Table of Contents

I. Introduction 1
   Monitoring and the Strategic Plan 1
   Definition and Purpose of Monitoring 2
   Technical Assistance Approach 3

II. Data Collection Process and Methodology 3
   Pre-visit Preparations 4
   Site Visits (Onsite and Virtual) 4
   Post-visit Debrief and Analysis 5
   Report Review and Finalization 5
   Corrective Action Planning 5

III. Monitoring Indicators 5
   Subgrant Application and Award Process 6
   Supporting High-Quality Charter Schools 6
   Administrative and Fiscal Responsibilities 6
   Oversight of Charter School and Management Organization Relationships 7

IV. Monitoring Indicators and Acceptable Evidence 7
   Section 1: Subgrant Application and Award Process 8
   Section 2: Supporting High-Quality Charter Schools 14
   Section 3: Administrative and Fiscal Responsibilities 21
   Section 4: Oversight of Charter School and Management Organization Relationships 30

V. Indicator Source Crosswalk 33
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 report identifies themes and trends across each year of data
- 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 (1) for results; (2) to ensure compliance with the law; and (3) 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 non-compliance 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

Exhibit 1. Monitoring Approach

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, it 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 Performance Reports (APRs)), regular check-in calls, and other on-going 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 data collected through the monitoring and data collection activities complement the existing CSP, Common Core of Data, and ED\textit{Facts} data captured through other data collection 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
- Leading and/or supporting sessions at annual CSP Project Directors meetings

In addition, WestEd project staff and monitors are available to trouble-shoot 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 an individual meeting 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 to prepare for the interviews and focus groups. The grantee is expected to upload documents relevant to each indicator to provide some indication of the status of its grant-funded project. This includes documentation of the grantee’s management and oversight of the grant as well as documentation collected from subgrantees. The grantee is expected to submit documentation it has; it is not expected that grantees will need to obtain additional information from subgrantees for the document submission. In some instances, the monitoring team may identify a subgrantee document that would be useful to obtain and ask the subgrantee to submit this document to the team directly. Grantees will also develop the agenda for the visit. Both the documents 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. This 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 are be used following 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, we will conduct all site visits 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 4–6 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. In some instances, such as for Developer grantees, the grantee and school staff may be the same.

**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 monitoring is based on the grantee’s responsibility to carry out the requirements of CSP and provide guidance and support to charter schools and other stakeholders based on the
requirements of Federal charter school law and nonregulatory guidance. Monitoring includes a close review of State policies, systems, and procedures to ensure grantee and grant-funded charter schools’ compliance with Federal statutes and regulations and to support the goals of the CSP.

ED uses clear and consistent criteria—monitoring indicators—to determine the degree of implementation of State Entity (SE) programs and activities. CSP staff have developed indicators in the following monitoring areas:

- Subgrant Application and Award Process
- Supporting High-Quality Charter Schools
- Administrative and Fiscal Responsibilities
- Oversight of Charter School and Management Organization Relationships

**Subgrant Application and Award Process**

A major function of CSP grantees is to conduct application and award processes to distribute CSP funds to subgrantees in the state, including funds to open and prepare for the operation of new charter schools, to replicate high-quality charter schools, or to expand high-quality charter schools. A minimum of 90 percent of each SE’s CSP allocation is distributed to subgrantees through this process. This section focuses on the SE’s requirements of subgrant applicants and its processes for evaluating, selecting, and awarding subgrants. Specifically, this section addresses the SE’s performance in fulfilling its responsibilities to:

- Require subgrant applicants to submit an application with Federally required descriptions and assurances
- Determine that applicants are eligible to receive CSP subgrants
- Ensure that eligible applicants meet the Federal definition of a charter school
- Employ a peer review process to evaluate subgrant applications
- Ensure CSP subgrants adhere to allowable time periods

**Supporting High-Quality Charter Schools**

One of the key goals of the CSP is to support and encourage the development of high-quality charter schools. To do so, the SE needs to establish policies and practices that promote high-quality charter schools. This section focuses on how the SE furthers high quality in authorizing practices, supports educationally disadvantaged students, supports equal financing for charter schools, provides technical assistance, supports access to diverse charter school models, and monitors subgrantees. It includes four indicators that cover the SE’s role in:

- Supporting high-quality charter schools by meeting competitive priorities
- Providing eligible applicants and authorizers with technical assistance
- Supporting access to charter schools and model diversity
- Monitoring subgrantee achievement of project objectives

**Administrative and Fiscal Responsibilities**

CSP grantees incur specific administrative and fiscal responsibilities under Federal law. This section focuses on the SE’s strategy and plan for supporting charter schools; its allocation of, use of, and
controls over the CSP grant funds and other Federal funds; and the SE’s associated responsibilities in administering the CSP grant. It includes indicators that cover the SE’s responsibility to:

- Manage the grant and meet objectives
- Administer and ensure appropriate disbursement and accounting for CSP funds
- Monitor subgrantee use of CSP funds and appropriate allocation of CSP funds for administration, technical assistance, and subgrants
- Ensure charter schools adhere to State policies for charter closure and support students in closing schools
- Comply with grant conditions, including any specific conditions imposed on the grant, and maintain appropriate grant records

Oversight of Charter School and Management Organization Relationships

This section of indicators is provided to assist SEs to assess their own (or their State’s, as applicable) policies, practices, and procedures to ensure that charter school and management organization conditions do not promote the risks identified in the Nationwide Assessment of Charter and Education Management Organizations Final Audit Report, ED-OIG/A02M0012, September 2016 as it pertains to CSP funds. This section includes two indicators that review the grantee’s responsibility to:

- Monitor the relationships between charter schools and management organizations, including financial risk, lack of accountability over public funds, and performance risks
- Ensure accurate, complete, and reliable charter school data collected for EDFacts data files

The use of these monitoring indicators ensures a consistent application of standards across monitoring teams and across SEs. The published indicators provide guidance for all SEs 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, criteria for meeting the indicator, lists of acceptable evidence the grantee must or can provide to show compliance, and the indicator sources and references.

2 Indicators in this section are also applicable to SEs who are charter school support organizations (CSSO). Under ESEA, CSSOs are required to coordinate with the SEA to ensure grant requirements are met.
### Section 1: Subgrant Application and Award Process

**INDICATOR 1.1: SUBGRANT APPLICATION DESCRIPTIONS AND ASSURANCES.** The SE requires each eligible applicant desiring to receive a subgrant to submit an application to the SE that includes the descriptions and assurances required in Federal statute.

<table>
<thead>
<tr>
<th>Criteria for Meeting Indicator</th>
<th>Examples of Acceptable Evidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>The grantee includes each of the Federally required descriptions and assurances in the subgrant application.</td>
<td>Final subgrant application for each competition</td>
</tr>
<tr>
<td>The grantee demonstrates that successful subgrant applicants adequately address the required descriptions and assurances.</td>
<td>Copies of funded and unfunded subgrant applications</td>
</tr>
<tr>
<td></td>
<td>Subgrant applicants’ charter applications and processes used to assess whether the contents of charter applications adequately address the required CSP application descriptions and assurances</td>
</tr>
<tr>
<td></td>
<td>Evidence of processes to assess adequacy of applicant responses</td>
</tr>
</tbody>
</table>

**Indicator Sources/References**

**ESEA Section 4303. GRANTS TO SUPPORT HIGH-QUALITY CHARTER SCHOOLS.** [Also found in NIA FY18 I. Funding Opportunity Description, Application Requirements (I)(C)(1)]

(f) APPLICATIONS. — A State entity desiring to receive a grant under this section shall submit an application to the Secretary at such time and in such manner as the Secretary may require. The application shall include the following:

1. DESCRIPTION OF PROGRAM. — A description of the State entity’s objectives in running a quality charter school program under this section and how the objectives of the program will be carried out, include—
   
