GRANT BUDGETS - INSTRUCTIONS

There are two components of the budget – the budget detail, and the budget narrative. The purpose of the budget narrative is to assist the grant reviewers in understanding how your budget supports your grant application. In the rubric, there are certain sections where the reviewers will be looking for objective evidence that your budget supports your plan. These are the sections:

Part II B. 4 (Technology Utilization)
Part II E. 1 (Marketing, Branding, etc.)
Part II F. 2 (Meeting needs of SPED students)
Part II F. 3 (Meeting needs of at-risk students)
Part II G. 1 (Staffing plan)
Part II G. 2 (Professional development)
Part II H. 1 (Financial management)
Part II H. 2 (Facility costs)
Part II H. 3 (Resources for students with additional needs)
Part II I. 3 (Board professional development)

BUDGET PLANNING GENERAL STEPS

- Determine if you are requesting a planning grant, an implementation grant, either, or both.
- determine the length of each your grant periods (see guidance below) and how you want to break up the dollars between the grants and time.
- Write the budget narrative – this is where you explain how the funds will be used to meet the project goals. There should be a section on expected planning activities, and a section on implementation activities. In the case that you are not requesting planning funds (only implementation funds), or vice-versa, it should be explicitly stated.
- Create a detailed budget.

BUDGET NARRATIVE

Again ,the purpose of the budget narrative is to assist the grant reviewers in understanding how your budget supports your grant application. There should be a clear connection between the objectives identified in your grant application and the grant request. For example, a table could be included in the narrative to explain, at a high level, how the budget supports the plan:

BUDGET NARRATIVE TABLE				
Performance Measure	**Budget Area**	**Amount of Funds**	**Timeline**	**Justification**
Recruit and hire administrator and other staff members.	Staffing	$ 98,000	January 1, 2019 - June 30, 2021	Charter school needs ambitious, talented leadership and staff to open new grade level
Procure supply items needed (furniture, library books) to open grade in September 2019.	Supplies	$56,400	July 1, 2019 - August 31, 2021	Basic items for start-up of charter school.
Train School Principal, Curriculum Director, and Finance Director on curriculum, leadership development, and financial systems	Professional Development	$54,000	April 1, 2019 - August 31, 2021	Staff needs training on programs designed for school.
Procure of Technology (Equipment) needed to open school in September 2019.	Technology	$53,000	July 1, 2019 - August 31, 2019	Basic items for start-up of charter school Tech needs.

SUPPLEMENT, NOT SUPPLANT

Through the Charter School Program (CSP) Grant, Bluum will award up to $800,000 to schools for the planning and implementation of high-quality charter school growth. The funds **must** be used for start-up, expansion or replication activities. The grant funds cannot be used to fund already existing activities, positions or seats.

CSP subgrant funds must supplement, not supplant, existing services and may not be used to supplant federal, state, local, or non-federal funds. All expenditures must be allowable, necessary, reasonable and allocable. A school can apply for a planning-only subgrant for up to 18 months, an implementation-only subgrant for up to 24 months, or both a planning and implementation subgrant for a combined maximum of up to 42 months. However, schools are encouraged to consider shorter grant periods to reduce the time and effort needed for administration and reporting.

It is highly recommended that schools provide both a planning budget and an implementation budget, both together could total the grant request (up to $800,000). This allows the school to have flexible spending periods. Below are the differences between planning and implementation grant activities:

PLANNING GRANT

Grant funds are intended to provide support for planning activities associated with opening a charter school. These activities typically include:

- o Procure equipment/supplies/materials (furniture, technology, curriculum)
- o Recruit staff/board of trustees/students
- o Provide professional development for staff/board of trustees
- o Secure school or office space (rent)
- o Prepare space for learning (wiring, etc.)
- o Procure recruitment materials and services
- o Obtain legal services
- o Obtain audit or financial services
- o Train staff upcoming year
- o Instruction and Curriculum Development
- o Travel, Lodging, and Registration
- o Facility Costs to Meet Code
- o School Bus Acquisition
- o Other initial operational costs that cannot be met from State or local sources

