



Expanding Opportunity Through Quality Charter Schools Program – Grants to State Entities Pre-Application Webinar: *Developing the grant project budget (Part 2)*

MAY 2024



Agenda

- Application Package Components
 - ED 524 Form
 - Budget Narrative
- Walkthrough of Budget Categories
- Resources and Reminders



Application Package Components

ED 524 FORM

BUDGET NARRATIVE



Application Package Components

1

Required Forms

- ED Standard Forms
(including Form 524)
- Assurances and Certifications

2

Application Narrative

- Abstract Narrative Form
- Budget Narrative Form
- Project Narrative Form

3

Other Attachments



Budget Summary: ED 524 Form

Section A of the ED 524 form is required; complete all years for which funds are requested (up to 5 years).

Funds requested should match the detailed budget narrative required in another segment of the application.

U.S. DEPARTMENT OF EDUCATION BUDGET INFORMATION NON-CONSTRUCTION PROGRAMS						OMB Control Number: 1894-0008 Expiration Date: 8/31/2026
Name of Institution/Organization			Applicants requesting funding for only one year should complete the column under "Project Year 1." Applicants requesting funding for multi-year grants should complete all applicable columns. Please read all instructions before completing form.			
SECTION A - BUDGET SUMMARY U.S. DEPARTMENT OF EDUCATION FUNDS						
Budget Categories	Project Year 1 (a)	Project Year 2 (b)	Project Year 3 (c)	Project Year 4 (d)	Project Year 5 (e)	Total (f)
1. Personnel						
2. Fringe Benefits						
3. Travel						
4. Equipment						
5. Supplies						
6. Contractual						
7. Construction						
8. Other						
9. Total Direct Costs (lines 1-8)						
10. Indirect Costs*						
11. Training Stipends						
12. Total Costs (lines 9-11)						

***Indirect Cost Information (To Be Completed by Your Business Office):**
 If you are requesting reimbursement for indirect costs on line 10, please answer the following questions:
 (1) Do you have an Indirect Cost Rate Agreement approved by the Federal government? Yes No.
 (2) If yes, please provide the following information:
 Period Covered by the Indirect Cost Rate Agreement: From: ___/___/___ To: ___/___/___ (mm/dd/yyyy)
 Approving Federal agency: ___ED ___Other (please specify): _____ The Indirect Cost Rate is _____ %
 (3) If this is your first Federal grant, and you do not have an approved indirect cost rate agreement, are not a State, Local government or Indian Tribe, and are not funded under a training rate program or a restricted rate program, do you want to use the de minimis rate of 10% of MTDC? Yes No. If yes, you must comply with the requirements of 2 CFR § 200.414(f).
 (4) If you do not have an approved indirect cost rate agreement, do you want to use the temporary rate of 10% of budgeted salaries and wages? Yes No. If yes, you must submit a proposed indirect cost rate agreement within 90 days after the date your grant is awarded, as required by 34 CFR § 75.560.
 (5) For Restricted Rate Programs (check one) -- Are you using a restricted indirect cost rate that:
 Is included in your approved Indirect Cost Rate Agreement? Or Complies with 34 CFR 76.564(c)(2)? The Restricted Indirect Cost Rate is _____ %

ED 524



Application Package Components

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Required Forms

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(including Form 524)
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Application Narrative

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- Project Narrative Form

3

6 Appendices



Budget Narrative Overview

- What is a budget narrative?
 - The budget narrative is an itemized budget in narrative/descriptive form, broken down by project year, for each budget category listed in Section A of the ED 524 form.
 - The budget narrative must describe the budget activities during *all years* of your grant
 - It should not go beyond the 5-year grant period or include an assumption of a no-cost extension.
- What resources are available?
 - [2 CFR Part 200 Uniform Guidance](#)
 - Funding restrictions outlined in the NIA
 - Use of subgrant funds outlined in the NIA



Be sure to include DETAILED information on how you estimated all costs. Include tables that show cost per item, quantity of items, total cost, and other details that may be relevant.



Walkthrough of Budget Categories



ED 524 Form and Budget Narrative Alignment

Line 1: Personnel

ED 524 Form	Budget Narrative
<ul style="list-style-type: none">• Enter <u>project personnel</u> salaries and wages only.• <i>Include fees and expenses for consultants / contractors under Line 6: Contractual.</i>	<ul style="list-style-type: none">• Provide the title and duties of each position to be compensated under this project.• Positions should be identified as a percent of salaried time.• Provide the salary for each position under this project.• Provide the amounts of time, such as hours or percentage of time to be expended by each position under this project.• Explain the importance of each position to the success of the project.• Provide the basis for cost estimates or computations.• Distinguish between technical assistance and/or administration set aside amount and percentage.