   (C) a description of how the State entity will award subgrants, on a competitive basis, including—
   
   (i) a description of the application each eligible applicant desiring to receive a subgrant will be required to submit, which application shall include—
   
   (I) a description of the roles and responsibilities of eligible applicants, partner organizations, and charter management organizations, including the administrative and contractual roles and responsibilities of such partners;
   
   (II) a description of the quality controls agreed to between the eligible applicant and the authorized public chartering agency involved, such as a contract or performance agreement, how a school’s performance in the State’s accountability system and impact on student achievement (which may include student academic growth) will be one of the most important factors for renewal or revocation of the school’s charter, and how the State entity and the authorized public chartering agency involved will reserve the right to revoke or not renew a school’s charter based on financial, structural, or operational factors involving the management of the school;
   
   (III) a description of how the autonomy and flexibility granted to a charter school is consistent with the definition of a charter school in section 4310;
   
   (IV) a description of how the eligible applicant will solicit and consider input from parents and other members of the community on the implementation and operation of each charter school that will receive funds under the State entity’s program;
   
   (V) a description of the eligible applicant’s planned activities and expenditures of subgrant funds to support the activities described in subsection (b)(1), and how the eligible applicant will maintain financial sustainability after the end of the subgrant period; and
   
   (VI) a description of how the eligible applicant will support the use of effective parent, family, and community engagement strategies to operate each charter school that will receive funds under the State entity’s program.
**INDICATOR 1.2: ELIGIBLE APPLICANTS.** The SE ensures each applicant desiring to receive a subgrant meets the term “eligible applicant.”

<table>
<thead>
<tr>
<th>Criteria for Meeting Indicator</th>
<th>Examples of Acceptable Evidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>The grantee verifies applicants have applied to an authorized public chartering authority.</td>
<td>Evidence of grantee’s process to determine whether applicants meet the eligibility requirements</td>
</tr>
<tr>
<td>The grantee verifies applicants have notified the authorizer about applying for a CSP subgrant.</td>
<td>Completed subgrant applications (if eligibility information is included)</td>
</tr>
<tr>
<td>The grantee verifies the nonprofit status of applicants.</td>
<td>Documentation of applicants’ application to charter authorizer, nonprofit status, intent to apply for CSP</td>
</tr>
<tr>
<td>The grantee awards no more than one subgrant to school in a five-year period, unless the applicant meets the criteria stated in Section 4303(e)(2) below.</td>
<td>Data tracking CSP subgrant award history</td>
</tr>
<tr>
<td>The grantee ensures Replication and Expansion applicants meet the definition of “high quality.”</td>
<td>Data tracking applicants’ quality</td>
</tr>
<tr>
<td></td>
<td>Grantee definition of “high quality” if it differs from Federal definition</td>
</tr>
</tbody>
</table>

**Indicator Sources/References**

ESEA Section 4310. DEFINITIONS. [Also found in NIA FY18 I. Funding Opportunity Description, Definitions]

1. AUTHORIZED PUBLIC CHARTERING AGENCY. —The term “authorized public chartering agency” means a State educational agency, local educational agency, or other public entity that has the authority pursuant to State law and approved by the Secretary to authorize or approve a charter school.

5. DEVELOPER. —The term “developer” means an individual or group of individuals (including a public or private nonprofit organization), which may include teachers, administrators and other school staff, parents, or other members of the local community in which a charter school project will be carried out.

6. ELIGIBLE APPLICANT. —The term “eligible applicant” means a developer that has —
   - (A) applied to an authorized public chartering authority to operate a charter school; and
   - (B) provided adequate and timely notice to that authority.

8. HIGH-QUALITY CHARTER SCHOOL. —The term “high-quality charter school” means a charter school that—
   - (A) shows evidence of strong academic results, which may include strong student academic growth, as determined by a State;
   - (B) has no significant issues in the areas of student safety, financial and operational management, or statutory or regulatory compliance;
   - (C) has demonstrated success in significantly increasing student academic achievement, including graduation rates where applicable, for all students served by the charter school; and
   - (D) has demonstrated success in increasing student academic achievement, including graduation rates where applicable, for each of the subgroups of students, as defined in section 1111(c)(2), except that such demonstration is not required in a case in which the number of students in a group is insufficient to yield statistically reliable information or the results would reveal personally identifiable information about an individual student.

ESEA Section 4303. GRANTS TO SUPPORT HIGH-QUALITY CHARTER SCHOOLS. [Also found in NIA FY18 IV. Application and Submission Information 4. Funding Restrictions]

(e) LIMITATIONS. —

2. SUBGRANTS. —An eligible applicant may not receive more than 1 subgrant under this section for each individual charter school for a 5-year period, unless the eligible applicant demonstrates to the State entity that such individual charter school has at least 3 years of improved educational results for students enrolled in such charter school with respect to the elements described in subparagraphs (A) and (D) of section 4310(8).
### INDICATOR 1.3: DEFINITION OF CHARTER SCHOOL

The SE ensures each eligible applicant meets the term “charter school.”

<table>
<thead>
<tr>
<th><strong>Criteria for Meeting Indicator</strong></th>
<th><strong>Examples of Acceptable Evidence</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>The grantee demonstrates that each applicant meets the Federal term “charter school” at the time of application.</td>
<td>Documentation of grantee process to determine if applicants meet the Federal term “charter school”</td>
</tr>
<tr>
<td>The grantee monitors subgrantees to ensure they continue to meet the Federal term “charter school” throughout the period of Federal funding.</td>
<td>State statutes, regulations, and policies regarding charter school definition</td>
</tr>
<tr>
<td>The grantee ensures applicants adhere to Federal and State requirements for lotteries and enrollment.</td>
<td>Documentation of grantee process to ensure subgrantees continue to meet the Federal term “charter school” throughout the period of Federal funding</td>
</tr>
</tbody>
</table>

**Subgrantee charter contracts**

- Subgrantee charter contracts
- Subgrantee documentation and policies, including governance, educational program, nonsectarian status, tuition/fees, nondiscrimination, special education, and lottery
- Subgrantee contracts with management organization (if applicable)
- State policy on lotteries, including enrollment preferences/exemptions, weighted lotteries, and automatic enrollment of affiliated charter schools
- Documentation of oversight to ensure charter schools adhere to lottery policies and procedures

### Indicator Sources/References

**ESEA Section 5310. DEFINITIONS.** [Also found in NIA FY18 I. Funding Opportunity Description, Definitions]

(2) 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;
- (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 State audit requirements are specifically waived by the State;
- (J) meets all applicable Federal, State, and local health and safety requirements;
- (K) operates in accordance with State law; and
INDICATOR 1.3: DEFINITION OF CHARTER SCHOOL. The SE ensures each eligible applicant meets the term “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.

ESEA Section 4303. GRANTS TO SUPPORT HIGH-QUALITY CHARTER SCHOOLS.
(c) STATE ENTITY USES OF FUNDS. —
(3) RULE OF CONSTRUCTION. —
(A) USE OF LOTTERY. —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.

Charter Schools Program Title V, Part B of the ESEA Non-Regulatory Guidance January 2014
E-4. May a charter school exempt certain categories of applicants from the lottery and admit them automatically?
A charter school that is oversubscribed and, consequently, must use a lottery, generally must include in that lottery all eligible applicants for admission. A charter school may exempt from the lottery only those students who are deemed to have been admitted to the charter school already and, therefore, do not need to reapply. Specifically, the following categories of applicants may be exempted from the lottery on this basis:
(a) Students who are enrolled in a public school at the time it is converted into a public charter school;
(b) Students who are eligible to attend, and are living in the attendance area of, a public school at the time it is converted into a public charter school;
(c) Siblings of students already admitted to or attending the same charter school;
(d) Children of a charter school’s founders, teachers, and staff (so long as the total number of students allowed under this exemption constitutes only a small percentage of the school’s total enrollment); and
(e) Children of employees in a work-site charter school, (so long as the total number of students allowed under this exemption constitutes only a small percentage of the school’s total enrollment).
**INDICATOR 1.4: PEER REVIEW.** The SE uses a peer review process to review and select applications for assistance under this program.

