



NEW SCHOOLS FOR ALABAMA

**New Schools for Alabama
Charter Schools Program (CSP) Grant**

ALLOWABLE COST GUIDANCE

September 2022

PURPOSE

This guidance is intended to assist the NSFA subgrant recipients in planning budgets, budget amendments, and to determine specific expenditures that may or may not be considered for reimbursement under the Charter Schools Program (CSP) grant aligned with CSP program goals.

The information provided within this grant is not intended to be exhaustive in the specific or general types of expenses that may or may not be allowable based on federal guidelines. ALL costs for allowability are determined under the guidance of [2 C.F.R. Part 200, Subpart E](#). We encourage subgrantees to reach out to csp@newschoolsforalabama.org with questions about a specific cost item or allowability limitations.

OVERVIEW OF ALLOWABILITY CONSIDERATIONS

Consider 3 domains of allowability:

1. Classroom Instruction

- Expenses related to providing a high-quality learning environment at the classroom-level appropriate to the age, grade, program, and academic model within the scope of the grant award.
- Expenses that ensure adequate resources are available to meet the needs of all students.

2. School Level Instructional Support

- Expenses related to providing a high-quality learning environment at the school-level aligned with the student population served and school model within the scope of the grant award.

3. Operations

- Expenses related to infrastructure needed to start up, replication, or expansion aligned with the proposed grant application, student population, school model, within the scope of the grant.

“Within the Scope of the Grant” means

- Aligned with CSP grant goals
- Use or focus is primarily for the students (seats), grades, programs approved in the CSP grant application (proposed enrollment and grant narrative).
- Can reasonably demonstrate a “value-add” tied to one of the 3 domains above.
- Is within the timeframe of the grant award.

General Categories of Expenditures:

1. Salaries
2. Fringe Benefits
3. Travel
4. Equipment
5. Supplies
6. Contractual
7. Other

Other factors impacting budget and reimbursement approvals are outlined below, as well as within the [Uniform Guidance §200.403](#):

- **Necessary, Reasonable, and Customary**
 - **Necessary** – value-add to achieving grant goals and needed to fulfill the grant as approved
 - **Reasonable** – within the scope of the grant; aligned with market rates for comparable goods or services for the geographic area
 - **Customary** – 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
- **Supported by adequate documentation**
 - Invoice and payroll registers
 - Proof of payment
 - Additional requested documentation or information (i.e., contracts, proofs, audio or visual files, photos, etc.)
- **Incurred during the approved budget period and grant periods where such costs are allowable**
- **Timing of Expenditures:**
 - Facilities and Transportation related expenditures may NOT extend beyond the planning period.
 - Based on date of the invoice.

COMMON COSTS THAT ARE UNALLOWABLE

* This list is not all inclusive.

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 & extracurricular uniforms and costumes
Capital Improvements & Construction or Renovations	<ul style="list-style-type: none"> ▪ Purchase of land or buildings ▪ 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 (except for Covid mitigation) ▪ 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

	<ul style="list-style-type: none"> ▪ Recurrent/repeated professional development and training ▪ Software license renewals beyond the grant ▪ 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"> ▪ Advocacy expenses or related
Insurance	<ul style="list-style-type: none"> ▪ Insurance and bond premiums (property, directors and officers, fidelity bonds, commercial liability, employee liability, riders, etc.)