



2021 - 2022 Budget Form and Allowable Costs Guidance

2021 - 2022 Budget Form

Use this format to present the project budget (Excel version available upon request). Note that the Budget Narrative (C.2.) *must* include an explanation for each line, such as the source or basis for the cost, any calculation (e.g. unit cost times number of units, hourly rate times number of hours). The narrative must show that costs are allowable, necessary, reasonable, and allocable. Consult the [Allowable Costs Guidance](#).

Category	Planning Period	Implementation I	Implementation II
1 Salaries and Wages			
Administrative / Business Operations			
Staff pre-opening	\$	\$	\$
Classroom/Instructional			
Staff pre-opening			
TOTAL SALARIES AND WAGES			
2 Contracted Services			
Administrative / Business Operations			
Technology Installation			
Legal and financial			
Organizational Development			
Recruitment and Outreach			
Classroom/Instructional			
Professional development			
Curriculum			
TOTAL CONTRACTED SERVICES			

3 Supplies and Materials

Administrative / Business
Operations

Admin Software			
Outreach and Recruitment			

Classroom/Instructional

Consumables			
Classroom Software			
Classroom library			

Computer Lab/ Library / Media
Center

Software			
Library/center books			
TOTAL SUPPLIES AND MATERIALS			

4 Other Charges

Administrative / Business
Operations

Dues and fees			
Travel			
Postage, mailing			
Insurance			
Mortgage, lease, or rent			
TOTAL OTHER			

5 Equipment (and Furniture)

Administrative / Business
Operations

Furniture - Administration			
Technology			
Transportation			

Classroom/Instructional

Classroom Equipment			
Classroom Furniture			

Classroom Technology			
Computer Lab/ Library / Media Center			
Furniture			
Technology			
Equipment			
Grounds			
Outdoor Equipment			
TOTAL EQUIPMENT AND FURNITURE			

TOTAL			
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Allowable Costs Guidance

Allowable costs are organized into the two main categories: Classroom/Instructional and Administrative. Within these categories, allowable expenses may include Salaries and Wages, Contracted Services, Supplies and Materials, Equipment, and Other.

Some costs are not allowable within the CSP grant program. A list of unallowable costs is on page 4 of this guide.

This guide is meant to help schools determine whether a *type* of cost is allowable. To ensure sufficient detail is included when drafting a budget, please provide a complete budget narrative that describes the expense, how it was estimated, and how it supports your program.

Finally, *if an item or service is not listed in this document, contact your CSP grant team.* The team can help determine if a cost is allowable within the program.

Per the Every Student Succeeds Act (ESSA), all expenditures must be allowable, necessary, reasonable and allocable. An eligible applicant receiving a subgrant shall use the funds for one or more of the following:

- 1) Preparing teachers, school leaders, and specialized instructional support personnel, including through paying the costs associated with providing professional development, and hiring and compensating teachers, school leaders and specialized instructional support personnel during the planning period.
- 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 opening and preparation to open, replicate or expansion of a charter school.

(ESSA, Section 4303(h))

Program funds must be used solely for activities that directly support the accomplishment of the program purpose, priorities, and expected outcomes during the program period. Activities must be directly related to planning and design, and/or implementation of a new or replicating charter school, or an expansion of an existing charter school. Expenditures must be for planning or initial implementation, be consistent with the approved application, as well as applicable state and federal law, regulations, and guidance. As recipients of federal funds, Charter School Program grantees are subject to two CFR § 200 - UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS.

If an applicant is awarded a grant, MSDE 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.

IMPORTANT:

- All proposed budget line items must be *reasonable, necessary, allowable, and allocable.*

- Budget requests must align with state and federal laws and guidance.
- Grantees may be required to provide additional documents to the MSDE Charter Schools Program at any time. All contracts \$25,000 and over must be submitted to MSDE for approval prior to ratification.
- **All costs submitted for CSP reimbursement must be included in the final approved budget.**

Cost Area	Descriptions	Examples of Acceptable Expenses
Salaries and Wages Administration	Staff essential for preparation and training in the planning period (pre-opening)	Executive Director during the pre-opening period
Salaries and Wages Classroom/Instructional	Staff onboarding pre-opening and while reaching capacity	Principal brought on for six months pre-opening to lead hiring, professional development, and onboarding with local school system Lead teachers paid a stipend for professional development and planning during the three months pre-opening
Contracted Services Administrative	Technology planning and installation, legal and financial, recruitment and outreach, organizational development	Board recruitment and training Financial services (pre-opening)
Contracted Services Classroom/Instructional	Training for instructional staff designed to contribute to their professional growth and competence. Curriculum design and methods of implementation	In service training, professional development, conferences, workshops, visits to other schools Consultant aligning curriculum with the Maryland College and Career Ready standards
Supplies Administrative	Software and licenses for assessment managed, finance, personnel	Office supplies Initial purchase and year one license for financial and administrative programs (initial year only) Office suite licenses for front desk and administrative staff Visitor registration system
Supplies Classroom/Instructional	Books and Curriculum Textbooks and curriculum packages Books	May include electronic media. If a license or subscription is required, renewals are not allowable. Workbooks, testing instruments, materials with a reasonable life expectancy of less than one year. Consumables beyond start up may be

