

Developer Pre-Application Webinar: *Developing a budget that aligns with and supports your proposed project*

SUMMER 2022



Agenda



Welcome and Introduction



Highlights of 2022 Developer Competition



Developing a Project Budget



Behind the Scenes: What ED Reviews



Closeout and Next Steps



Purpose of the Charter School Programs

1. Improve the United States education system and education opportunities for all people in the United States by supporting innovation in public education in public school settings that prepare students to compete and contribute to the global economy and a stronger Nation;
2. Provide financial assistance for the planning, program design, and initial implementation of charter schools;
3. Increase the number of high-quality charter schools available to students across the United States; and
4. Evaluate the impact of charter schools on student achievement, families, and communities, and share best practices between charter schools and other public schools;



Purpose of the Charter School Programs (continued)

5. Encourage States to provide support to charter schools for facilities financing in an amount more nearly commensurate to the amount States typically provide for traditional public schools;
6. Expand opportunities for children with disabilities, English learners, and other traditionally underserved students to attend charter schools and meet the challenging State academic standards;
7. Support efforts to strengthen the charter school authorizing process to improve performance management, including transparency, oversight and monitoring (including financial audits), and evaluation of such schools; and
8. Support quality, accountability, and transparency in the operational performance of all authorized public chartering agencies, including State educational agencies, local educational agencies, and other authorizing entities.



Purpose of the CSP Developer Grant

Intended to support charter schools that serve early childhood, elementary school, or secondary school students by providing grant funds to eligible applicants for:

- The opening of new charter schools, and
- The replication and expansion of high-quality charter schools.



Eligibility

Eligible applicants are developers that have:

- Applied to an authorized public chartering authority to operate a charter school; and
- Provided adequate and timely notice to that authority.

What do we mean by “developer”?

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 who will carry out a charter school project.



New School vs. Replication vs. Expansion

New School
Application

Replication
Application

Expansion
Application

- A new school application supports a charter school developer in opening a new school.
- A replication application supports a charter school developer in replicating an existing, high-quality charter school.
- An expansion application supports the expansion of an existing high-quality charter school beyond the existing grade levels or adding students.
- Charter schools that have been in operation more than five years are only eligible to apply for the expansion of a high-quality school.



Eligibility Considerations

Developers in states that do not have a current CSP State Entity grant under ESEA, as amended by ESSA.



Competition Basics

Type of Award: Discretionary

Estimated Funds Available: \$4,000,000.

Estimated Range of Awards: \$150,000-\$300,000. per year

Average Estimated Size of Award: \$225,000. per year

Estimated Number of Awards: 8-10

Project Period: Up to 5 years



An Important Note

The Federal Register notice contains important information. We recommend all applicants read the entire notice in the Federal Register. Applicants must follow the Application Procedures as described in the Federal Register notice announcing the grant competition.



Application Package Components

1

Required Forms

- ED Standard Forms
(including Form 524)
- Assurances and Certifications

2

Application Narrative

- Abstract Narrative Form
- Budget Narrative Form
- Project Narrative Form

3

Other Attachments



Budget Narrative Overview

What is a budget narrative?

- An itemized budget breakdown narrative, by project year, for each budget category listed in Section B of the ED 524 form.

What resources are available?


- [2 CFR Part 200 Uniform Guidance](#)
- Funding Restrictions outlined in NIA
- Use of subgrant funds outlined in the NIA



Be sure to include DETAILED information on how you estimated all costs. Include tables that show cost per items, quantity of items, and other details that may be relevant.



