

APPENDIX B: GSC CSP BUDGET GUIDANCE

The Great Schools Colorado-CSP Budget Worksheet, in Excel, is the document that will guide the charter school, authorizer, and the GSC team throughout the annual grant period. It is created to ensure:

- Compliance with state and federal regulations, including but not limited to tracking expenditures as required by the [CDE Chart of Accounts \(COA\)](#),
- The planned spending for the entire grant period, and
- The history of the budgeted and actual expenditures is maintained

The [CSP Budget Template](#) will become the worksheet that will be used to document approved expenditures to be reimbursed by the subgrant. **The tabs, calculations, and chart of accounts should not be modified on the template spreadsheet. Any applicants that submit a budget spreadsheet with a modified structure will be required to revise and resubmit a corrected budget.** For awarded subgrantees, a new budget document will be released annually.

The proposed budget and budget narrative should support the subgrant project goals identified in Application Part II, Narrative Section B of the application and demonstrate a clear relationship between identified goals, proposed activities, and the use of funds. Applications should contain budget narratives for all years of funding. The completed multi-year budget submitted as part of the application will serve as the basis for all grant expenditures and must remain aligned with the approved application on file with the League unless a revision is required.

Please be advised that this is a reimbursement subgrant, and schools must have available general funding for initial purchases.

All schools must submit a proposed budget reflecting anticipated expenditures for the full award period at the time of application. The multi-year budget establishes the total funding need and planned use of funds across all years of the subgrant.

Subgrant funds must be spent sequentially; first-year funds must be drawn down before accessing second-year funds, etc. The budget period for the initial planning year is **from final approval through September 30**. The budget period for the initial year of an Implementation-only subgrant is from **final approval through September 30**. Implementation-only subgrants awarded during the year of application will not go back to October 1st of the first year. The proposed subgrantee budget should reflect this timeframe.

When applications have been reviewed, final subgrant amounts will be determined based on the funding structure detailed in the Available Funds section. Budget documents submitted to the GSC team will be returned to successful charter school applicants and their authorizer with specific comments requiring additional information. This original budget revision must comply with the application review comments and will serve as a basis for future budget revisions. Any sub-grantee that fails to properly submit an original budget revision within 30 days of the date of the Subgrant notification may lose their grant award. Contact the designated LEAGUE Grants Fiscal Manager at accounting@coloradoleague.org with any issues.

General Guidelines and Restrictions

CSP subgrant budget form instructions can be found in the document. Each line item in the Excel budget should include the following in the respective columns: project/object category, subgrant project goal, budgeted amount (initial entry must be under original amount), and adequate budget item

description/justification including cost per unit and an explanation of quantity (such as number of items or kits, number of students, grade level, classrooms or employees served, etc.).

The following guidance is provided to assist in the preparation of the budget.

- All budget line items must include sufficient detail and justification to demonstrate allowability and reasonableness. Line items should clearly identify quantity, unit cost, and purpose, or be broken into multiple line items as needed to explain how funds will be expended. *Note: The Excel budget worksheet does not automatically calculate quantities; the amount entered must reflect the total projected cost.*
- Budget submissions may go through multiple rounds of review prior to final approval; schools should plan accordingly.
- Administrator and business mentoring costs may be budgeted where allowable and must be reasonable and consistent with market rates. Budgets must include the hourly rate, estimated hours, and a brief description of services.
- Attendance at conferences must be justified against the subgrant project goals and is limited to two individuals (unless it can be demonstrated that attendance is necessary for additional staff for professional development purposes).
- Requests for specialized training must include expected attendees, expected outcomes, topic(s), provider, cost, and a plan for sustaining that training.
- Budget expenditures must be supported by a sufficient description that provides the number of staff/students to be served; this can be grade level or the actual number of participants. In subsequent years, this is critical as the subgrant is not intended to address recurring costs.
- Performance management and professional development requests must include the number of participants, days, the cost per person per day, topic, and provider.
- It is in the best interest of the charter school applicant to request only reasonable funding levels in order to maximize the total award. Budget line items that are determined to be unrealistic or unallowable may be reduced or removed during the review process. For example, if \$8,000 is requested to send six individuals to a national conference, you may be asked to instead send two people each year over three years.
- Subcontracting is allowed, but schools must comply with procurement policies outlined in UGG 2 CFR§ 200.317.
- Please follow your authorizer's internal policies and procedures when budgeting for supplies, non-capital, and capital equipment.
 - In general, supplies are small purchases consumed, worn out, or deteriorated through use, or items that lose their identity through fabrication or incorporation into different or more complex units or substances.
 - In general, non-capital purchases that are valuable in nature and classified as equipment but costing less than the authorizer's policy for capital assets inventory. For example, iPads are generally a non-capital purchase and should be tracked and inventoried to mitigate theft.
 - Capital purchases are generally above \$5,000 per unit, including any taxes, shipping, and installation charges. These items are meant to be used for longer than a year and need to be properly depreciated through the authorizer's accounting system. At the end of the useful life, the LEAGUE must be made aware of any possible sale or disposal of capital equipment, as funds may need to be sent back to the federal government.