- The applicant can request a budget planning period of up to 18 months; it is perfectly fine if the requested planning period is shorter. However, if a subgrantee request both a planning and implementation grant, the planning grant period must be completed before an implementation

grant period can commence. For the first two grant competitions, the maximum planning grant periods are as follows:

Planning Period Allowed:	Competition 1 Max Planning Period (18 mo) 4/1/2019 to 9/30/2020	Competition 2 Max Planning Period (18 mo) 10/1/2019 to 3/31/2021

IMPLEMENTATION GRANT

Grant funds are intended to provide support for the program design and initial implementation of charter schools. These activities typically include:
- o Salaries
- o Employee Benefits
- o Professional Development
- o Technology Support
- o Purchased Professional & Technical Services
- o Other Purchased Services
- o Travel, Registration, and Entrance
- o Supplies
- Charter schools are limited to a maximum of **24 months** to spend implementation grant funds following the completion of the planning period, or simply 24 months if there is no planning period.

SUGGESTED PLANNING AND IMPLEMENTATION PERIODS

We highly recommend that the school builds its CSP Grant Budget in alignment with its fiscal years. In general, "planning" is considered activities performed before the startup, replication, or expansion school year begins. Even if the school was open in the prior year, there are legitimate planning activities that can be performed. However, for the purposes of this grant, planning activities may occur for up to 18 months but should end when the school opens its doors to students after a startup, replication, or expansion. Implementation begins after the planning stage when a startup, replication, or expansion school opens for the first time and may take place for up to 24 months. The budget template tab, "Budget – 27 Months" is an example of how to plan budget timing. The school may of course maximize the length of the grant. If the school chooses to do so, it can use the tab, "Budget – 42 Months Max (18 planning, 24 implementation).

POSSIBLE AUDIT IMPACT OF BUDGET PLAN

As you are preparing your Federal Grant budget for submission, please be aware that if you spend over $750,000 of Federal funds in one fiscal year, you will be required to hire your CPA firm to complete a "Single Audit" of your Federal funds. This means that your auditor will be required to audit all Federal

funds including your Title funds, IDEA, Free-and-Reduced lunch reimbursements, food commodities, and the CSP grant. This could be costly, and time-consuming.

Here is a good article about the requirements:

https://www.councilofnonprofits.org/nonprofit-audit-guide/federal-law-audit-requirements

In developing your budgets, consider this in your decision-making process. Fiscal year means July 1 to June 30. During the training, we let you know that you have flexibility in determining the timing of the use of funds. For example, you might spend curriculum dollars as follows:

- Curriculum for 2019-2020 purchased in June 2019 (falls into 2018-2019 fiscal year for Audit purposes)
- Curriculum for 2020-2021 purchased in July 2020 (falls into 2020-2021 fiscal year for Audit purposes)

HOW TO FILL OUT THE PROJECT BUDGET TEMPLATE

For purposes of this application and completing required budget forms, applicants must provide "expense assumptions" for each GL account budget code utilized in both planning and implementation. The "RFA School Project Budget Summary Template" provided is broken up by Federal Grant Award Period, which ends September 30 each year. The school is not required to extend planning to 18 months or implementation to 24 months; it is up to the school to determine the timing of spending. In practice, most schools will complete planning before the school opens (for start-ups) or before the start of the expansion or replication school year.

The application budget has *two* parts: The **Budget Summary** and the **Budget Narrative**. All proposed expenditures for the subgrant funding period must be *itemized* in the "RFA School Project Budget Summary Template" and justified in the Budget Narrative. Budget items not rationally supported by the proposal narrative *will not* be funded.

