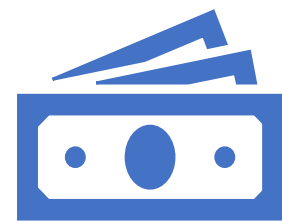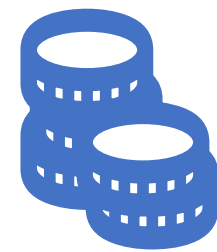# Agenda

Building A Value-Add Budget

Budget Guidelines and Allowable Expenditure Checklist

Exploring Opportunities for Investment

Q&A

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Defining Value-Add

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. Ask yourself these questions:

- Why is the investment important?

- What does the investment prioritize?

- What is a measure of success connected to the investment?

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Defining Value-Add

Expenditures that will accelerate student success.

The students you will serve in your expanded capacity deserve your best effort from the moment an application is submitted. You've already demonstrated your commitment to this. Expenditures should reflect your ideas that go beyond the status quo or the previous resource capacity. Expenditures should reflect investments that provide solutions to foreshadowed obstacles in serving students in the expanded grades and that multiply the impact of both research driven and innovative practices within the proposed academic model. This is your chance to have some fun!

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Defining Value-Add

Expenditures that empower and equip teachers to be amazing.

Imagine the new classrooms your students will enter each day and the pride they will feel as a learner within that environment. Imagine the creativity that will live within those walls when your new teachers have more than adequate resources and supplies. Plan for investments for the resources you may not yet know for the expanded grade level. Plan to reward your teachers with honoring their requests for additional support and training in areas new to the school.

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Defining Value-Add

Expenditures that create a foundation for future success.

You have created your academic model with purpose and intentionality. As you look ahead to future sustainability, studying every nuance within the model, consider the obstacles to come. In the next 3-5 years, what stands in the way of maintaining the academic model? How can you proactively invest to ensure future sustainability? What capacity can you bring in now to build strong, sustainable systems and processes?

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Budget Submission Guidelines

Budget Submission Guidelines

- ## Budget Spreadsheet

  - ✓ Should include basic descriptions for line items
  - ✓ Items that are "like" (i.e., computers, furniture) can be grouped
  - ✓ Use as a tool to confirm numbers
  - ✓ Connect to goals

- ## Budget Narrative Summary

  - ✓ Summarize each budget category (i.e., personnel, fringe, equipment)
  - ✓ Provide context on the value-added components of the category
  - ✓ Connect to school model

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Budget Amount Guidelines

Budget Amount Guidelines

These are established to ensure you pace yourself through expenditure of grant funds.

- Year 1:   50%
- Year 2:   25%
- Year 3:   25%

** If there are extenuating circumstances that may impact these guidelines, please contact us to discuss.

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Allowable Expenditures

General Guidance On Allowability

- Is it Reasonable and customary?
  - ✓ Does it not exceed, in its nature and amount, that which would be incurred by a prudent person under similar circumstances?
  - ✓ Is it ordinary or necessary for operations or to achieve grant goals?
  - ✓ Are there sound practices, arm's length bargaining, and compliance with federal and state laws and grant conditions?

- Does it supplement and NOT supplant restricted state or any Federal funds?

- Is the expenditure within the SCOPE and TIMING of the grant?

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General Guidance on Allowability

- ALLOWABILITY POSSIBILITIES:

  ✓ NEVER

  ✓ SOMETIMES – *depends on circumstance, timing, and alignment with allowability guidelines*

  ✓ ALWAYS - *with appropriate documentation / justification*

- TIMING FOR ALLOWABLE COSTS:

  ✓ Planning phase

  ✓ Implementation phase

  ✓ BOTH Planning and Implementation phases

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Understanding the Possibilities

Commonly Requested Unallowable Expenditures

Activities	• Fieldtrips • Extracurricular activities, programs • Athletic (team/afterschool) equipment
Apparel	• Student uniforms • Athletic and extracurricular uniforms and costumes • Staff uniforms, hats, or clothing
Capital Improvements and Construction	• Purchase of land or buildings • Addition of permanent structural improvements or restoration that improves value • Construction of a new facility or on an existing facility • Activities for which an architect and/or engineer must be utilized • Technology / electrical to walls or structural elements
Supplies	• Cleaning • Cafeteria/food supplies, including food, beverages, or alcohol
Fundraising	• Anything associated with fundraising activities
Incentives	• Gift certificates • Food/alcoholic beverages • Awards and gifts
Promotional Items	• Swag of any sort, trinkets, clothing / accessories
Professional Fees	• Legal retainers or litigation
Recurring Operational Expenses	• After planning, anything required for typical operations (lease payments, core salaries and benefits (principal, registrar, etc.), utilities, software license renewals, monthly fees such as accounting or auditing not related to start-up/planning, management company fees, service contracts, etc.)

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Understanding the Possibilities

Surprising Allowable Expenditures

- *Personnel/Fringe Benefits*

  ✓ Positions offering a value-add to the program that can be <u>sustained</u> or <u>justifiable for reduction</u> after the CSP grant.

- *Extended Planning Period*

  ✓ Planning can go beyond the initial start date of a school. For example, planning may go July 1, 2023 – September 30, 2024 for a school opening new grades in September 2024. This extended planning period allows for all allowable planning expenditures to be carried through September 30th. This includes personnel expenditures with evidence of need to replenish upfront startup funds not covered by the CSP grant.

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The What, When Who, and How

WHAT	WHEN	WHO	HOW
• Reimbursement • Quarterly Reporting	• Quarterly • Special Reimbursement Periods • End of Period • End of Grant	• CSP Grant Manager • School Leader • School Business Administrator (SBA)/School Business Officer (SBO)	• Invoices • Proof of payments • Contracts • Data • Documents

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First Funds Release Requirements

Before the first funds can be released, we will need to collect / receive:

- Executed Memorandum of Understanding for Accepting the Grant Award

- Board Approved Financial Policies
  - ✓ Asset Management Policy and Processes, including inventory form
  - ✓ Conflict of Interest Policy
  - ✓ Procurement Policy

- Executed Charter Contract

- Non-Profit Status Documentation

- Educational Management Organization Executed Contract (if applicable)

- Sams.gov UEI Number

- Duns Number

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Q&A

For additional questions, please email csp@newschoolsforalabama.org

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