<table>
<thead>
<tr>
<th>Criteria for Meeting Indicator</th>
<th>Examples of Acceptable Evidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>The grantee uses a peer review process.</td>
<td>Calls for peer reviewers</td>
</tr>
<tr>
<td>The grantee selects reviewers in accordance with the process detailed in its approved grant application.</td>
<td>Documentation of peer reviewer qualifications and selection</td>
</tr>
<tr>
<td>The grantee adequately trains peer reviewers to reliably score applications.</td>
<td>Guidance or training provided to reviewers</td>
</tr>
<tr>
<td>The grantee has high-quality processes to determine applicant quality and adheres to those processes in selecting and funding applicants.</td>
<td>Peer review documents, including scoring rubrics, review templates, etc.</td>
</tr>
</tbody>
</table>

**Indicator Sources/References**

ESEA Section 4303. GRANTS TO SUPPORT HIGH-QUALITY CHARTER SCHOOLS.

(d) PROGRAM PERIODS; PEER REVIEW; DISTRIBUTION OF SUBGRANTS; WAIVERS. —

(2) PEER REVIEW. — The Secretary, and each State entity awarding subgrants under this section, shall use a peer-review process to review applications for assistance under this section.
**INDICATOR 1.5: PROGRAM PERIODS.** CSP subgrants awarded by the SE do not exceed the maximum program periods allowed.

<table>
<thead>
<tr>
<th>Criteria for Meeting Indicator</th>
<th>Examples of Acceptable Evidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subgrants do not exceed 60 months in length.</td>
<td>Samples of Grant Award Notifications (GAN) or official documentation stating allowable grant award periods</td>
</tr>
<tr>
<td>The grantee ensures the planning and program design period does not exceed 18 months.</td>
<td>Budget, accounting, grants management, or other documents tracking grant award periods</td>
</tr>
<tr>
<td>The grantee ensures pre-award periods are allowable or have been approved by ED.</td>
<td>Guidance to subgrantees about allowable program periods</td>
</tr>
<tr>
<td>The grantee ensures subgrantees have access to their grant funds for the full program period.</td>
<td>Correspondence with subgrantees about grant award and program periods</td>
</tr>
</tbody>
</table>

**Indicator Sources/References**

**ESEA Section 4303. GRANTS TO SUPPORT HIGH-QUALITY CHARTER SCHOOLS.** [Also found in NIA FY18 IV. Application and Submission Information, 4. Funding Restrictions]

(d) PROGRAM PERIODS; PEER REVIEW; DISTRIBUTION OF SUBGRANTS; WAIVERS. —

(1) PROGRAM PERIODS. —;

(B) SUBGRANTS. — A subgrant awarded by a State entity under this section shall be for a period of not more than 5 years, of which an eligible applicant may use not more than 18 months for planning and program design.
## Section 2: Supporting High-Quality Charter Schools

### INDICATOR 2.1: COMPETITION PRIORITIES. The SE addresses the competition priorities.

<table>
<thead>
<tr>
<th>Criteria for Meeting Indicator</th>
<th>Examples of Acceptable Evidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>The grantee implements the proposed approach for the competitive preference priorities (CPP) for which it applied in accordance with its approved or modified grant application:</td>
<td>CPP 1: Documentation of non-LEA authorizers or an appeals process for charter developers</td>
</tr>
<tr>
<td>CPP1: At least one authorized public chartering agency other than an LEA, or an appeals process.</td>
<td>CPP 2: Documentation of how charter schools receive equitable financing</td>
</tr>
<tr>
<td>CPP 2: Ensure equitable financing, as compared to traditional public schools, for charter schools and students in a prompt manner.</td>
<td>CPP 3: Documentation of charter school facilities funding</td>
</tr>
<tr>
<td>CPP 3: The State provides charter schools with facilities funding.</td>
<td>CPP 4: Documentation of using practices from charter schools to support struggling schools and LEAs</td>
</tr>
<tr>
<td>CPP 4: The SE uses best practices from charter schools to help improve struggling schools and LEAs.</td>
<td>CPP 5: Documentation of grantee support for charter schools for dropout prevention, dropout recovery, or comprehensive career counseling</td>
</tr>
<tr>
<td>CPP 5: The SE supports charter schools that serve at-risk students through activities such as dropout prevention, dropout recovery, or comprehensive career counseling services.</td>
<td>CPP 6: Documentation of supporting best practices for quality authorizing</td>
</tr>
<tr>
<td>CPP 6: Efforts to ensure all authorized public chartering agencies implement best practices for charter school authorizing.</td>
<td></td>
</tr>
</tbody>
</table>

### Indicator Sources/References

CSP NIA FY18. [Also found in ESEA Section 4303(g)(2)]

I. Funding Opportunity Description. Competitive Preference Priorities:

**Competitive Preference Priority 1— One Authorized Public Chartering Agency Other than a Local Educational Agency, or an Appeals Process (0 or 2 points).** To meet this priority, an applicant must demonstrate that it is located in a State that—

(a) Allows at least one entity that is not a local educational agency to be an authorized public chartering agency for “developers” (as defined in this notice) seeking to open a charter school in the State; or

(b) In the case of a State in which local educational agencies are the only authorized public chartering agencies, the State has an appeals process for the denial of an application for a charter school.

**Competitive Preference Priority 2— Equitable Financing (up to 6 points).** To be eligible to receive points under this priority, an applicant must demonstrate the extent to which the State in which it is located ensures equitable financing, as compared to traditional public schools, for charter schools and students in a prompt manner.

**Competitive Preference Priority 3— Charter School Facilities (up to 6 points).** To be eligible to receive points under this priority, an applicant must demonstrate the extent to which the State in which it is located provides charter schools one or more of the following:

(a) Funding for facilities;

(b) Assistance with facilities acquisition;

(c) Access to public facilities;

(d) The ability to share in bonds or mill levies;

(e) The right of first refusal to purchase public school buildings; or
INDICATOR 2.1: COMPETITION PRIORITIES. The SE addresses the competition priorities.

(f) Low- or no-cost leasing privileges.

*Competitive Preference Priority 4 — Best Practices to Improve Struggling Schools and LEAs (up to 3 points).* To be eligible to receive points under this priority, an applicant must demonstrate the extent to which the State in which it is located uses best practices from charter schools to help improve struggling schools and LEAs.

*Competitive Preference Priority 5 — Serving At-Risk Students (up to 3 points).* To be eligible to receive points under this priority, an applicant must demonstrate the extent to which it supports charter schools that serve at risk students through activities such as dropout prevention, dropout recovery, or comprehensive career counseling services.

*Competitive Preference Priority 6 — Best Practices for Charter School Authorizing (up to 5 points).* To receive points under this priority, an applicant must demonstrate the extent to which it has taken steps to ensure that all authorized public chartering agencies implement best practices for charter school authorizing.
INDICATOR 2.2: TECHNICAL ASSISTANCE PROVISION. The SE provides technical assistance to eligible applicants and authorized public chartering agencies as described in the approved grant application.