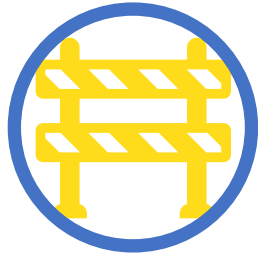
Budget Summary Form

 U.S. DEPARTMENT OF EDUCATION BUDGET INFORMATION NON-CONSTRUCTION PROGRAMS		OMB Control Number: 1894-0008 Expiration Date: 09/30/2023						
Name of Applicant Organization		Applicants requesting funding for only one year should complete the column under "Project Year 1." Applicants requesting funding for multi-year grants should complete all applicable columns. Please read all instructions before completing form.						
SECTION A - BUDGET SUMMARY U.S. DEPARTMENT OF EDUCATION FUNDS								
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<p>*Indirect Cost Information (To Be Completed by Your Business Office):</p> <p>If you are requesting reimbursement for indirect costs on line 10, please answer the following questions:</p> <p>(1) Do you have an Indirect Cost Rate Agreement approved by the Federal government? <input type="checkbox"/> Yes <input type="checkbox"/> No.</p> <p>(2) If yes, please provide the following information and provide a copy of your Indirect Cost Rate Agreement: Period Covered by the Indirect Cost Rate Agreement: From: ___/___/___ To: ___/___/___ (mm/dd/yyyy) Approving Federal agency: ___ED ___Other (please specify): _____. The Indirect Cost Rate is _____%.</p> <p>(3) If this is your first Federal grant, and you do not have an approved indirect cost rate agreement, are not a State, Local government or Indian Tribe, and are not funded under a training rate program or a restricted rate program, do you want to use the de minimis rate of 10% of MTDC? <input type="checkbox"/> Yes <input type="checkbox"/> No. If yes, you must comply with the requirements of 2 CFR § 200.414(f).</p> <p>(4) If you do not have an approved indirect cost rate agreement, do you want to use the temporary rate of 10% of budgeted salaries and wages? <input type="checkbox"/> Yes <input type="checkbox"/> No. If yes, you must submit a proposed indirect cost rate agreement within 90 days after the date your grant is awarded, as required by 34 CFR § 75.560.</p> <p>(5) For Restricted Rate Programs (check one) -- Are you using a restricted indirect cost rate that: <input type="checkbox"/> Is included in your approved Indirect Cost Rate Agreement? Or <input type="checkbox"/> Complies with 34 CFR 76.564(c)(2)? The Restricted Indirect Cost Rate is _____%.</p> <p>(6) For Training Rate Programs (check one) -- Are you using a rate that: <input type="checkbox"/> Is based on the training rate of 8 percent of MTDC (See EDGAR § 75.562(c)(4))? Or <input type="checkbox"/> Is included in your approved Indirect Cost Rate Agreement, because it is lower than the training rate of 8 percent of MTDC (See EDGAR § 75.562(c)(4)).</p>								

ED 524



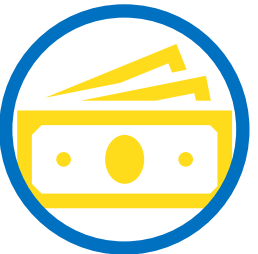
Funding Restrictions



This is a non-construction grant



Applicants may only propose to support one charter school per application



Maximum award per new, replicated, or expanded school = \$1,500,000



Budget Timelines

- Applicants should use the budget period of the grant, NOT your fiscal year budget period.
- Grants can be awarded for a period of up to five years.
 - 18 months of this time can be used for planning and program design.



Use of Grant Funds: 4303(h) of ESEA

Grant funds must be used to carry out allowable activities, including:

- Providing professional development and hiring teachers, school leaders, and specialized instructional support personnel
- Acquiring supplies, training, equipment, and education materials
- Carrying out necessary renovations
- Providing one-time startup costs associated with transportation
- Carrying out community engagement activities
- Providing non-sustained costs related to replication or expansion of high-quality charter schools



Key Takeaway

Justify, Justify, Justify

Ensure that your application has a strong justification for every cost

- How were costs determined?
- Have you included unit price, quantity of items, and a timeline of when they will be purchased?
- What grade levels are using equipment, supplies, or other costs?
- What purchases will be made in Year 1, Year 2, Year 3, Year 4, and Year 5 of your grant?



