



**NEW JERSEY
PUBLIC CHARTER SCHOOLS
ASSOCIATION**

CHARTER SCHOOL PROGRAM (CSP) GRANT ALLOWABILITY COST GUIDE

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Purpose

The Allowable Cost Guide seeks to provide guidance and clarification for allowable expenditures for reimbursement under the Charter Schools Program (CSP) grant under CFDA 84.282A. Ensuring that expenses are allowable under the Charter School Program (CSP) grant is crucial for maintaining compliance and achieving the goals of the grant. The information provided below is NOT comprehensive but seeks to provide guidance to support CSP recipients in planning and preparing budgets to meet CSP program goals.

The New Jersey Public Charter Schools Association (NJPCSA) will review the budget with the applicant before final grant documents are issued. Expenditures that are not allowable, necessary, reasonable, and allocable will be excluded before final grant documents are issued.

How to Use this Guide

The allowable cost guide is organized into five comprehensive sections to ensure clarity and ease of use. The first section, "Value Add Budgeting," introduces the concept of enhancing budget strategies. The second section, "Overview of Allowability," provides a general overview of the definitions and federal Uniform Guidance related to allowable costs. ([2 C.F.R. Part 200, Subpart E](#)). The third section, "Factors Determining Allowability," delves into key questions and considerations that help determine whether a cost is allowable. The fourth section, "Allowable Expenditures," includes detailed descriptions, examples of acceptable justifications, funding restrictions, and examples of expenditures categorized by the following CSP budget categories:

- Personnel
- Fringe
- Furniture and Equipment
- Supplies
- Contractual
- Travel
- Other

Finally, the fifth section, "Unallowable Costs," serves as a guide to identify expenditures that are not permissible.

Section 1. Value-Add Budgeting

The CSP grant aims to equip schools with essential resources and capacities that they otherwise could not afford or implement promptly. It addresses gaps by covering large expenses beyond the school's operating budget, resolving capacity issues, establishing sustainable processes and systems, and providing sufficient time for effective planning. Value-add is the extra value created over and above the original value of something, while budgeting involves creating an operational plan based on an estimated allotment of funds and time for a given period. Value-add budgeting, therefore, refers to creating an operational plan based on an allotment of funds that exceeds the original estimates, enabling an accelerated impact. To achieve CSP grant project goals, it is necessary and required that all approved budgets look beyond foundational expenses and invest in best practice strategies and solutions proven to enhance strong academic performance.

Here are some key principals to keep in mind while developing your CSP budget:

Expenditures that directly support progress towards the goals of the school.

Each expenditure in the budget should directly connect to the individualized goals of the school. Consider these questions:

- Why is the investment important?
- What does the investment prioritize?
- What is a measure of success connected to the investment?
- How will the investment in a particular area help you fulfill a goal?

Expenditures that will accelerate student success.

The students the school will serve in its expanded capacity deserve the best effort from the moment an application is submitted. Expenditures should reflect innovative ideas that go beyond the status quo or previous resource capacities. They should also represent investments that address anticipated challenges in serving students in the expanded grades and amplify the impact of both research-driven and innovative practices within the proposed academic model. This is the school's chance to innovate and enjoy the process!

Expenditures that empower and equip teachers to be amazing.

Imagine new classrooms where the students will learn each day and the pride they will feel in that environment. Envision creativity that will flourish when the new teachers have more than adequate resources and supplies. Plan for investments in resources that may be needed for the expanded grade levels. Reward teachers by fulfilling their requests for extra support and training in areas that are new to the school.

Expenditures that create a foundation for future success.

The school has designed its academic model with purpose and intentionality. As the school looks ahead to future sustainability and examines every detail of the model, it should consider potential obstacles. Consider these questions:

- In the next 3-5 years, what challenges might hinder the maintenance of the academic model?
- How can the school proactively invest to ensure future sustainability?
- What capacity can be brought in now to build strong, sustainable systems and processes?