<table>
<thead>
<tr>
<th>Criteria for Meeting Indicator</th>
<th>Examples of Acceptable Evidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>The grantee provides technical assistance in accordance with the approach from the approved grant application.</td>
<td>Evidence of how the SE is using funds to provide technical assistance to applicants and authorizers through the grant (e.g., directly, contracts, grants, or cooperative agreements)</td>
</tr>
<tr>
<td>The grantee provides technical assistance to eligible applicants as proposed.</td>
<td>Evidence of technical assistance provided to eligible applicants</td>
</tr>
<tr>
<td>The grantee provides technical assistance to authorizers as proposed.</td>
<td>Evidence of technical assistance provided to authorizers</td>
</tr>
<tr>
<td>The grantee ensures products created under the grant are open source and publicly available.</td>
<td>Documentation on access policies for grant-produced materials</td>
</tr>
</tbody>
</table>

Indicator Sources/References

ESEA Section 4303. GRANTS TO SUPPORT HIGH-QUALITY CHARTER SCHOOLS.

(b) PROGRAM AUTHORIZED. —From the amount available under section 4302(b)(3), the Secretary shall award, on a competitive basis, grants to State entities having applications approved under subsection (f) to enable such entities to—

(2) provide technical assistance to eligible applicants and authorized public chartering agencies in carry out the activities described in paragraph (1), and work with authorized public chartering agencies in the State to improve authorizing quality, including developing capacity for, and conducting, fiscal oversight and auditing of charter schools.

(c) STATE ENTITY USES OF FUNDS. —

(2) CONTRACTS AND GRANTS. —A State entity may use a grant received under this section to carry out the activities described in subsection (b)(2) directly or through grants, contracts, or cooperative agreements. [Also found in NIA FY18 IV. Application and Submission information, 4. Funding Restrictions]

(f) APPLICATIONS. —A State entity desiring to receive a grant under this section shall submit an application to the Secretary at such time and in such manner as the Secretary may require. The application shall include the following:

(1) DESCRIPTION OF PROGRAM. —A description of the State entity's objectives in running a quality charter school program under this section and how the objectives of the program will be carried out, include—

(A) a description of how the State entity will—

(viii) work with charter schools on—

(I) recruitment and enrollment practices to promote inclusion of all students, including by eliminating any barriers to enrollment for educationally disadvantaged students (who include foster youth and unaccompanied homeless youth); and

(ii) supporting all students once they are enrolled to promote retention, including by reducing the overuse of discipline practices that remove students from the classroom;

(xii) support efforts to increase charter school quality initiatives, including meeting the quality authorizing elements described in paragraph (2)(D); [Also found in NIA FY18 I. Funding Opportunity Description, Application Requirements (I)(A)(8) and (11)]

(D) in the case of a State entity that partners with an outside organization to carry out the State entity's quality charter school program, in whole or in part, a description of the roles and responsibilities of the partner; [Also found in NIA FY18 I. Funding Opportunity Description, Application Requirements (I)(D)]

(2) ASSURANCES. —Assurances that—

(D) the State entity will provide adequate technical assistance to eligible applicants to meet the objectives described in clause (viii) of paragraph (1)(A) and subparagraph (B) of this paragraph; [Also found in NIA FY18 I. Funding Opportunity Description, Application Requirements (I)(D)]
**INDICATOR 2.2: TECHNICAL ASSISTANCE PROVISION.** The SE provides technical assistance to eligible applicants and authorized public chartering agencies as described in the approved grant application.

(E) the State entity will promote quality authorizing, consistent with State law, such as through providing technical assistance to support each authorized public chartering agency in the State to improve such agency's ability to monitor the charter schools authorized by the agency, including by—

(i) assessing annual performance data of the schools, including, as appropriate, graduation rates, student academic growth, and rates of student attrition;

(ii) reviewing the schools’ independent, annual audits of financial statements prepared in accordance with generally accepted accounting principles, and ensuring that any such audits are publicly reported; and

(iii) holding charter schools accountable to the academic, financial, and operational quality controls agreed to between the charter school and the authorized public chartering agency involved, such as through renewal, non-renewal, or revocation of the school’s charter; [Also found in NIA FY18 I. Funding Opportunity Description, Application Requirements (II)(E)]
**INDICATOR 2.3: SUPPORTING CHARTER SCHOOL ACCESS AND MODEL DIVERSITY.** The SE supports access to charter schools and the creation of diverse charter school models as described in the approved grant application.

<table>
<thead>
<tr>
<th>Criteria for Meeting Indicator</th>
<th>Examples of Acceptable Evidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>The grantee ensures each subgrantee has considered and planned for the transportation needs of students.</td>
<td>Documentation of how schools have considered students’ transportation needs</td>
</tr>
<tr>
<td>The grantee supports diverse charter school models.</td>
<td>Evidence of support for diverse charter school models</td>
</tr>
<tr>
<td>The grantee supports charter schools that are distributed across different areas, including urban, suburban, and rural areas.</td>
<td>Evidence of support for geographic distribution of charter schools</td>
</tr>
<tr>
<td>The grantee supports the opening of charter high schools.</td>
<td>Evidence for support of charter high schools</td>
</tr>
<tr>
<td>The grantee ensures charter schools are addressed in the State’s open meetings and records laws as detailed in the approved grant application.</td>
<td>State statutes, regulations, and policies regarding charter schools and open meetings and records</td>
</tr>
</tbody>
</table>

**Indicator Sources/References**

**ESEA Section 4303. GRANTS TO SUPPORT HIGH-QUALITY CHARTER SCHOOLS.**

(d) PROGRAM PERIODS; PEER REVIEW; DISTRIBUTION OF SUBGRANTS; WAIVERS. —

(4) DIVERSITY OF PROJECTS. — Each State entity awarding subgrants under this section shall award subgrants in a manner that, to the extent practicable and applicable, ensures that such subgrants—

(A) are distributed throughout different areas, including urban, suburban, and rural areas;

(B) will assist charter schools representing a variety of educational approaches. [Also found in NIA FY18 IV. Application and Submission Information, 4. Funding Restrictions, Diversity of Projects]

(f) APPLICATIONS. — A State entity desiring to receive a grant under this section shall submit an application to the Secretary at such time and in such manner as the Secretary may require. The application shall include the following:

(1) DESCRIPTION OF PROGRAM. — A description of the State entity’s objectives in running a quality charter school program under this section and how the objectives of the program will be carried out, include—

(A) a description of how the State entity will—

(xiii) work with eligible applicants receiving a subgrant under the State entity’s program to support the opening of new charter schools or charter school models described in clause (i) that are high schools; [Also found in NIA FY18 I. Funding Opportunity Description, Application Requirements (I)(A)(13)]

(E) a description of how the State entity will ensure that each charter school receiving funds under the State entity’s program has considered and planned for the transportation needs of the school’s students; [Also found in NIA FY18 I. Funding Opportunity Description, Application Requirements (I)(E)]

(F) a description of how the State in which the State entity is located addresses charter schools in the State’s open meetings and open records laws; [Also found in NIA FY187 I. Funding Opportunity Description, Application Requirements (I)(F)]

(G) a description of how the State entity will support diverse charter school models, including models that serve rural communities. [Also found in NIA FY18 I. Funding Opportunity Description, Application Requirements (I)(G)]
**INDICATOR 2.4: SUBGRANTEE MONITORING.** The SE monitors subgrantee projects to assure approved grant and subgrant objectives are being achieved.