Cost Area	Descriptions	Examples of Acceptable Expenses
	<p>Consumables</p> <p>Software and digital collections management systems for library, media centers</p> <p>Books for classroom libraries</p> <p>Instructional software, programs</p>	<p>considered ongoing operational costs and may be unallowable.</p> <p>Publishing and graphics software (initial year only)</p> <p>Encyclopedias and other reference works, book series including reference works, fiction, non-fiction, series, and other media for library.</p> <p>Supplemental literacy programs, tutoring programs</p>
Other Administrative	<p>Dues and fees</p> <p>Insurance and bond premiums</p> <p>Lease and rent</p>	<p>National Association of Public Charter Schools Maryland Alliance of Public Charter Schools National organizations/networks related to educational approach.</p> <p>First year only, renewals are not allowed. One year may be pre-paid, once during planning or implementation for liability and property insurance.</p> <p>Lease payments for up to six months pre-opening A prorated portion of the rent may be approved as a grant expense if the school is growing to enrollment capacity.</p>
Other Classroom/Instructional	Student transportation	<p>Purchase of a bus</p> <p>Expansion of a transportation contract with the school system or other provider</p>
Equipment Administrative	Computers and peripherals, other equipment for the central office.	Desks, chairs, tables, filing (fireproof) cabinets
Equipment Classroom/Instructional	<p>Computers and other electronic devices to support instruction.</p> <p>Durable goods with reasonable life expectancy of over a year</p>	<p>Laptops/cart, wireless access points Smartboards Lab equipment</p> <p>Furniture, DVD players, paper cutters, label makers, book carts, binding equipment, laminators</p>

Cost Area	Descriptions	Examples of Acceptable Expenses
	<p>May include durable instructional equipment of special classes.</p> <p>Non computer hardware, furniture, and fixtures for centralized school library/media center use</p>	<p>Furniture, media player, projectors, science equipment, physical education equipment, musical instruments</p> <p>Desks, chairs, tables, bookshelves, book displays, podiums,</p>
Equipment Plant/grounds	Equipment for outdoor use, not permanent	Playscapes, portable basketball hoops, tables for outdoor instruction

Cost Area	Examples of Unallowable Expenses
Recurring Expenses	<p>In general, once the charter school is open, or expansion is complete, recurring expenses must be sustainable by the Charter school in its operating budget and may not be supported with grant funds. This includes:</p> <ul style="list-style-type: none"> ● Salaries ● Rent/Lease ● Operating expenses and utilities, equipment leases, and annual contracts ● Software license renewals ● Monthly fees such as those for payroll, management companies, utilities, trash disposal, etc. ● Audit expenses <p>The charter school grantee may request that a recurring expense be supported by grant funds if the school can show that the cost will be sustained when the school reaches full enrollment. In this case the amount to support the expense must step down from the first year of the grant.</p>
Renovations	<p>Capital renovations are not allowed as an expense of the grant. This includes –</p> <ul style="list-style-type: none"> ● Structural repairs (roof, construction) ● Landscaping ● Permanent outdoor equipment
Salaries	After the school opens, or reaches capacity, salaries are not an allowable expense. See Recurring expenses, above.
Food	<p>Catered food for meetings is not allowable, even for marketing and recruiting. This includes beverage and snack supplies for staff.</p> <p>Restaurant meals are not permitted except within certain limits related to travel.</p>
Sales tax	As a nonprofit organization, sales tax should not be charged, and may not be included as a grant expense.

Cost Area	Examples of Unallowable Expenses
Apparel	Student Uniforms Staff Uniforms – e.g. jackets, shirts, hats
Capital Improvements	Construction of new facility Construction on existing facility Building renovations, refurbishments, and restoration
Incentive and Promotional Items	Promotional materials (often imprinted), such as pencils, pens, balloons, and notepads. PROMOTIONAL ITEMS, AND FOOD/BEVERAGE ITEMS, ARE NOT ALLOWABLE UNDER ANY CATEGORY, <i>INCLUDING</i> OUTREACH AND RECRUITMENT.
Indirect Costs	Indirect costs, usually a fixed percentage of total costs, may not be charged to the Charter Schools Program grant.