Section 2. Overview of Allowability

All requested budget items must be reasonable, necessary, allowable, and allocable as defined in the Office of Management and Budget's Uniform Guidance ([2 C.F.R. Part 200, Subpart E](#)). All costs must be justified for the specific purposes of this CSP subgrant, necessary to complete grant objectives, supported with justification for reimbursement, and aligned with state and federal law. Required justification may require upfront planning and tracking and should be addressed prior to spending any approved funds.

Federal non-regulatory guidance indicates, "If the charter school can show that the state or local funds it has received are necessary to meet expenses other than the one at issue, then the charter school has met its burden of showing that the 'other initial operations costs' cannot be met from state or local sources and, therefore, is allowable under the CSP grant." (U.S. Department of Education. (2014, January). [Charter Schools Program, Title V, Part B of the ESEA: Nonregulatory Guidance](#).) Costs incurred must be one-time in nature, obligated during the grant project period, correlated to a grant objective, and may not include ongoing operational costs.

Permissible Activities

An applicant receiving a subgrant under this program may use the subgrant funds only for allowable activities as defined in the ESSA § 4303(h):

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.
 - c. School leaders.
 - d. Specialized instructional support personnel.
2. Acquiring supplies, training, equipment (including technology), and educational materials (including developing and acquiring instructional materials).
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 this RFA when such costs cannot be met from other sources. [20 U.S. Code § 7221b\(h\) Local Use of Funds](#)

Allowable

Allowable— 2 CFR § 200.403 Factors affecting allowability of costs.

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

- (a) Be **necessary** and **reasonable** for the performance of the Federal award and be allocable thereto under these principles.
- (b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items.
- (c) Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity.
- (d) Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
- (e) Be determined in accordance with generally accepted accounting principles (GAAP), except, for state and local governments and Indian tribes only, as otherwise provided for in this part.
- (f) Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period. See also [§ 200.306\(b\)](#).
- (g) Be adequately documented. See also [§§ 200.300](#) through [200.309 of this part](#).
- (h) Cost must be incurred during the approved budget period. The Federal awarding agency is authorized, at its discretion, to waive prior written approvals to carry forward unobligated balances to subsequent budget periods pursuant to [§ 200.308\(e\)\(3\)](#). (Emphasis added.)

Reasonable

In determining reasonableness, each expenditure must be:

- *Necessary* – value-add to achieving grant goals and needed to fulfill the grant as approved.
- *Customary/ordinary*– sound business practices; arm’s length bargaining; compliant with federal, state, local, tribal, or other laws and regulations and terms and conditions of the federal award.
- *Comparable to market prices*.

Reasonable— 2 CFR § 200.404 Reasonable costs.

A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. The question of reasonableness is particularly important when the non-Federal entity is predominantly federally funded. In determining reasonableness of a given cost, consideration must be given to:

- (a) Whether the cost is of a type generally recognized as **ordinary** and **necessary** for the operation of the non-Federal entity or the proper and efficient performance of the Federal award.
- (b) The restraints or requirements imposed by such factors as: sound business practices; arm's-length bargaining; Federal, state, local, tribal, and other laws and regulations; and terms and conditions of the Federal award.
- (c) **Market prices** for comparable goods or services for the geographic area.
- (d) Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the non-Federal entity, its employees, where applicable its students or membership, the public at large, and the Federal Government.

- (e) Whether the non-Federal entity significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the Federal award's cost. (Emphasis added.)

Allocable

In determining allocability, each expenditure must be—

- Within the scope of the approved grant project.
- Assignable to a particular cost objective.
- Purchased for this particular award.
- Necessary to implement grant objectives.

Allocable – 2 CFR § 200.405 Allocable costs.

