLAN IMPLEMENTATION. The implementation of the grantee’s management plan reflects what was described in the grantee’s application and is operational.	NIA 2018 Application Requirements (d) and (h) NIA 2018 Selection Criteria (d)
INDICATOR 1.4: RECRUITMENT, LOTTERY, AND ENROLLMENT. The CMO grantee informs students in the community about the replication/expansion charter schools and gives them an equal opportunity to attend such schools.	NIA 2018 Application Requirement (j) NIA 2018 Selection Criteria (b.ii) ESSA 4303(c)(3)(A) weighted lottery ESSA 4310(2)(H) lottery and automatic enrollment in affiliated charter schools
Section 2: Grantee Quality and Performance Assessment	Sources
INDICATOR 2.1: REPLICATION OR EXPANSION SCHOOL QUALITY. The CMO expands existing or opens new charter schools that are of high-quality.	NIA 2018 Application Requirement (b)(iii) and (b)(i) NIA 2018 Selection Criteria (a)(ii) and (a)(iii)
INDICATOR 2.2: COMPETITIVE PRIORITIES. The grantee implements the absolute and competitive performance priorities addressed in the grant application.	NIA 2018 Absolute Priorities (1) and (2) NIA 2018 Competitive Preference Priorities (1), (2), (3), and (4)
INDICATOR 2.3: ASSISTING EDUCATIONALLY DISADVANTAGED STUDENTS. The replication and expansion charter schools assist educationally disadvantaged students.	NIA 2018 Application Requirements (k) and (j) NIA 2018 Selection Criteria (b) ESSA 4305(b)(5)(A)
INDICATOR 2.4: EVALUATION PLAN. The CMO grantee implements its evaluation plan.	NIA 2018 Application Requirement (f) NIA 2018 Selection Criteria (c)

Section 3: Administrative and Fiscal Responsibilities	Sources
<p>INDICATOR 3.1: USE OF GRANT FUNDS. The CSP grant funds are used only for allowable activities.</p>	<p>NIA 2018 Application and Submission Information 4 NIA 2018 Eligibility Information 4 2 e-CFR 200.403, 200.405</p>
<p>INDICATOR 3.2: FISCAL CONTROL AND ACCOUNTING. The grantee uses fiscal control and fund accounting procedures that meet the standards of Financial Management Systems and ensure proper disbursement of and accounting for grant funds.</p>	<p>2 e-CFR 200.302, 202.303, 200.318 Equipment, 200.501 Audit Requirements 2-e-CFR 200.112 Conflict of Interest 34 e-CFR 702 Fiscal control and fund accounting procedures</p>
<p>INDICATOR 3.3: COMPLIANCE WITH GRANT CONDITIONS. All financial and programmatic records, supporting documents, statistical records, and other records of grantees related to the CSP grant funds are maintained and retained for grant monitoring and audit purposes.</p>	<p>NIA 2018 Application Review Information 2 and 3 34 CFR 75.730 – 75.732 – Records 2 e-CFR 200.334 and 200.337</p>