1. The Budget Narrative *must* provide clear evidence that the budget is appropriate and justified based on the needs assessment. Schools must provide a detailed Budget Narrative that include separate budgets for the Planning and Implementation periods. This narrative *must* clearly explain that all expenditures are allowable, reasonable, and allocable; are adequate to support the activities of the project; and directly connect to the goals and objectives in the proposal narrative. The Budget Narrative is the justification of 'how' and/or 'why' a line item in the budget summary helps to meet the program deliverables. The narrative should allow the grant evaluator to understand the connection between the budget summary and the project expenses. Ensure that the totals in the Budget Summary equal the totals in the Budget Narrative. Please review the Sample budget narrative (in SharePoint but should be linked on site) if needed.

2. The Budget Summary is the financial overview of the subgrant plan and must include *all* proposed expenditures for the project. When finalized, save the "RFA School Project

Budget Summary Template" as an Excel file to be uploaded into the online application as the Project Budget Summary attachment.

Also, review federal rules for additional information on the allowability, reasonableness, and allocability of costs for federal grant awards (linked here).

(A) [Technical Standard] All project expenditures align with an eligible CSP activity listed in RFA School Project Budget Summary Template.
(B) All projected expenditures will be used to help the school achieve its project goals.
(C) [Technical Standard] All projected expenditures in the competed "RFA School Project Budget Summary Template" are included in the appropriate expenditure period - planning or implementation.

GUIDANCE ON PREPARATION OF THE DETAILED BUDGET "SCHOOL'S EXPENSE ASSUMPTIONS" COLUMN

Budget assumptions should provide the layperson who possesses little knowledge of the elements of the proposed expense with sufficient detail in order to determine if the cost estimate is reasonable and based on supportable facts rather than guesswork. Specifically, budget assumptions must identify, justify and/or explain:

- o   each type of unit used,
- o   the number of units proposed
- o   the cost per unit, and
- o   how costs were derived (determined to be reasonable).

Costs need to be traceable to reality. They need to be based on actual quotes, prices paid, or experience. If costs are based on historical knowledge or recent experience, the justification should state by whom the information was provided, when the quoted experience occurred and under which project. If based on quotes, provide the actual quote or summary of the discussion if an oral quote(s) was received.

Please make sure similar costs are consistent throughout a budget. If, for example, a consultant plans to fly round-trip from Boise, ID to Houston and is scheduled for two or three trips in the course of project implementation, then the base cost for each ticket budgeted for this consultant's identical trips must be the same, with out-year escalations (for inflation, see constants worksheet in budget) as add-ons as appropriate.

When you can (time and understanding of the project permitting), link the costs to their project activity. By that we mean rather than just saying "Consultant travel is based on 2 trips between Houston and Boise based on travel agent quotes", add some programmatic tie in and say "Consultant A will make one trip in Year 1 to attend the implementation planning. Another trip is scheduled for Year 2 to attend Year 1 performance review".

Explain calculations. If you have created an average labor rate, for instance, explain your calculation. "Mr. Smith's rate for the 2 year project is presented as an average of his current rate of $200/day and his year 2 rate escalated at 5%." Identify the effective date of the rate increase.

The key is to provide more information regarding items in the budget which may not be clearly understood simply by reading the budget.

See the examples below. if there are funds in the budget summary in professional salaries, purchased services, travel, and supplies and materials categories, the workplan might look like this:

	4/1/2019 6/30/2019	7/1/2019 9/30/2019	10/1/2019 6/30/2021		
Account Description (feel free to modify)					
Grand Total:	**Planning**	**Planning**	**Implementation**	**Grand Total**	**School's Expense Assumptions**
Staffing:					
Elementary Certified Staff	$0	$0	$32,000	$32,000	One certified staff at 1.00 effort to grant project @ $36,000
Salaries - Sped Classified	$0	$0	$44,000	$44,000	One certified staff at 1.00 effort to grant project @ $44,000
Salaries - Advisors	$0	$15,000	$0	$15,000	One advisor at .15 effort to grant project @ $100,000
Salaries - School Administrators	$7,000	$0	$0	$7,000	One principal at .10 effort to grant project @ $70,000
Supplies:					
Supplies – Elementary	$0	$1,200	$0	$1,200	2 new Inspiration Center @ $600 each