Required Policies and Procedures

Schools awarded will be required to establish the following fiscal policies and procedures. This is a requirement of the UGG 2 CFR 200 and must be in place and established to ensure compliance.

- 200.302 Financial Management
- 200.319 Procurement
- 200.318 Conflict of Interest
- 200.320 Micro-Purchases
- 200.333 Record Retention

Chart of Accounts – Coding of Expenditures

CDE COA was developed in response to 22-44-105(4), C.R.S., introduced as H.B. 1213 and enacted by the legislature in 1994. CDE, all school districts, and the Board of Cooperative Educational Services in the state shall use the system to report and obtain necessary financial information. It is important to review the CDE COA available at: <https://www.cde.state.co.us/cdefinance/sfcoa>.

Project/Object Categories

Examples of expenses that may be included in each object category are listed below for categorization guidance only. Your budget narrative should give enough detail so that the appropriate object category can be confirmed.

(0300) Purchased, Professional and Technical Services - Consultant fees, professional educational services, and other services performed by persons or firms with specialized skills and knowledge. In addition, property services include operating, repairing, or maintaining school property (not continuous).

(0500) Other Purchased Services – Includes services performed outside of professional or technical development related to the planning and implementation of the school or expansion project. Examples of such services include telephone service in the planning period, printing services, postage, advertising, and any expenditure related to travel, such as registration, mileage/airfare, and lodging. Please remember that any out-of-state travel must have prior approval before expenses may be incurred.

(0600) Supplies/Materials – Instructional materials and other supplies that are consumed or worn out through use. Per 2 CFR 200, supplies include tangible personal property other than equipment; computing devices are supplies when below the lesser of \$10,000 or the school's capitalization threshold. More restrictive local policy applies.

Support Program

Support service programs are activities that facilitate and enhance instruction. Support services include school-based and general administrative functions and centralized operations for the benefit of students, instructional staff, other staff, and the community.

(0100) Salaries - Amounts paid related to personal services for both permanent and temporary employees. Amounts for planning, administration, etc., should be broken out.

(0200) Employee Benefits - Amounts paid for personal services for both permanent and temporary employees. Amounts for planning, administration, etc., should be broken out.

(0300) Purchased Professional and Technical Services – Services which, by their nature, can be performed only by persons or firms with specialized skills and knowledge. While a product may or may not result from the transaction, the primary reason for the purchase is the service provided. Included are the services of architects, engineers, auditors, dentists, medical doctors, lawyers, consultants, teachers, accountants, brokers, etc. Identifying specific vendors within the application does not remove the sub-grantee's responsibility to follow its established procurement procedures. The grant requires **ALL** services that require a Contract or Memorandum of Understanding (MOU) to follow the

established sub-grantee procurement procedure to ensure no conflict of interest and all vendors have been cleared through the System of Award Management (sam.gov).

(0430) *Repairs and Maintenance Service* – Expenditures for repairs and maintenance services not provided directly by school personnel or contracted services that align with the Minor Facility Repair Appendix.

(0500) *Other Purchased Services* - Includes services performed outside of professional or technical development related to the planning and implementation of the school or expansion project. Examples of such services include telephone service in the planning period, printing services, postage, advertising, and any expenditure related to travel, such as registration, mileage/airfare, and lodging. Also include student transportation. Please remember that any out-of-state travel must be approved before expenses may be incurred.