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

Additional Resources

- [Section 4303\(h\) Local Uses of Funds](#)
- [Grant Award Laws, Regulations, and Resources](#)
- [eCFR :: 2 CFR Part 200 Subpart E -- Cost Principles](#)
- [U.S. Department of Education \(ED\) Charter Schools Program \(CSP\) Nonregulatory Guidance](#)
- [Office of Management and Budget \(OMB\) Circular A-21, Cost Principles for Educational Institutions](#)
- [OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments](#)
- [OMB Circular A-122, Cost Principles for Non-Profit Organizations](#)
- [Side-by-side of 34 CFR Part 74 and 2 CFR Part 200](#)

Section 3. Allowability Determination Factors

Ensuring that expenses are allowable under the Charter School Program (CSP) grant is essential for maintaining compliance and achieving the grant's objectives. The NJPCSA uses a structured framework to determine allowability and ensure adherence to federal laws and regulations. This guide outlines a comprehensive approach for assessing the allowability of costs, focusing on the three key factors outlined in the section above: allowability, reasonableness, and allocability. It includes guiding questions and other important considerations to ensure expenses are properly documented, incurred within the approved budget period, and appropriately timed. Schools are encouraged to utilize this framework when drafting CSP budgets, making budget revisions, and evaluating expenditures for reimbursements to optimize the use of grant funds and support their charter school initiatives effectively.

Determining Allowability

1. Is the expense required for operation and generally expected to be sustained by school operating funds?
 - If YES, the expense is not allowable.
 - If NO, move to question 2.
2. Is the expense a recurring expense that will be required for operation after the grant has ended?
 - If YES, the expense is not allowable.
 - If NO, move to question 3.
3. Does the expenditure directly support the proposed grant objective(s)?
 - If YES, the expense is allowable.
 - If NO, additional investment opportunities should be considered.

Determining Reasonableness

1. Is this necessary to fulfill grant goals?
 - If NO, the expense is not reasonable.
 - If YES, move to question 2.
2. Have you done a price comparison/gather quotes/run RFP to ensure you are getting a fair market value for the expenditure?
 - If NO, the expense is not reasonable.
 - If YES, move to question 3.
3. Will this provide sustainable impact?
 - If NO, the expense is not reasonable.
 - If YES, the expense is reasonable.

Determining Allocability

1. Is the expense directly supporting the approved student enrollment growth included in the grant award?
 - If YES, the expense is allocable, move to question 2.

- If NO, the expense is not allocable.
2. Is the expense directly related to the planning or implementation of the academic model proposed?
 - If YES, the expense is allocable, move to question 3.
 - If NO, additional investment opportunities should be considered.
 3. Does the date of the expense fall within the grant award period?
 - If YES, the expense is allocable.
 - If NO, the expense is not allocable.

Section 4. List of Allowable Expenditures

This section provides a non-exhaustive list of allowable expenditures, organized by CSP budget category and program period (planning and implementation). Each type of expenditure includes a description, acceptable justification, and any applicable funding restrictions. These restrictions offer additional context, particularly on how and when allowability may change depending on the program period.

The allowability of expenditures is determined by ensuring they meet specific criteria, including:

- *Supported by Adequate Documentation:*
 - Includes invoices, payroll registers, proof of payment, and any additional requested documentation (e.g., contracts, proofs, audio/visual files, photos, inspection reports).
- *Incurred Within Approved Periods:*
 - Costs must be incurred during the approved budget and grant periods where such expenditures are allowable.
- *Timing Based on Invoice Date:*
 - The timing of expenditures should align with the date indicated on the invoice.
- *Alignment with Project Goals:*
 - A clear description of how the expenditure aligns with the project's objectives must be included.

Regardless of threshold, all physical items (e.g. furniture, fixtures, technology) must be accounted for and reported, as necessary. An inventory of items purchased with CSP funds should be maintained. In addition, items purchased with CSP funds should be tagged and identifiable. All expenditures must follow the sub-recipient board approved procurement requirements compliant with Uniform Guidance and align with state and federal laws and guidance. All policies and procedures must apply uniformly to both federally financed and other activities of the non-Federal entity and be clearly documented. See [Procurement Standards 2 CFR 200.317-327](#); [N.J.A.C. 5:34-1](#), et seq.

It is important to note that final determinations of allowability are subject to review and approval by the NJPCSA and USDOE, with any exceptions considered on a case-by-case basis. For questions or additional guidance, please reach out to the NJPCSA CSP team.