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Cost Category #1: Personnel

- Only staff working directly on grant objectives
- Describe staff roles by position in budget narrative
- Positions should be identified as percent of salaried time
- If salaries increase over years of the grant, include information



Personnel Cost Example for One Staff Member

- 1 FTE Project Director
 - Salary = \$80,00 per year with a 2% increase
 - 25% of total time will be spent on CSP grant related activities
- Budget Narrative:
 - The Project Director oversees the CSP award including reviewing expenditure report reimbursement submissions, managing progress toward project objectives and performance measures, and managing other grant and funding for the school.

	Year 1	Year 2	Year 3	Year 4	Year 5
Project Director	\$80,000	\$81,600	\$83,232	\$84,896	\$86,593
25% to CSP	\$20,000	\$20,800	\$21,616	\$22,448	\$23,296



Cost Category #2: Fringe Benefits

- Fringe benefits are extra benefits supplementing an employee's salary, such as health insurance
- If applicable, provide the rate and basis on which fringe benefits are calculated and the staff who are receiving the benefits
- Leave line blank if not applicable or if benefits are part of indirect costs
- If personnel are splitting responsibilities with CSP duties and other duties, the associated fringe benefits should be allocated in the same manner within the budget narrative.



Fringe Benefits Cost Example

- Budget Narrative:
 - The Project Director will receive fringe benefits to cover health, dental, and retirement benefits. The benefits are calculated at 25% of the salary each year.

	Year 1	Year 2	Year 3	Year 4	Year 5
Project Director Salary	\$80,000	\$81,600	\$83,232	\$84,896	\$86,593
Project Director Salary Charged to CSP	\$20,000	\$20,400	\$20,808	\$21,224	\$21,648
25% Fringe Benefits Charged to CSP Grant	\$5,000	\$5,200	\$5,404	\$5,612	\$5,824



Cost Category #3: Travel

- Include the positions traveling, purpose of travel, number of staff, number of nights, per diem rate, hotel, airfare, or car mileage
- Administrative Travel:
 - Mandatory CSP Project Director's Meeting



Justification – Ensure that you include enough information to justify how you determined costs for travel.



Travel Cost Example

Administrative:

- Travel to CSP Project Directors' Meeting: \$1,000 each year: \$500 for the plane ride to DC, \$200 per night in a hotel for 2 nights = \$400, \$50 per diem for 2 days = \$100

	Year 1	Year 2	Year 3	Year 4	Year 5
Travel to PD Meeting	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Airfare	\$500	\$500	\$500	\$500	\$500
Hotel (2 nights)	\$400	\$400	\$400	\$400	\$400
Per Diem (2 days)	\$100	\$100	\$100	\$100	\$100

GSA Website: <https://www.gsa.gov/travel/plan-book/per-diem-rates>



Cost Category #4 & 5: Equipment and Supplies

Equipment

- Costs over \$5,000
- Justify why items need to be purchased vs. rented

Supplies

- Costs under \$5,000
- Costs can be grouped, such as office supplies



Equipment and Supplies Cost Example

- Software Licenses: \$500/year
- Laptop Carts: \$10,000 per cart
- Budget Narrative:
 - The grantee is going to purchase a software license during the life of the grant in order to provide instruction in a virtual setting, as well as virtual professional development for staff.
 - The grantee will also purchase two laptop carts, which contain 20 computers in each in order to support students in connecting to blended learning programs and virtual learning when needed. The school will add two classrooms per year, which will require additional carts to be purchased each year.