<table>
<thead>
<tr>
<th>Criteria for Meeting Indicator</th>
<th>Examples of Acceptable Evidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>The grantee regularly monitors subgrantee projects.</td>
<td>Monitoring schedule or calendar</td>
</tr>
<tr>
<td>The grantee selects subgrantees to be monitored using a risk-based or other strategic approach.</td>
<td>Documentation of monitoring selection criteria</td>
</tr>
<tr>
<td>The grantee uses trained monitors to monitor subgrantee projects.</td>
<td>Documentation of monitor training and guidance</td>
</tr>
<tr>
<td>The grantee has systematic monitoring processes that assess subgrantee progress in meeting programmatic components outlined in the subgrant application.</td>
<td>Monitoring rubrics and protocols</td>
</tr>
<tr>
<td>The grantee monitors that subgrantees are making school data publicly available.</td>
<td>Documentation for monitoring whether subgrantees continue to meet the Federal definition of “charter school”</td>
</tr>
<tr>
<td>The grantee has systematic monitoring processes that assess subgrantee financial procedures and use of funds.</td>
<td>Documentation of monitoring for availability of school data</td>
</tr>
<tr>
<td>Subgrantee monitoring includes effective follow-up or corrective action plans for identified deficiencies.</td>
<td>Fiscal monitoring documentation</td>
</tr>
<tr>
<td></td>
<td>Documentation of corrective action notices</td>
</tr>
<tr>
<td></td>
<td>Correspondence and follow-up with subgrantees about monitoring and resolving identified issues</td>
</tr>
</tbody>
</table>

**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
  (a) Monitoring by the non-Federal entity. The non-Federal entity is responsible for oversight of the operations of the Federal award supported activities. The non-Federal entity must monitor its activities under Federal awards to assure compliance with applicable Federal requirements and performance expectations are being achieved. Monitoring by the non-Federal entity must cover each program, function, or activity. See also §200.332.

- ESEA Section 4303. GRANTS TO SUPPORT HIGH-QUALITY CHARTER SCHOOLS.
  (f) APPLICATIONS. — A State entity desiring to receive a grant under this section shall submit an application to the Secretary at such time and in such manner as the Secretary may require. The application shall include the following:
    (2) ASSURANCES. — Assurances that—
      (G) the State entity will ensure that each charter school receiving funds under the State entity’s program makes publicly available, consistent with the dissemination requirements of the annual State report card under section 1111(h), including on the website of the school, information to help parents make informed decisions about the education options available to their children, including—
        (i) information on the educational program;
        (ii) student support services;
        (iii) parent contract requirements (as applicable), including any financial obligations or fees;
        (iv) enrollment criteria (as applicable); and
        (v) annual performance and enrollment data for each of the subgroups of students, as defined in section 1111(c)(2), except that such disaggregation of performance and enrollment data shall not be required in a case in which the number of students in a group is insufficient to yield statically reliable information
**INDICATOR 2.4: SUBGRANTEE MONITORING.** The SE monitors subgrantee projects to assure approved grant and subgrant objectives are being achieved.

- or the results would reveal personally identifiable information about an individual student. [Also found in NIA FY18 I. Funding Opportunity Description, Application Requirements (II)(G)]

(g) SELECTION CRITERIA; PRIORITY. —

(1) SELECTION CRITERIA. — The Secretary shall award grants to State entities under this section on the basis of the quality of the applications submitted under subsection (f), after taking into consideration—

(D) the State entity’s plan to—

(i) adequately monitor the eligible applicants receiving subgrants under the State entity’s program; [Also found in NIA FY18 V. Application Review Information, 1. Selection Criteria (d)(1)]
SECTION 3: ADMINISTRATIVE AND FISCAL RESPONSIBILITIES

INDICATOR 3.1: GRANT MANAGEMENT. The SE is implementing activities as noted in the approved grant application and in accordance with its proposed management plan.

<table>
<thead>
<tr>
<th>Criteria for Meeting Indicator</th>
<th>Examples of Acceptable Evidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>The grantee is awarding subgrants in accordance with its proposed or modified subgrant pipeline.</td>
<td>Documentation of number of subgrant awards</td>
</tr>
<tr>
<td>The grant project has a logic model that the grantee uses to guide implementation.</td>
<td>Documentation of pipeline tracking</td>
</tr>
<tr>
<td>The grantee is implementing its management plan to achieve proposed objectives on time and within budget.</td>
<td>Documentation of logic model revisions and use</td>
</tr>
<tr>
<td></td>
<td>Documentation of management plan implementation and adherence</td>
</tr>
</tbody>
</table>

**Indicator Sources/References**

CSP NIA FY18.

V. Application Review Information

1. Selection Criteria:
   (a) Quality of the Project Design (up to 15 points). The Secretary considers the quality of the design of the proposed project. In determining the quality of the design of the proposed project, the Secretary considers:
   (1) The extent to which the proposed project demonstrates a rationale (up to 10 points); and
   (2) The extent to which the goals, objectives, and outcomes to be achieved by the proposed project are clearly specified and measurable (up to 5 points).
   (e) Quality of the Management Plan (up to 15 points): The Secretary considers the quality of the management plan for the proposed project. In determining the quality of the management plan for the proposed project, the Secretary considers:
   (1) 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 (up to 10 points); and
   (2) The extent to which the time commitments of the project director and principal investigator and other key project personnel are appropriate and adequate to meet the objectives of the proposed project (up to 5 points).
### Indicator 3.2: Fiscal Control and Fund Accounting Procedures

The SE administers the CSP funds and monitors subgrantee projects to ensure the proper disbursement, accounting, and use of Federal funds.

<table>
<thead>
<tr>
<th>Criteria for Meeting Indicator</th>
<th>Examples of Acceptable Evidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>The grantee’s fund accounting procedures are adequate to ensure proper disbursement of and accounting for Federal funds.</td>
<td>Financial procedures manual detailing fiscal control and funding accounting processes, including:</td>
</tr>
<tr>
<td>The grantee’s fiscal controls are adequate to ensure compliance with all applicable Federal requirements for both the grantee and subgrantees, including:</td>
<td>• financial reporting</td>
</tr>
<tr>
<td>• financial management</td>
<td></td>
</tr>
<tr>
<td>• competitive bidding and contracting</td>
<td></td>
</tr>
<tr>
<td>• conflict of interest</td>
<td></td>
</tr>
<tr>
<td>• depreciation</td>
<td></td>
</tr>
<tr>
<td>• disposition of assets</td>
<td>• accounting system and application of funds</td>
</tr>
<tr>
<td></td>
<td>• internal controls, including CSP asset management</td>
</tr>
<tr>
<td></td>
<td>• budget controls</td>
</tr>
<tr>
<td></td>
<td>• allowable cost guidelines</td>
</tr>
<tr>
<td></td>
<td>• source documentation</td>
</tr>
<tr>
<td></td>
<td>• cash management</td>
</tr>
<tr>
<td></td>
<td>• procurement</td>
</tr>
<tr>
<td></td>
<td>• conflict of interest</td>
</tr>
<tr>
<td></td>
<td>• depreciation</td>
</tr>
<tr>
<td></td>
<td>• disposition of assets</td>
</tr>
<tr>
<td>The grantee ensures subgrantees adhere to audit requirements and address any violations.</td>
<td>Policies, procedures, and documentation from the budget and reimbursement process for CSP subgrants</td>
</tr>
<tr>
<td></td>
<td>Samples of CSP financial reporting</td>
</tr>
<tr>
<td></td>
<td>Inventory lists of assets purchased with CSP funds</td>
</tr>
<tr>
<td></td>
<td>Pictures of CSP-tagged assets</td>
</tr>
<tr>
<td></td>
<td>Documentation of G5 drawdowns</td>
</tr>
<tr>
<td></td>
<td>Annual audits</td>
</tr>
</tbody>
</table>

### 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 B – GENERAL PROVISIONS

2 CFR 200.112 – Conflict of interest.

The Federal awarding agency must establish conflict of interest policies for Federal awards. 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 D – POST FEDERAL AWARD REQUIREMENTS


(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.
INDICATOR 3.2: FISCAL CONTROL AND FUND ACCOUNTING PROCEDURES. The SE administers the CSP funds and monitors subgrantee projects to ensure the proper disbursement, accounting, and use of Federal funds.

(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 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; and
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.


(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 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; and
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.

INDICATOR 3.2: FISCAL CONTROL AND FUND ACCOUNTING PROCEDURES. The SE administers the CSP funds and monitors subgrantee projects to ensure the proper disbursement, accounting, and use of Federal funds.