Personnel (Planning)

Type	Description	Acceptable Justification for Reimbursement	Funding Restrictions
Salary/Hourly—Essential Staff	Essential staff includes leadership, teachers of record and other positions identified as part of the school model.	Reimbursement requests must include payroll documentation and time and effort reports.	A maximum of \$100K may be reimbursed for TPAF eligible positions in the planning year.

Examples of Allowable Expenditures

- A school leader is hired prior to the school opening to serve in an active role of preparation, recruitment and onboarding of other team members.
- A school counselor is hired prior to the school opening to actively develop a SEL plan.
- Teachers of record are hired with a start date effective prior to the start of school and/or the receipt of state funding.
- An interventionist or Paraprofessional is included in summer professional development.

Type	Description	Acceptable Justification for Reimbursement	Funding Restrictions
Stipend Pay —All Roles	Individuals paid for activities outside of the scope of an employment contract.	Reimbursement requests must include payment documentation, employment contract, and defined scope of work.	All reimbursement must be outside of school hours. Positions may not be reimbursed for time directly serving students.

Examples of Allowable Expenditures

- A teacher attends a training or workshop prior to the start of a contract.
- A group of teachers are engaged in curriculum development, a task outside of the scope of the contract or outside of contract dates.

Personnel (Implementation)

Type	Description	Acceptable Justification for Reimbursement	Funding Restrictions
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Salary/Hourly Pay – Grant Administration	Grant administration duties may be assigned to any position qualified to carry out the assigned responsibilities.	Reimbursement requests must include payroll documentation and time and effort reports.	Grant administration is inclusive of activity necessary to meet monitoring, compliance and general management of grant implementation and goals. Grant administration does not include activity within the scope of the academic model. Time and effort must be is capped at no more than .25 FTE or \$37,500.
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Examples of Allowable Expenditures

- A finance administrator is tasked with the organization and submission of quarterly reimbursement requests.
- A school administrator is tasked with value-added budget development, collection of data around grant goals and key metrics, and/or management of key contracts related to the CSP project goals.

Type	Description	Acceptable Justification for Reimbursement	Funding Restrictions
Stipend Pay —All Roles	Individuals paid for activities outside of the scope of an employment contract.	Reimbursement requests must include payment documentation, employment contract, and defined scope of work.	All reimbursement must be outside of school hours. Positions may not be reimbursed for time directly serving students.

Examples of Allowable Expenditures

- A teacher attends a training or workshop prior to the start of a contract.
- A group of teachers are engaged in curriculum development, a task outside of the scope of the contract or outside of contract dates.
- A recruitment stipend is paid to a teacher meeting all stipend parameters (i.e., hard to fill position, years of experience, credentials, etc.) Note: Recruitment stipends must be tied to specific requirements to be allowable. Additionally, starting salary must be consistent with the salary schedule of all staff (i.e., the recruitment stipend may not be used to supplement a starting salary).

Fringe (Planning and Implementation)

Fringe benefits may include payroll taxes, retirement contributions, health care, etc. as aligned to the approved payroll. In TPAF related positions, reimbursement for state allocations will be made upon determination of funds to be reimbursed to the state and payment of funds. This must be requested no later than July 31st of each year.

Furniture and Equipment¹ (Planning and Implementation)

Type	Description	Acceptable Justification for Reimbursement	Funding Restrictions
Furniture– All	<p>Non-computer hardware for instructional and administrative use.</p> <p>Durable goods with a reasonable life expectancy of over a year and meeting the depreciation threshold established in financial policies.</p>	<p>In addition to required financial documentation, reimbursement requests must include:</p> <ul style="list-style-type: none"> • Evidence of meeting all procurement requirements. • Evidence of delivery. • Evidence of inventory list. 	<p>All classroom-level equipment and furniture must align to the academic model and support effective instructional practices. Costs may not include monthly service fees. Purchases may not exceed reasonable quantities for the proposed student population.</p>

Examples of Allowable Expenditures

- Furniture is purchased for four new classrooms serving students in approved grant grades, including chairs, desks, cabinet units, lab stations, etc. to support enrollment growth and align to grant goals.
- Furniture is purchased to establish or expand a resource or intervention classroom necessary for executing the academic model and meeting grant goals.
- Furniture to support a new library that supports independent reading and provides a conducive environment for literacy programs, group activities, and instructional support.
- A play structure is purchased to support student activity. (Note: Play structures purchased with CSP funds must be moveable structures. Any structure permanently installed is not allowable.)