	Year 1	Year 2	Year 3	Year 4	Year 5
Software License	\$500	\$500	\$500	\$500	\$500
Laptop Carts (2 per year @ \$10k/cart)	\$20,000	\$20,000	\$20,000	\$20,000	\$0



Cost Category #6: Contractual

- Any contracts for services to be performed by entities other than the grantee organization
- Review Uniform Guidance on procurement standards
 - Title 2 of the Code of Federal Regulations, Part 200 (2CFR Part 200, §200.317 – 326)
 - Resources are available at <https://www2.ed.gov/policy/fund/guid/uniform-guidance/procurement.html>
- Note if costs are administrative with clear reasoning



Contractual Cost Example

- Special Education Consultant
 - The grantee will hire a consultant to review the school’s special education programming each year of the grant to ensure all federal and state requirements are being met. This service is not provided by our district authorizer.

	Year 1	Year 2	Year 3	Year 4	Year 5
Special Education Consultant: SpEd Eval	\$500	\$1000	\$1,500	\$2,000	\$2,000



Cost Category #7: Construction

- This budget category should not include construction costs because this is a non–construction grant.



Cost Category #8: Other

- This category can be used for anything that does not fit into the previous categories or indirect costs
- Other: Indicate all direct costs not covered on lines 1-6. For example, include costs such as space rental, required fees, honoraria and travel (where a contract is not in place for services), training, and communication and printing costs. Do not include costs that are included in the indirect cost rate.



Other Cost Example

- Printing and honoraria
 - The grantee will pay for printing of recruitment materials each year and honoraria for guest speakers for community presentations in years 2 and 4.

	Year 1	Year 2	Year 3	Year 4	Year 5
Printing	\$500	\$525	\$550	\$575	\$600
Guest Speaker Honoraria		\$1,000		\$1,000	



Cost Category #10: Indirect Costs

- Indirect costs are costs which are frequently referred to as overhead expenses.
- Indirect costs should be included as part of your administrative costs.
- Include an up-to-date indirect cost rate agreement.
- If your organization does not have an indirect cost rate agreement, the Department's Indirect Cost Group will negotiate indirect costs with organizations that have received federal funding, and receive the majority of their federal funds directly from the Department
 - An organization may estimate its indirect cost rate using its most recent financial data. Include this cost estimate in your grant application.
 - If a grant is made, an indirect cost proposal must be submitted to CSP within 90 days.
 - A temporary indirect cost rate of 10% of direct salaries and wages may be allowed until an indirect cost rate is approved.

Resource: NCSRC Webinar – [Indirect Costs Decoded](#), April 2020



Cost Category #11: Training Stipends

- Not typically included in this program
- Do not include subgrant funds in this category




Align Your Budget Narrative & Budget Summary

Application Narrative

- Abstract Narrative Form
- Budget Narrative Form
- Project Narrative Form



 Aligning your budget in these categories will help with monitoring of your grant down the line!

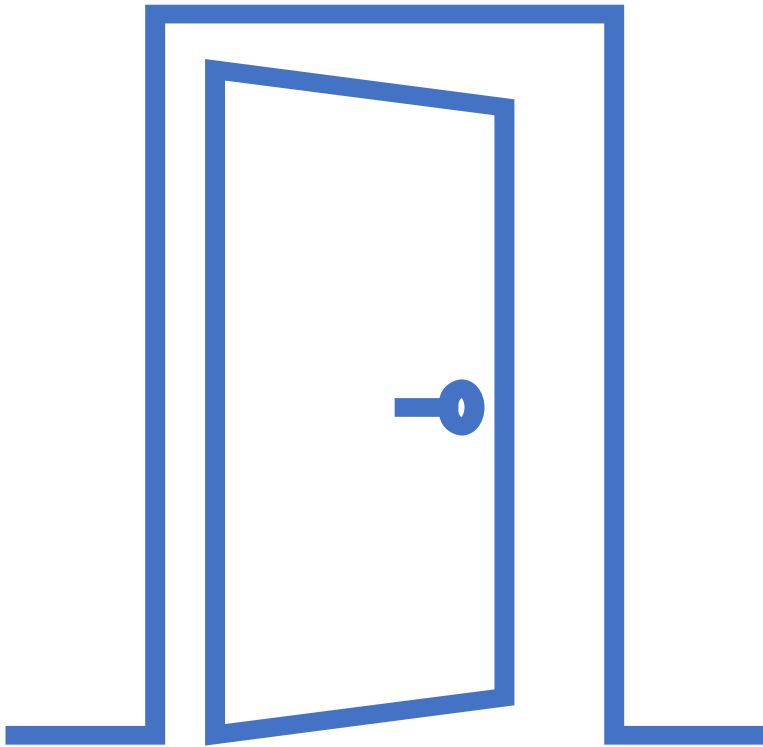
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ED 524