When procuring property and services under a Federal award, a State must follow the same policies and procedures it uses for procurements from its non-Federal funds. The State will comply with §§200.321, 200.322, and 200.323 and ensure that every purchase order or other contract includes any clauses required by §200.327. All other non-Federal entities, including subrecipients of a State, must follow the procurement standards in §§200.318 through 200.327.

Subpart E – COST PRINCIPLES

(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

(d) When computing depreciation charges, the following must be observed:

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.
**INDICATOR 3.3: USE OF CSP FUNDS.** The SE uses grant funds for subgrants, technical assistance, and administrative costs in accordance with the required allocations. The SE ensures that subgrantees’ use of Federal funds is allowable, allocable, and/or reasonable.

<table>
<thead>
<tr>
<th>Criteria for Meeting Indicator</th>
<th>Examples of Acceptable Evidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>The grantee demonstrates that it uses at least 90 percent of grant funds for subgrants.</td>
<td>Budget reports showing amounts budgeted and used under the CSP grant by activity, including technical assistance, administration, and subgrants</td>
</tr>
<tr>
<td>The grantee demonstrates that it reserves and uses no more than three percent of CSP grant funds for administrative expenses.</td>
<td>Approved subgrantee budgets and narratives (particularly for schools included in the monitoring visit)</td>
</tr>
<tr>
<td>The grantee demonstrates that it reserves and uses no less than seven percent of the total grant funds to provide technical assistance.</td>
<td>Approved subgrantee reimbursement requests</td>
</tr>
<tr>
<td>The grantee demonstrates that subgrants to a single charter school do not exceed $1,250,000.</td>
<td>Invoices and source documentation for approved reimbursement requests</td>
</tr>
<tr>
<td>The grantee ensures subgrantees only use CSP funds for allowable, allocable, and reasonable purposes.</td>
<td>Documentation of refused reimbursement requests</td>
</tr>
<tr>
<td>The grantee ensures deductions from CSP subgrants are mutually agreed-upon and voluntary.</td>
<td>Information, guidance, and technical assistance provided to subgrantees regarding use of CSP funds and related Federal financial requirements</td>
</tr>
<tr>
<td></td>
<td>Subgrantee inventory lists of items purchased with grant funds</td>
</tr>
<tr>
<td></td>
<td>Evidence of contracts or payments made to the LEA for administrative expenses or fees for the subgrant</td>
</tr>
</tbody>
</table>

**Indicator Sources/References**

ESEA Section 4303. GRANTS TO SUPPORT HIGH-QUALITY CHARTER SCHOOLS. [Also found in NIA FY18 IV. Application and Submission Information, 4. Funding Restrictions]

- **(c) STATE ENTITY USES OF FUNDS.**
  - (1) IN GENERAL.—A State entity receiving a grant under this section shall—
    - (A) use not less than 90 percent of the grant funds to award subgrants to eligible applicants, in accordance with the quality charter school program described in the State entity’s application pursuant to subsection (f), for the purposes described in subsection (b)(1); and
    - (B) reserve not less than 7 percent of such funds to carry out the activities described in subsection (b)(2); and
    - (C) reserve not more than 3 percent of such funds for administrative costs, which may include technical assistance.

- **(h) LOCAL USES OF FUNDS.** An eligible applicant receiving a subgrant under this section shall use such funds to support the activities described in subsection (b)(1), which shall include one or more of the following activities:
  - (1) Preparing teachers, school leaders, and specialized instructional support personnel, including through paying the costs associated with—
    - (A) providing professional development; and
    - (B) hiring and compensating, during the eligible applicant’s planning period specified in the application for subgrant funds that is required under this section, one or more of the following:
      - (i) Teachers.
      - (ii) School leaders.
      - (iii) Specialized instructional support personnel.
  - (2) Acquiring supplies, training, equipment (including technology), and educational materials (including developing and acquiring instructional materials).
INDICATOR 3.3: USE OF CSP FUNDS. The SE uses grant funds for subgrants, technical assistance, and administrative costs in accordance with the required allocations. The SE ensures that subgrantees’ use of Federal funds is allowable, allocable, and/or reasonable.

(3) Carrying out necessary renovations to ensure that a new school building complies with applicable statutes and regulations, and minor facilities repairs (excluding construction).
(4) Providing one-time, startup costs associated with providing transportation to students to and from the charter school.
(5) Carrying out community engagement activities, which may include paying the cost of student and staff recruitment.
(6) Providing for other appropriate, non-sustained costs related to the activities described in subsection (b)(1) when such costs cannot be met from other sources.

CSP NIA FY18.
III. Eligibility Information
4. Other: (a) Reasonable and Necessary Costs: The Secretary may elect to impose maximum limits on the amount of subgrant funds that a State entity may award to an eligible applicant per new charter school created or replicated, per charter school expanded, or per new school seat created. For this competition, the maximum amount of grant funds a State entity may award to a subgrantee per new charter school, replicated high-quality charter school, or expanding high-quality charter school is $1,250,000.
**INDICATOR 3.4: CHARTER SCHOOL CLOSURE.** The SE ensures that charter schools operate in accordance with State regulations regarding charter school closure.

<table>
<thead>
<tr>
<th>Criteria for Meeting Indicator</th>
<th>Examples of Acceptable Evidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>The grantee ensures subgrantees have adequate policies regarding charter school closure.</td>
<td>State statutes, regulations, and policies regarding charter school closure</td>
</tr>
<tr>
<td>The grantee ensures that authorizers establish clear procedures to assist students in closing charter schools to access other high-quality schools.</td>
<td>Charter school closure policies</td>
</tr>
<tr>
<td></td>
<td>Documentation of policies and supports when closing charter schools</td>
</tr>
<tr>
<td></td>
<td>Documentation of supporting students at closing charter schools</td>
</tr>
<tr>
<td></td>
<td>Closure letters sent to families</td>
</tr>
</tbody>
</table>

**Indicator Sources/References**

**ESEA Section 4303. GRANTS TO SUPPORT HIGH-QUALITY CHARTER SCHOOLS.** [Also found in NIA FY18 1. Funding Opportunity Description, Application Requirements (I)(A)(4)]

(f) APPLICATIONS. —A State entity desiring to receive a grant under this section shall submit an application to the Secretary at such time and in such manner as the Secretary may require. The application shall include the following:

1. DESCRIPTION OF PROGRAM. —A description of the State entity’s objectives in running a quality charter school program under this section and how the objectives of the program will be carried out, include—

   A. a description of how the State entity will—

   4. ensure that authorized public chartering agencies, in collaboration with surrounding local educational agencies where applicable, establish clear plans and procedures to assist students enrolled in a charter school that closes or loses its charter to attend other high-quality schools;
### INDICATOR 3.5: COMPLIANCE WITH GRANT CONDITIONS. The SE is compliant with Federal statutes and regulations, recordkeeping requirements, and the terms and conditions of the grant.

<table>
<thead>
<tr>
<th>Criteria for Meeting Indicator</th>
<th>Examples of Acceptable Evidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>The grantee complies with grant conditions and demonstrates adherence to restrictions.</td>
<td>Evidence of compliance with grant conditions, including correspondence with ED</td>
</tr>
<tr>
<td>The grantee works to resolve instances of noncompliance, including issues identified from prior monitoring.</td>
<td>Notice of prior monitoring resolution</td>
</tr>
<tr>
<td>The grantee submits timely and acceptable-quality annual performance reports (APRs).</td>
<td>Documentation of APR submission and completeness</td>
</tr>
<tr>
<td>The grantee demonstrates an adequate system for maintaining all financial and programmatic records, including subgrantee records.</td>
<td>Presentation of CSP grant file, including:</td>
</tr>
<tr>
<td>The grantee has an adequate records retention policy and demonstrates its implementation.</td>
<td>• grant application and approved budgets</td>
</tr>
<tr>
<td>The grantee makes records and personnel available for monitoring.</td>
<td>• GANs</td>
</tr>
<tr>
<td></td>
<td>• correspondence with ED</td>
</tr>
<tr>
<td></td>
<td>• APRs</td>
</tr>
<tr>
<td></td>
<td>• budget/expenditure tracking</td>
</tr>
<tr>
<td></td>
<td>• personnel lists and timesheets</td>
</tr>
<tr>
<td></td>
<td>• technical assistance materials and contracts</td>
</tr>
<tr>
<td></td>
<td>• subgrant documentation</td>
</tr>
<tr>
<td></td>
<td>• subgrantee monitoring</td>
</tr>
</tbody>
</table>

#### Indicator Sources/References

**CSP NIA FY18.**

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 also may 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 special 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.