Supplies – SPED	$0	$18,000	$0	$18,000	12 new tech tube @ $1,500 each
Curriculum – Elementary	$0	$24,000	$0	$24,000	24 new ELA books @ $1,000 each
Curriculum – SPED	$14,400	$0	$0	$14,400	12 new SPED books @ $1,200 each
Professional Development :					
Prof Dev - Instructors Purchased Svcs.	$0	$9,000	$7,000	$16,000	One certified staff at 1.00 effort to grant project @ $42,000
Prof Dev - Instructors Tuition	$9,000	$8,000	$5,000	$22,000	One certified staff at 1.00 effort to grant project @ $44,000
Prof Dev - Admin Staff Purchased Svcs.	$0	$9,000	$0	$9,000	One advisor at .15 effort to grant project @ $100,000
Prof Dev - Admin Staff Tuition	$7,000	$0	$0	$7,000	One principal at .10 effort to grant project @ $70,000
Technology:					
Student Laptops	$0	$36,000	$0	$36,000	36 new student laptops @ $1,000 each
Staff Computers	$0	$5,000	$0	$5,000	2 staff laptops @ $2,500 each
Smartboards	$0	$12,000	$0	$12,000	2 new smartboards @ $6,000 each

Definitions:

A. Staffing: (Salaries and Wages): Itemize each individual staff member whose salary or wage will be supplemented by this grant. Identify each individual's position/job title, along with his/her annual salary in whole dollars. Hourly rates based on 2080 hours per year will automatically be calculated based on the annual salary entered. Specify the number of hours that they will work on this project. The level of effort percentage will automatically be calculated based on the Project Hours entered for each staff member identified. Enter the PERSI, Taxes, and Insurance costs of ach staff members identified by multiplying the staff cost by the appropriate rate for PERSI, Taxes, and Insurance.

Salaries and wages should be based on the current annual salary rate, Idaho Career ladder, or market rate for hourly employees for the proposed individual for the project year. An employee can be paid from both general funds and CSP funds. IN the instance where this is the case, each project salary is calculated by applying the annual salary rate of an individual to the level of effort proposed for the individual or position. For example, a full-time teacher with a salary of $40,000.00, who will only spend 50% of his/her time on the project, should be reported in the budget summery as a cost of $20,000.00. In the "School's Expense Assumptions" column, show the math that confirms the cost (full time teacher with a salary of $40,000.00 who will only spend 50% level of effort. $40,0000 x 0.5).

B. Professional Development: Amounts paid to purchase services associated with professional development and training. Schools should Itemize the cost associated with providing the service. For example, if it cost $50.00/hr. to provide professional development training for 4 hours every month (10) of the school year, should be reported in the budget summery as a cost of $2,000.00. In the "School's Expense Assumptions" column, show the math that confirms the cost ($50.00 x 4 x 10).

C. **Equipment:** Tangible property having a useful life of more than one year and a per-unit acquisition cost of $5,000 or more. Items not meeting these criteria should be itemized in the Supplies and Materials category of the budget.

  I.   Itemize each piece of equipment to be purchased for this project.

  II.   Identify the item name and describe the purpose of the piece of equipment as it relates to accomplishing project goals and the unit of measure being used. Also specify the quantity and unit cost for each equipment budgeted for purchased and the unit cost for each.

  III. Existing equipment already owned by the applicant should not be included in this section.

D. Supplies and Materials: Amounts paid for items of an expendable nature that are consumed, worn out, or deteriorated through use; not capital items; refer to school's purchasing policy.

  I.   Itemize each item to be purchased for this project.

II.   Identify the item name, the purpose as it relates to accomplishing project goals, and the unit of measure being used. Also specify the quantity and unit cost for each item.

III.   Routine materials or supplies for your organization's operational needs should not be included here, only those specific to the project.

E. Curriculum: Amounts paid for textbooks, workbooks, reference books, textbook binding or repairs, or cost associated with curriculum activities

I.   Itemize each item to be purchased for this project.

II.   Identify the item name, the purpose as it relates to accomplishing project goals, and the unit of measure being used. Also specify the quantity and unit cost for each item.