CSP's Grant Budget Review



Are all costs allowable, allocable, and reasonable for the grant?



Allowable Cost Framework

Is it necessary to complete the project?



Is it reasonable?



Is it allocable?



Is it allowable?



Allowable Costs

Generally, this means funds should be spent on items necessary to achieve the subgrant objectives, are aligned with grant requirements, and are reasonable for the expenditure.

Allowable	Not Allowable
Desks and chairs	Ongoing license fees
Textbooks and curriculum	Clothing and uniforms
Student and teacher technology	Promotional items and swag
First year audit	Capital improvements
Professional development	Food, beverages, alcohol

For more specific guidance about the definitions of allowable, allocable, and reasonable see [2 CFR § 200.403 - Factors Affecting Allowability of Costs](#)



Allocable Costs

A cost is allocable to a CSP award if it is treated consistently with other costs incurred for the same purpose.

Example: You want to buy 100 laptops six months before your school opens its doors and plan to pay using grant funds.

Is this allocable?

Yes – The laptops are needed to operate the school, can't be paid for with other funding, and are not prohibited under the grant.

For more specific guidance about the definitions of allowable, allocable, and reasonable see [2 CFR § 200.405 - Allocable Costs](#)



Reasonable Costs

Reasonable costs do not exceed that which would be incurred by a prudent person

For more specific guidance about the definitions of allowable, allocable, and reasonable see [2 CFR 200 Subpart E – Cost Principles](#)



If you are unsure if a cost is allowable, allocable, or reasonable – reach out to CSP!



Planning Costs vs. Implementation Costs

All costs should be one-time, startup expenses for the project being funded and not recurring costs. Some costs are allowed during subgrant planning year(s), while others are allowable during implementation.

Item	Allowable During Planning Year(s)	Allowable During Implementation
Communication – radio spots, TV ads, website design, outreach consultant	X	X
Consulting Fees	X	X
Furniture		X
Professional Development	X	X
Rent/Facility Payments	X	



One Time Costs vs. Ongoing Costs

Costs should be one-time, startup expenses for the project being funded and not recurring costs.

One Time Cost	Ongoing Cost
Computers and laptops	Consumable Supplies
Reusable classroom manipulatives	Food, beverage, or alcohol
Computer software	Ongoing consulting fees
Legal consulting	Employee benefits



Looking Ahead: Budget Revisions

- If funded, you will be held accountable to your grant application (including the budget).
- Changes to your project's budget over the project period require CSP approval.
- Need to make changes?
 - Must submit required information to your Program Officer
 - Wait for approval

Your Budget = Budget CSP Has on Record



Spending time providing sufficient detail in the budget in your application may mean less work in the future.



Resources

- [Title IV, Part C of the Every Student Succeeds Act of 2015 \(20 U.S.C. 7221-7221j\)](#)
- Federal Register NIA
- Nonregulatory Guidance: The [CSP NRG handbook](#) includes applicable information to the CSP program that addresses additional issues and provides clarification for components specific to CSP grants
 - Section D: Allowable Expenses

- Uniform Guidance

[Subpart D – Post Federal Award Requirements](#)

[Subpart E – Cost Principles](#)

[Subpart F – Audit Requirements](#)

[Title 2 CFR Part 3474](#)

[Part 180: OMB Guidelines for Debarment and Suspension](#)

[Part 3484: Nonprocurement Debarment and Suspension](#)



THANK YOU!