Type	Description	Acceptable Justification for Reimbursement	Funding Restrictions
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¹ *Equipment* means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000. See also the definitions of *capital assets*, *computing devices*, *general purpose equipment*, *information technology systems*, *special purpose equipment*, and *supplies* in this section. 2 CFR 200.1.

Computer Hardware/Technology/Equipment - All	Computers and other electronic devices capable of reading, processing, and executing software programs to support instruction.	In addition to required financial documentation, reimbursement requests must include: <ul style="list-style-type: none"> Evidence of meeting all procurement requirements. 	All equipment and furniture must align to the academic model and support effective instructional practices. Costs may not include monthly service fees. Purchases may not exceed reasonable quantities for the proposed student population.
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Examples of Allowable Expenditures

- Chromebooks and charging carts to support technology related instruction in new or expanded grade levels.
- Smartboards, interactive displays, and projection systems for interactive learning experiences that are purchased for each new classroom as part of a schoolwide instructional strategy.
- Installation of servers, network equipment, and Wi-Fi systems to support internet access in classrooms, computer labs, media centers, etc.
- Purchase and installation of a sound system aligned to the school safety and communication plans.

Supplies² (Planning and Implementation)

Type	Description	Acceptable Justification for Reimbursement	Funding Restrictions
Curricular	Curriculum can include textbooks, supplemental instructional aids, curriculum packages (printed or electronic), teacher guides, etc.	In addition to required financial documentation, reimbursement requests must include: <ul style="list-style-type: none"> Evidence of meeting all procurement requirements. Description of alignment to instructional model. Evidence supporting the projections of student enrollment. 	Curriculum must be aligned to the academic model and purchased in quantities not to exceed the proposed student population for each grade level. A limited supply of curriculum materials may be purchased for up to two grades prior to or beyond grades served to support intervention and extended learning strategies. If electronic media takes the form of an annual

² *Supplies* means all tangible personal property other than those described in the definition of *equipment* in this section. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the non-Federal entity for financial statement purposes or \$5,000, regardless of the length of its useful life. *Computing devices* means machines that acquire, store, analyze, process, and publish data and other information electronically, including accessories (or “peripherals”) for printing, transmitting and receiving, or storing electronic information. 2 CFR 200.1.

			subscription or renewable license, renewals are not allowable.
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Examples of Allowable Expenditures

- One-time subscription for online textbooks for students in new grade levels covered by the grant.
- Physical textbooks or curriculum materials for new students in new or expanding grade levels covered by the grant.
- Resource classroom or school library with grade-level books for new or expanding grades.

Type	Description	Acceptable Justification for Reimbursement	Funding Restrictions
Technology and Computer Software	Instructional software and programs. May be delivered online or via tangible device (i.e., disk)	In addition to required financial documentation, reimbursement requests must include: <ul style="list-style-type: none"> • Evidence of supporting professional development around online instructions and/or programs may be required in addition to financial documentation. 	All centralized technology must align to the academic model and support effective instructional practices. Costs may not include monthly service fees or ongoing license fees/renewals. Subscription and license fees are allowable for software purchases.

Examples of Allowable Expenditures

- Supplemental literacy programs, virtual instruction systems, management systems for school library and media centers. Subscription based programs are allowable as a **one-time** reimbursement for new grade levels only.
- One-time purchase of a digital reading platform that provides students with access to a vast library of e-books, audiobooks, and interactive reading materials, supporting independent reading and personalized learning paths.
- Software for video editing, graphic design, and multimedia creation, enabling students to work on creative projects in media centers (e.g., Adobe Creative Cloud). Subscriptions are a **one-time** reimbursement for new grade levels only.