34 CFR 75.731 – Records related to compliance.
A grantee shall keep records to show its compliance with program requirements.

(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
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.

(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 which 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.

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.
Section 4: Oversight of Charter School and Management Organization Relationships

Note: Indicator 4.1 in this section is also applicable to SEs that are charter school support organizations (CSSOs). Indicator 4.2 is not applicable to CSSO grantees.

**INDICATOR 4.1: MITIGATING RISK OF CHARTER SCHOOL RELATIONSHIPS WITH MANAGEMENT ORGANIZATIONS.** The SE monitors subgrantees and their management organizations to mitigate risks associated with those relationships, with respect to (a) financial risk; (b) accountability over Federal funds; and (c) performance risk.

<table>
<thead>
<tr>
<th>Criteria for Meeting Indicator</th>
<th>Examples of Acceptable Evidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>The grantee has policies, practices, or procedures to ensure that management organization contracts grant control of funds and operations to the charter school Board.</td>
<td>State statutes, regulations, and guidance related to charter school and management organization relationships</td>
</tr>
<tr>
<td>The grantee ensures that Boards do not cede operational authority to management organizations.</td>
<td>Monitoring policies and practices regarding management organization contracts and oversight</td>
</tr>
<tr>
<td>The grantee ensures that Boards do not cede fiscal authority to management organizations.</td>
<td>Charter school contracts with management organizations</td>
</tr>
<tr>
<td>The grantee ensures that subgrantees have adequate internal controls to properly manage and appropriately use CSP funds.</td>
<td>Evidence of grantee efforts to oversee charter school and management organization relationships</td>
</tr>
<tr>
<td></td>
<td>Board policies, minutes, and other evidence related to oversight of relationships with management organizations</td>
</tr>
</tbody>
</table>

**Indicator Sources/References**

*Nationwide Assessment of Charter and Education Management Organizations Final Audit Report, ED-OIG/A02M0012, September 2016 (p.2 and 16).*

[OIG] found that the Department did not have effective internal controls to evaluate and mitigate the risk that charter school relationships with CMOs pose to Department program objectives. The Department did not have controls to identify and address the risks related to CMO relationships.

[OIG] found examples of internal control weaknesses, conflicts of interest, related-party transactions, and insufficient segregation of duties concerning charter school relationships with CMOs. OIG determined that the internal control weaknesses identified have the potential to affect charter schools’ entity-wide operations and consequently pose risk to all State and Federal funds awarded to the schools. Specifically, OIG concluded that the examples found of internal control weaknesses represent the following significant risks to Department program objectives:

1. **Financial risk.** This is the risk of waste, fraud, and abuse resulting from conflicts of interest, related-party transactions, and insufficient segregation of duties.
2. **Lack of accountability over Federal funds.** This is the risk that, as a result of charter school Boards ceding fiscal authority to CMOs, charter school stakeholders (the authorizer, SEA, and Department) may not have sufficient accountability over Federal funds to ensure grantees and subgrantees are complying with Federal requirements. As a result, the CMO may spend Federal funds on expenditures that are not in accordance with Federal law, regulation, and grant requirements.
3. **Performance risk.** This is the risk that, as a result of charter school Board ceding operational authority to CMOs, charter school stakeholders may not have sufficient assurance that grantees and subgrantees are implementing Federal programs in accordance with Federal requirements. As a result, the CMO may not provide charter school students with services that are in accordance with Federal program requirements.
## Indicator 4.2: Oversight of EDFACTS Data Collection for Management Organizations

The SE ensures accurate, complete, and reliable charter school data are collected for EDFACTS data files.

<table>
<thead>
<tr>
<th>Criteria for Meeting Indicator</th>
<th>Examples of Acceptable Evidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>The State can connect each charter school to the authorizers from the Charter Authorizer Directory.</td>
<td>Most recent C190, C196, C197, and C198 file submissions</td>
</tr>
<tr>
<td>The State collects and reports information on all CMOs and EMOs that operate charter schools, including management organization name, organization Employer Identification Number (EIN), organization location and mailing address, and organization management type.</td>
<td>Data sources for compiling charter school EDFACTS data</td>
</tr>
<tr>
<td>The State can connect charter schools to management organizations.</td>
<td>Correspondence related to charter school EDFACTS compilation and submission</td>
</tr>
<tr>
<td>The State assigns and records a unique identification number to the contract (or charter) that authorizes the charter school. Additionally, the State collects and reports on the approval and renewal dates of such contracts.</td>
<td></td>
</tr>
<tr>
<td>The State has process to validate the charter school data submitted to EDFACTS.</td>
<td></td>
</tr>
</tbody>
</table>

### Indicator Sources/References

**EDFACTS Workbook and FAQs (SY 2020–21)**

On February 25, 2007, Final Regulations were published to amend 34 Code of Federal Regulations (CFR) part 76 governing state reporting requirements. The revised regulations allow the Secretary and ED, through the Paperwork Reduction Act clearance process, to require states to report certain information electronically. The regulations also establish that the Department may take administrative action against a state for failure to submit reports in the manner prescribed by the Secretary. This is intended to significantly reduce reporting burden and to streamline data collections currently required by the Department by bringing elementary and secondary education data in through the Annual Mandatory Collection of Elementary and Secondary Education Data for EDFACTS (OMB 1850-0925). The failure to submit EDFACTS data constitutes a failure to comply substantially with the law, applicable to the funds provided by the federal government.

**FS190 – Charter Authorizer Directory v17.1 – (SY 2020–21)**

The data collected using this file specification are collected under the authority of ESEA, as amended by the Every Student Succeeds Act (ESSA).

**FS196 – Management Organizations for Charter Schools Roster v17.1 – (SY 2020–21)**

In the school level files for the Directory (FS029), States mark schools as charter schools. In this file, States submit the list of organizations that manage one or more charter school(s) in the state. If a State has reported schools in the FS029 School Directory file that were managed by a management organization, then the State is expected to report the management organization in this file.

**FS197 – Crosswalk of Charter Schools to Management Organizations v17.1 – (SY 2020–21)**

The data collected using this file specification are gathered to provide the Charter School Programs (CSP) Office of the Department insight into the extent and scope of the relationships between CMOs and EMOs with charter schools. The Federal grant funds provided to States may be allocated to schools that work with such nonprofit and for-profit organizations which assist in directly managing and overseeing the charter schools, without always having accountability to a district or the State. Funds may be...
INDICATOR 4.2: OVERSIGHT OF EDFACTS DATA COLLECTION FOR MANAGEMENT ORGANIZATIONS. The SE ensures accurate, complete, and reliable charter school data are collected for EDFacts data files.

Provided to nonprofit CMOs directly through Replication and Expansion grants. It is important that the Department be able to associate the management organizations to the charter schools to provide stronger oversight and accountability for Federal funds.