(0600) *Supplies/Materials* - Office supplies, books, non-curriculum software licenses, and other general supplies. Computer peripherals purchased outside a system package (such as mice, keyboards, and computer speakers) also fall under this category.

Equipment

The Federal definition of equipment is tangible personal property (including information technology systems) having a useful life of more than one year and a per unit acquisition cost that equals or exceeds the lesser of the capitalization level established by the non-federal entity for financial statement purposes. Items considered equipment must be listed on a separate worksheet from the rest of the budget, as they must be tagged and inventoried according to 2 CFR § 200.439 Equipment.

Sensitive inventory items (small and attractive assets) do not meet the district/school's capitalization policy but are considered particularly vulnerable to loss, thus subject to special property control. These must be tagged and inventoried regardless of costs.

(0735) *Non-Capital Equipment* – The GSC subgrant requires items over \$10,000 each that will be used for more than one year to be considered equipment.

Transportation

Under § 4303(h)(4) of the ESEA, sub-grantees may use federal CSP funds to provide “one-time, startup costs associated with providing transportation of students to and from the charter school.” One-time startup costs may not be sustainable and must be related to the startup or expansion of the charter school. Therefore, provided that the expenses are necessary, reasonable, and allocable to the grant or sub-grant, a newly opened or expanded charter school could use a portion of its CSP funds to purchase a school bus to transport students to and from the charter school during the startup or expansion phase of the school. Subgrantees should be aware that, depending on the facts, a school bus may be considered a “capital asset,” in which case the subgrantee would be required to treat the cost of purchasing the school bus as a “capital expenditure” (UGG 2 CFR §§ 200.12, 200.13, 200.329, and 200.439).

The RFA and rubric under this subgrant will require applicants to describe the school's transportation needs and its plan to fulfill them. All applicants will be required to submit a transportation plan as an addendum. Schools choosing to provide transportation, whether using subgrant funds or not, must also demonstrate that they have a state statute-aligned and CDE-approved transportation policy. This policy will address state statute and rules related to public transportation safety, which are outlined in 1 CCR 301-25 Colorado Minimum Standards Governing School Transportation Vehicles (one of 4 versions by manufacture date: April 30, [2015-Present](#), September 1, [2007-2015](#), February 1, [1999-2007](#) or October 1, [1993-1999](#)), [1 CCR 301-26 Operation Maintenance and Annual Inspection of School Transportation](#)

[Vehicles](#), and [Rules for the Administration of the Public School Transportation Fund](#) (CCR 301-14) and guidance. Additionally, the League will require sub-grantees requesting these funds to establish contact with the Transportation office at CDE to receive authorization on any purchases before purchases are made or subgrant funding is released, provide a multi-year transportation and maintenance budget, and comply with any additional and all necessary technical assistance trainings. This information may be requested during a monitoring desk review, visit, and/or reporting period.

The League encourages use of subgrant funds to cover one-time startup costs associated with transportation for students to and from school. This aligns with our goal to increase enrollment and attendance in these schools and increase access to equitable educational opportunities in Colorado, particularly among historically underserved and educationally disadvantaged student populations. More students will have greater options available to enroll in a high quality charter school, and authorizers will better understand how to find a path for public charter schools to offer transportation services to students.

The League will work with subgrant applicants and their authorizer to ensure that those seeking subgrant funding for transportation identify one-time startup costs associated with transporting students into their project goals and budget. Applicants are also asked to address this set aside in a transportation plan that considers the transportation needs of its students beyond the startup phase of the charter school, which would become an appendix to the CSP application.