Type	Description	Acceptable Justification for Reimbursement	Funding Restrictions
Other- Printing, posters, books, etc.	Includes all supplies necessary and supportive of the implementation of the academic model. All supplies must have a useful life of	In addition to financial documentation, the following may be required: <ul style="list-style-type: none"> • Evidence of meeting all procurement requirements. 	Purchases may not exceed reasonable quantities for the proposed student population. All advertisements must include the school's name and call to action.

	at least one year. Consumable supplies are not allowable.	<ul style="list-style-type: none"> • Demonstration of alignment to academic model or to a recruitment strategy. • Copy of printed material (as applicable) 	
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Examples of Allowable Expenditures

- Classroom libraries for all new or expanding grade levels, inclusive of multi-level reading books to accommodate all readers.
- Printing of informational materials such as handouts, postcards, etc. to support student and teacher recruitment efforts (must contain an action).
- Posters and banners for community events to increase awareness of the school’s offerings and/or employment opportunities.
- Postage for mailing marketing materials to potential families.
- Classroom supplies such as student white boards, markers, calculators, etc.

Travel (Planning and Implementation)

Type	Description	Acceptable Justification for Reimbursement	Funding Restrictions
Travel and Lodging	Travel costs to attend conferences and training workshops including professional development, site visits to other schools, etc.	In addition to financial documentation: <ul style="list-style-type: none"> • Agenda (if it’s a conference) or program overview (if it’s a course) • Names of participants 	Must be aligned to program outcomes and provide sustainable value to board and leadership capacity. Attendance numbers must be substantiated to support a train the trainer model.

Examples of Allowable Expenditures

- Travel expenses for school leaders to attend the National Charter School Conference.
- Travel expenses for school leaders to attend compliance related meetings.
- Travel expenses for teachers to attend PD sessions. Teacher PD sessions may be individualized for development or part of a schoolwide initiative.

Contractual (Planning and Implementation)

Type	Description	Acceptable Justification for Reimbursement	Funding Restrictions
Professional and Curriculum Development	<p>Training for instructional staff including in-service training, professional development, conferences, workshops, demonstrations, school visits to other schools, etc. that contribute to their professional growth and competence.</p> <p>Services related to the development of curriculum and/or supporting resources and understanding techniques for instruction.</p>	<p>In addition to required financial documentation, reimbursement requests must include:</p> <ul style="list-style-type: none"> • Service agreements for purchased services and evidence of completion (i.e., agendas, deliverables, sign-in sheets, etc.) • Evidence of deliverable. • Evidence of following all procurement guidelines. 	<p>Expectations for all deliverables and training outcomes must be clearly articulated in service agreements. All training and professional development for school staff must be aligned to the academic model and support grant goals.</p>

Examples of Allowable Expenditures

- In-service training, professional development, conferences, workshops, visits to high-performing schools.
- Hiring a consultant to design and/or align curriculum and provide methods for implementation.
- Contracting for the development of protocol for implementation of MTTs, data analysis, etc.

Type	Description	Acceptable Justification for Reimbursement	Funding Restrictions
Professional and Technical Services	<p>Costs associated with services related to start-up expenses and organization development. Includes legal costs for lease and charter negotiations, bylaws, policies, consulting fees to develop organization policies and business plan, development of internal controls, accounting systems, etc. Cost associated with</p>	<p>In addition to financial documentation, the following may be required:</p> <ul style="list-style-type: none"> • Contract inclusive of scope of work. • Evidence of deliverable. 	<p>All board training and professional development must be aligned to grant goals and provide sustainable value to board and leadership capacity. All contract work must be aligned to the student population proposed in the grant application.</p>

	grant management and coordination of grant reporting, budget amendments, etc.		
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Examples of Allowable Expenditures

- Consulting fees for developing organizational policies, such as employee handbooks, student discipline policies, and board governance structures.
- Expenses related to engaging a consultant to facilitate the strategic planning process, including the development of the school’s mission, vision, and strategic priorities.
- Costs for training board members on governance best practices, legal responsibilities, and oversight of charter operations.
- Costs related to setting up accounting systems to manage the school’s finances effectively, including software purchases and training.
- Fees for consultants or legal advisors to review and revise internal policies to ensure compliance with state and federal regulations.