**FS198 – Charter Contracts v17.1 – (SY 2020–21)**
The data collected using this file specification are to enable the Department’s Office of Elementary and Secondary Education, Charter School Programs Office (OESE/CSP) to obtain a complete list of charter schools in the United States. OESE/CSP goes through a complex reconciliation process to compile a directory of all charter schools that are in operation across the nation. These data will fill in the data gaps so that, for each school year OESE/CSP has a complete and accurate directory of charter schools.
## V. Indicator Source Crosswalk

<table>
<thead>
<tr>
<th>Section 1: Subgrant Application and Award Process</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INDICATOR 1.1: SUBGRANT APPLICATION DESCRIPTIONS AND ASSURANCES.</strong> The SE requires each eligible applicant desiring to receive a subgrant to submit an application to the SE that includes the descriptions and assurances required in Federal statute.</td>
<td>ESEA Section 4303(f)(1)(C); NIA FY18 I. Funding Opportunity Description, Application Requirements (I)(C)(1)</td>
</tr>
<tr>
<td><strong>INDICATOR 1.2: ELIGIBLE APPLICANTS.</strong> The SE ensures each applicant desiring to receive a subgrant meets the term “eligible applicant.”</td>
<td>ESEA Section 4310(1), (5), (6), and (8); ESEA Section 4303(e)(2); NIA FY18 I. Funding Opportunity Description, Definitions; NIA FY18 IV. Application and Submission Information, 4. Funding Restrictions, Limitation on Grants and Subgrants</td>
</tr>
<tr>
<td><strong>INDICATOR 1.3: DEFINITION OF CHARTER SCHOOL.</strong> The SE ensures each eligible applicant meets the term “charter school.”</td>
<td>ESEA Section 5210 (2); ESEA Section 4303(c)(3)(A); NIA FY18 I. Funding Opportunity Description, Definitions; Non-Regulatory Guidance E-4</td>
</tr>
<tr>
<td><strong>INDICATOR 1.4: PEER REVIEW.</strong> The SE uses a peer review process to review and select applications for assistance under this program.</td>
<td>ESEA Section 4303(d)(2)</td>
</tr>
<tr>
<td><strong>INDICATOR 1.5: PROGRAM PERIODS.</strong> CSP subgrants awarded by the SE do not exceed the maximum program periods allowed.</td>
<td>ESEA Section 4303(d)(1)(B); NIA FY18 IV. Application and Submission Information, 4. Funding Restrictions, Limitation on Grants and Subgrants</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Section 2: Supporting High-Quality Charter Schools</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INDICATOR 2.1: COMPETITION PRIORITIES.</strong> The SE addresses the competition priorities.</td>
<td>NIA FY18 Competitive Preference Priority 1, Competitive Preference Priority 2, Competitive Preference Priority 3, Competitive Preference Priority 4; Competitive Preference Priority 5; Competitive Preference Priority 6; ESEA Section 4303(g)(2)</td>
</tr>
<tr>
<td><strong>INDICATOR 2.2: TECHNICAL ASSISTANCE PROVISION.</strong> The SE provides technical assistance to eligible applicants and authorized public chartering agencies as described in the approved grant application.</td>
<td>ESEA Section 4303(b)(2) and (c)(2); ESEA Section 4303(f)(1)(A)(viii) and (xi), and (D); ESEA Section 4303(f)(2)(D) and (E); NIA FY18 IV. Application and Submission Information, 4. Funding Restrictions; NIA FY18 I. Funding Opportunity Description, Application Requirements (I)(A)(8) and (11); NIA FY18 I. Funding Opportunity Description, Application Requirements (I)(D); NIA FY18 I. Funding Opportunity Description, Application Requirements (II)(D) and (E)</td>
</tr>
<tr>
<td><strong>INDICATOR 2.3: SUPPORTING CHARTER SCHOOL ACCESS AND MODEL DIVERSITY.</strong> The SE supports access to charter schools and the creation of diverse charter school models as described in the approved grant application.</td>
<td>ESEA Section 4303(d)(4), ESEA Section 4303 (f)(1)(A)(xiii), (E), (F), and (G); NIA FY18 I. Funding Opportunity Description, Application Requirements (I)(A)(13), (E), (F), and (G); NIA FY18 IV. Application and Submission Information, 4. Funding Restrictions</td>
</tr>
<tr>
<td><strong>INDICATOR 2.4: SUBGRANTEE MONITORING.</strong> The SE monitors subgrantee projects to assure approved grant and subgrant objectives are being achieved.</td>
<td>2 CFR 200.329 – Monitoring and reporting program performance; ESEA Section 4303(f)(2)(G); NIA FY18 I. Funding Opportunity Description, Application Requirements (II)(G); ESEA Section 4303(g)(1)(D)(i); NIA FY18 V. Application Review Information, 1. Selection Criteria (d)(1)</td>
</tr>
</tbody>
</table>
## Section 3: Administrative and Fiscal Responsibilities

<table>
<thead>
<tr>
<th>INDICATOR 3.1: GRANT MANAGEMENT.</th>
<th>The SE is implementing activities as noted in the approved grant application and in accordance with its proposed management plan.</th>
<th>NIA FY18 V. Application Review Information, 1. Selection Criteria (a) and (e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>INDICATOR 3.3: USE OF CSP FUNDS.</td>
<td>The SE uses grant funds for subgrants, technical assistance, and administrative costs in accordance with the required allocations. The SE ensures that subgrantees’ use of Federal funds is allowable, allocable, and/or reasonable.</td>
<td>ESEA Section 4303(c)(1); ESEA Section 4303(h); NIA FY18 III. Eligibility Information, 4. Other: (a) Reasonable and Necessary Costs; NIA FY18 IV. Application and Submission information, 4. Funding Restrictions</td>
</tr>
<tr>
<td>INDICATOR 3.4: CHARTER SCHOOL CLOSURE.</td>
<td>The SE ensures that charter schools operate in accordance with State regulations regarding charter school closure.</td>
<td>ESEA Section 4303(f)(1)(A); NIA FY18 1. Funding Opportunity Description, Application Requirements (I)(A)(4)</td>
</tr>
<tr>
<td>INDICATOR 3.5: COMPLIANCE WITH GRANT CONDITIONS.</td>
<td>The SE is compliant with Federal statutes and regulations, recordkeeping requirements, and the terms and conditions of the grant.</td>
<td>NIA FY18 V. Application Review Information, 2. Review and Selection Process and 3. Risk Assessment and Special Conditions; 34 CFR 75.330 – 75.332 – Records; 2 CFR 200.334 – Retention requirements for records; 2 CFR 200.337 – Access to records (a); 2 CFR 200.339 – Remedies for noncompliance</td>
</tr>
</tbody>
</table>

## Section 4: Oversight of Charter School and Management Organization Relationships

<table>
<thead>
<tr>
<th>INDICATOR 4.1: MITIGATING RISK OF CHARTER SCHOOL RELATIONSHIPS WITH MANAGEMENT ORGANIZATIONS.</th>
<th>The SE monitors subgrantees and their management organizations to mitigate risks associated with those relationships, with respect to (a) financial risk; (b) accountability over Federal funds; and (c) performance risk.</th>
<th>Derived in response to findings identified in <em>Nationwide Assessment of Charter and Education Management Organizations Final Audit Report, ED-OIG/A02M0012, September 2016</em></th>
</tr>
</thead>
<tbody>
<tr>
<td>INDICATOR 4.2: OVERSIGHT OF EDFACTS DATA COLLECTION FOR MANAGEMENT ORGANIZATIONS.</td>
<td>The SE ensures accurate, complete, and reliable charter school data are collected for EDFacts data files.</td>
<td>Derived in response to findings identified in <em>Nationwide Assessment of Charter and Education Management Organizations Final Audit Report, ED-OIG/A02M0012, September 2016</em>; EDFacts Workbook and FAQs (SY 2020-21); FS190; FS196; FS197; FS198</td>
</tr>
</tbody>
</table>