F.   Professional   Services: (Startup/Development   Consultants):   Costs   of professionals/consultants/contract services used for startup/expansion/replication work in these operational areas. These expenses are paid to personnel who does not work for school. Wages are based on the current market rate for the project year.

I.   Itemize each item to be purchased for this project.

II.   Identify the item name, the purpose as it relates to accomplishing project goals, and the unit of measure being used. Also specify the quantity and unit cost for each item.

G. Technology (Equipment): - Amounts paid for technology related costs (capital items in this section) tech supplies that can be expensed based on school's capitalization policy should be included in "Supplies" above.

I.   Itemize each item to be purchased for this project.

II.   Identify the item name, the purpose as it relates to accomplishing project goals, and the unit of measure being used. Also specify the quantity and unit cost for each item.

H. Software Licenses: - *Amounts paid for cost associated with software cost*

I.   Itemize each item to be purchased for this project.

II.   Identify the item name, the purpose as it relates to accomplishing project goals, and the unit of measure being used. Also specify the quantity and unit cost for each item.

I. Technology Support: - Amounts paid for all technology activities and services for the purpose of supporting instruction

I.   Itemize each item to be purchased for this project.

II.   Identify the item name, the purpose as it relates to accomplishing project goals, and the unit of measure being used. Also specify the quantity and unit cost for each item.

J. Recruitment Costs: - Amounts paid for cost associated with announcements on social media or in professional publications, newspapers, or broadcasts over radio and television, or cost associated with purchasing materials to recruiting and community engagement

    I.   Itemize each item to be purchased for this project.

    II.   Identify the item name, the purpose as it relates to accomplishing project goals, and the unit of measure being used. Also specify the quantity and unit cost for each item.

K. Facility costs to meet code: - If using CSP funds Under ESEA § 4303(h)(3), grantees may use CSP funds to carry out "necessary renovations to ensure that a new school building complies with applicable statutes and regulations, and minor facilities repairs (excluding construction)," please contact Bluum for additional guidance.

    I.   Itemize each item to be purchased for this project.

    II.   Identify the item name, the purpose as it relates to accomplishing project goals, and the unit of measure being used. Also specify the quantity and unit cost for each item.

L. School Bus Acquisition: - If using CSP funds Under ESEA § 4303(h)(4) - providing one-time startup costs associated with providing transportation to students to and from the charter school, please contact Bluum for additional guidance.

    I.   Itemize each item to be purchased for this project.

    II.   Identify the item name, the purpose as it relates to accomplishing project goals, and the unit of measure being used. Also specify the quantity and unit cost for each item

M. Travel and Transportation: - All travel is budgeted for roundtrip, advance-purchase economy class airfare based on current market rate. Standard per diem (lodging and meals and incidental expenses) is estimated based on current market rate. Travel will be administered in accordance with US Government travel regulations and any additional limitations. A modest amount for related ground transportation (airport transfers, Uber, Lyft, taxis, parking, etc.) is also included.

- Budget each type of travel requested in the appropriate subcategory. Specify the purpose or destination for the travel item, unit type and the quantity of units requested. Do not lump trips together into one amount, rather, itemize by travel category listed. If the type of travel does not fall within one of the subcategories listed, include that item in the Other Direct Costs category of the budget with the appropriate units and quantity.
- Items should be budgeted using the basis as described next to budget subcategory, for example, "Domestic Airfare" should be budgeted on a "Per Flight" basis.
- Select travel items have distinct factors that must be included in order to complete that section. These subcategories include Rental Cars, Lodging, Meals, which in addition to the above criteria, must include the days/duration of the trip for that subcategory.
- **DO NOT INCLUDE THE TRAVEL COSTS BEING PAID FOR BY SUBRECIPIENTS, CONTRACTORS OR OTHER THIRD PARTIES**, which should be included in the Contractual Services budget category and incorporated in the applicable Subgrant or Contract budget item.