Type	Description	Acceptable Justification for Reimbursement	Funding Restrictions
Other—Student and Staff Recruitment	Informational materials and intangible items and services to educate prospective staff about the school mission, program, contacts, application process, performance outcomes and to recruit staff. May include printing of brochures and postcards.	In addition to financial documentation, the following may be required: <ul style="list-style-type: none"> • Service agreements for purchased services. • Evidence of completion. (i.e., deliverable, sign-in sheets, etc.) 	All outreach and recruiting expenses must clearly articulate the desired action such as an online employment application, job fair, etc. Expectations for all deliverables must be clearly outlined. Costs may not include placement fees.

Examples of Allowable Expenditures

- Social media ads (e.g., LinkedIn, Facebook, Instagram) targeted at educators and professionals showcasing available positions and the school’s mission.
- Costs associated with job fair participation, including booth setup, promotional materials, and registration fees.
- Fees for recruiting consultants or agencies to design staff recruitment strategies that align with the school’s needs.
- Radio spots on local stations highlighting key aspects of the school, such as academic programs or unique offerings.
- Fees for outreach consultants or marketing experts to develop student recruitment strategies.

Other (Planning)

Type	Description	Acceptable Justification for Reimbursement	Funding Restrictions
Facility Renovations	Renovations and modifications are necessary to bring the school building into compliance with current building codes and safety standards.	In addition to financial documentation: <ul style="list-style-type: none"> Evidence of meeting all procurement requirements. Evidence showing that the expense is directly tied to meeting code requirements. 	Facilities related expenditures may <u>NOT</u> extend beyond the planning period. (Limited exceptions may be granted for schools expanding new grades across the grant period.)

Examples of Allowable Expenditures

- Security systems for school entry doors and building
- Updates to electrical, plumbing, HVAC systems
- Code related structural repairs
- Improvements to code related accessibility features (such as ADA-compliant ramps and restrooms)
- Code related fire safety upgrades (e.g., sprinklers, alarms, and emergency exits)

Type	Description	Acceptable Justification for Reimbursement	Funding Restrictions
Facilities Acquisition	Purchasing modular buildings, leasing any facility space, and mortgage payments for any facility space.	In addition to financial documentation: <ul style="list-style-type: none"> Evidence of meeting all procurement requirements. Official executed lease that shows the start date of the lease. 	Expenditures must be beyond previous expenditures. For example, if a school already has a lease in place and there is no increase in cost to expand, this is not allowable.

Examples of Allowable Expenditures

- Monthly mortgage or lease payments for a facility that will serve as the primary location for the student population included in the grant application.
- Facility related inspections or feasibility reports as part of due diligence. (Note: This may be in contracted services as well).

Type	Description	Acceptable Justification for Reimbursement	Funding Restrictions
Transportation	Costs associated with a one-time purchase for a bus or van that supports the transportation to students to and from the charter school.	In addition to financial documentation: <ul style="list-style-type: none"> Evidence of meeting all procurement requirements. Evidence demonstrating the need for transportation services to support students in new or expanding grades. 	Transportation related expenditures may <u>NOT</u> extend beyond the planning period. (Limited exceptions may be granted for schools expanding new grades across the grant period.) Further, expenses related to the implementation of the transportation plan are not allowable (i.e. bus drivers, maintenance, etc.)

Examples of Allowable Expenditures

- One-time purchase of an electronic bus, charging station, and the installation costs to support enrollment growth in grant grades.

Other (Implementation)

Type	Description	Acceptable Justification for Reimbursement	Funding Restrictions
Facilities Repair and Maintenance	Low-cost, non-capital expenses related to routine repair and maintenance of school facilities necessary to ensure the school environment remains safe, functional, and in good condition.	In addition to financial documentation: <ul style="list-style-type: none"> Evidence of meeting all procurement requirements. 	May not include any capital improvement or construction requiring architectural design or significant change.