Criteria

The League will use the following criteria for determining whether a proposed transportation expense is allowable under the CSP subgrant:

- As part of GSC's regular monitoring protocol, the school will provide annual reports on the status of the bus/vehicle, including evidence of proper record keeping, inventory, serial number, and maintenance, further details will be provided during post-award training.
- The League GSC Team will evaluate the identified cost of a bus/vehicle to determine whether the price is reasonable **before a purchase is allowed**.
- The primary goals of the subgrant must be clearly met and not compromised based on transportation-related expenditures.
- The school will provide a transportation goal and write a measure and metric to report on related to that goal.
- The school will provide an update in their APR on their transportation plan and its effectiveness.
- The school will ensure that funds used are clearly associated with a one-time cost to the school.
- Management of recurring transportation costs is a consideration.
- Schools will be asked to complete a budget template to demonstrate an understanding of what reasonable cost assumptions look like over five years for managing transportation expenses and how these costs will be incorporated into a long-term, sustainable operational school budget.
- As with other assurances, the League will not fund recurring costs in the subgrant.

Facilities

Section 4303(h)(3) of the ESEA, grantees or sub-grantees may use federal CSP funds to carry out "necessary renovations to ensure that a new school building complies with applicable statutes and regulations, and minor facility repairs (excluding construction)."

- CSP Non Regulatory Guidance (January 2014) [PDF](#)

Examples of “minor facilities repairs” under ESEA § 4303(h)(3) include: repairing a leak in a roof, replacing a broken window, and repairing a furnace or air conditioning unit. In essence, minor facility repairs neither add to the permanent value of the property nor appreciably prolong its intended life, but rather, keep it in efficient operating condition.

Under UGG 2 CFR § 200.13, renovations or improvements that materially increase the value or useful life of a “capital asset” (e.g., land, building or facility, equipment, and intellectual property (including software)) are “capital expenditures”. The CSP subgrant does not cover them without prior approval from the LEAGUE. To charge a capital expenditure to the CSP grant or sub-grant, the grantee or sub-grantee must obtain the prior written approval of the Department or SEA (i.e., “pass-through entity”) (2 CFR § 200.439(b)(3)). For information regarding title, use, and disposition of real property improved with Federal grant funds and reporting requirements for such property, grantees should refer to 2 CFR §§ 200.311 and 200.329, respectively.

As stated above, sub-grantees may use CSP funds to carry out “necessary renovations to ensure that a new school building complies with applicable statutes and regulations.” In determining whether a proposed renovation is necessary to ensure that a new school building complies with applicable statutes and regulations, the Department encourages grantees to consider, and to explain in their amendment requests, whether the renovation is required by a statute or regulation (i.e., not simply suggested or proposed), including the source and citation for the specific compliance requirement and the consequences for non-compliance. In determining whether the cost of a proposed renovation is “necessary and reasonable,” the LEAGUE encourages sub-grantees to consider, and to explain in their amendment requests, the following:

- Whether the renovation is necessary for the performance of the subgrant;
- Whether the cost of the renovation (e.g., materials and labor) is commensurate with the market rate for such goods and services;
- Whether the relative cost of the renovation is calculated as a percentage of the overall dollar size of the CSP subgrant allocated to the charter school.
- Whether the relative cost of the renovation is calculated as a percentage of the overall cost basis of the underlying property.
- Whether the costs are non-sustained (i.e., “one-time” costs associated with the startup or expansion of the charter school).

Determining what constitutes “Minor Facilities Repairs and Necessary Renovations”

Minor facility repairs and necessary renovations cannot add to the permanent value of the property nor appreciably prolong its intended life; instead, they can keep it in efficient operating condition. In addition, under this program,

1. The total one-time expense will not exceed 10 percent of the annual GSC subgrant award in a given year. For schools applying in their first year of implementation, the maximum award will not exceed 10 percent of a three-year annual award.
2. The other goals of the GSC subgrant application can be met and are not compromised due to the proposed expenditures related to facility repairs.

Examples of minor facility repairs include repairing a leak in the roof, replacing a broken window, and repairing a furnace or an air conditioning unit. Minor facility repairs neither add to the permanent value of the property nor appreciably prolong its intended life, but rather, keep it in efficient operating condition.

Applicants should also consult the [Cost Principles](#) in the UGG for further assistance.

References and Additional Guidance

Additional information and guidance on budgeting, budget revision, and allowable expenses can be found in other CSP guidance and the federal January 2014 CSP Nonregulatory Guidance.

Applicants should also be aware of the following relevant provisions: [2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and Nonregulatory Guidance Student Support and Academic Achievement Programs.](#)