Examples of Allowable Expenditures

- Minor repairs and upkeep for school building systems (such as HVAC, plumbing, and electrical).
- Painting of new classrooms.
- Replacement of ceiling tiles of new classrooms.

Type	Description	Acceptable Justification for Reimbursement	Funding Restrictions
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Facilities Acquisition	Acquisition of modular buildings.	In addition to financial documentation: <ul style="list-style-type: none"> • Evidence of meeting all procurement requirements. • Contract evidence of purchase and demonstrated need for additional space. 	For purchase only.
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Examples of Allowable Expenditures

- Purchase of a modular building to support the student population included in the grant application. Modular buildings may be used for classrooms, library space, etc.

Section 5. Unallowable Costs

Category	Examples
Activities	<ul style="list-style-type: none"> ▪ Fieldtrips ▪ Extracurricular activities, programs, etc. ▪ Athletic (team / afterschool equipment or other)
Apparel	<ul style="list-style-type: none"> ▪ Student or staff uniforms, hats, or clothing ▪ Athletic and extracurricular uniforms and costumes
Capital Improvements & Construction or Renovations	<ul style="list-style-type: none"> ▪ Purchase of land or buildings (excluding modular buildings) ▪ Unless related by building code <ul style="list-style-type: none"> ○ Addition of permanent structural improvements or restoration that improves value ○ Construction of a new facility or an existing facility ○ Activities for which an architect and/or engineer must be utilized ▪ Technology/electrical to walls or structural elements ▪ Structural (roofing, wall repair, electrical wiring/rewiring) unless required to meet state or local building codes or statutes ▪ Room additions ▪ Fixed partitions ▪ Landscaping ▪ Site preparation work requiring equipment
Supplies	<ul style="list-style-type: none"> ▪ Cleaning ▪ Cafeteria/food supplies, including food, beverages, or alcohol
Fundraising	<ul style="list-style-type: none"> ▪ Expenses associated with fundraising activities
Incentives	<ul style="list-style-type: none"> ▪ Gift certificates ▪ Food/alcoholic beverages ▪ Awards and gifts
Promotional Items	<ul style="list-style-type: none"> ▪ Promotional materials (often imprinted), such as pencils, pens, balloons ▪ “Swag” of any sort (trinkets, clothing, accessories)
Professional Fees	<ul style="list-style-type: none"> ▪ Legal retainers or litigation ▪ Ongoing accounting, auditing, or legal fees not directly related to organizational start up and planning
Recurring Operational Expenses	<ul style="list-style-type: none"> ▪ Mandated positions (i.e., SPED) ▪ Operating expenses and utilities, equipment leases, monthly, and annual contracts beyond planning ▪ Recurrent/repeated professional development and training ▪ Software license renewals ▪ Fees such as monthly insurance and payroll services, management company fees, service contracts, trash disposal, gas, electric, phone, water, utilities, phone (including landlines and cell), etc.
Student	<ul style="list-style-type: none"> ▪ Student membership fees ▪ Student conferences
Technology	<ul style="list-style-type: none"> ▪ Electrical installation or modifications to room dividers or existing walls, floors, ceilings, or structural elements ▪ Installation of computer network cabling when already present and/or that comprise a capital improvement to the property
Indirect Costs	<ul style="list-style-type: none"> ▪ Indirect costs are not allowed
Recruitment and Marketing (student and staff)	<ul style="list-style-type: none"> ▪ Placement fees (i.e., “headhunter”) ▪ General marketing that does not contain a call to action
Lobbying	<ul style="list-style-type: none"> ▪ Direct or related advocacy expenses
Insurance	<ul style="list-style-type: none"> ▪ Insurance and bond premiums (property, directors and officers, fidelity bonds, commercial liability, employee liability, riders, etc.)

Category	Examples
Core Curriculum	▪ Online subscriptions