Example: Personnel Costs

1 FTE Federal Charter School Grant Manager

- Salary = \$80,000 per year with a 2% increase annually (100% level of effort)

Budget Narrative:

- The Federal Charter School Grant Manager oversees the CSP award including reviewing expenditure report reimbursement submissions, organizing the competitive subgrant competition, approving budget modification requests, conducting monitoring visits, providing technical assistance to subgrant recipients, and coordinating training for all charter school authorizers.

	Year 1	Year 2	Year 3	Year 4	Year 5
Federal Charter Schools Grant Manager (100%)	\$80,000	\$81,600	\$83,232	\$84,897	\$86,595
50% to Administrative	\$40,000	\$40,800	\$41,616	\$42,448	\$43,297
50% to Technical Assistance	\$40,000	\$40,800	\$41,616	\$42,449	\$43,298



ED 524 Form and Budget Narrative Alignment

Line 2: Fringe Benefits

ED 524 Form	Budget Narrative
<ul style="list-style-type: none">• The institution's normal fringe benefits contribution may be charged to the program.• Leave this line blank if fringe benefits applicable to direct salaries and wages are treated as part of the indirect cost.	<ul style="list-style-type: none">• Give the fringe benefit percentages of all personnel included under the Personnel category.• Provide the rate and basis on which fringe benefits are calculated.• Distinguish between technical assistance and/or administration set aside amount and percentage.



Example: Fringe Benefits Costs

Budget Narrative:

- The Federal Charter School Grant Manager will receive fringe benefits to cover health, dental, and retirement benefits. The benefits are calculated at 25% of the salary each year, and include health at (10.5%), dental at (5%), and retirement benefits at (9.5%)

	Year 1	Year 2	Year 3	Year 4	Year 5
Federal Charter Schools Grant Manager	\$20,000	\$20,400	\$20,808	\$21,224	\$21,649
50% to Administrative	\$10,000	\$10,200	\$10,404	\$10,612	\$10,824
50% to Technical Assistance	\$10,000	\$10,200	\$10,404	\$10,612	\$10,825



ED 524 Form and Budget Narrative Alignment

Line 3: Travel

ED 524 Form	Budget Narrative
<ul style="list-style-type: none">• Indicate the travel costs of employees and participants only.• Include travel of persons such as consultants under Contractual. <div data-bbox="231 818 1268 1249" style="border: 2px solid orange; border-radius: 15px; padding: 10px;"><p>Required Attendance for ED Trainings</p><p>Keep in mind that the Project Director's attendance is required in the NIA at the annual CSP Project Directors' Meeting and other ED-sponsored on-site technical assistance gatherings. Applicants are encouraged to budget for travel to these convenings.</p></div>	<ul style="list-style-type: none">• Explain the purpose of the travel, how it relates to project success, how it aligns with the project goals and objectives and which program participants or staff will participate.• Submit an estimate for the number of trips, points of origin and destination, and purpose of travel.• Submit an itemized estimate of costs for transportation, lodging, meals, etc. for each trip.• Provide the basis for cost estimates or computations.• Distinguish between technical assistance and/or administration set aside amount and percentage.



Example: Travel Costs

Administrative:

- Travel to CSP Project Directors' Meeting | \$1,000 each year: \$500 for the plane ride to DC, \$200 per night in hotel for 2 nights = \$400, \$50 per diem for 2 days = \$100
- Travel to additional on-site required TA gatherings | \$1000 each year: \$500 for plane ride to DC, \$200 per night in hotel = \$400, \$50 per diem for 2 days = \$100

Technical Assistance:

- Travel for SE grantee staff to present at regional TA meetings for subgrantees: \$325 each year for one staff member's travel based on rental car of \$50/day for two days = \$100, hotel for 1 night = \$125 and per diem for two days = \$100

	Year 1	Year 2	Year 3	Year 4	Year 5
Administrative Travel	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Travel to PD Meeting	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Travel to on-site TA Gatherings	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Technical Assistance	\$325	\$325	\$325	\$325	\$325
Travel to Conferences	\$325	\$325	\$325	\$325	\$325



GSA Website: <https://www.gsa.gov/travel/plan-book/per-diem-rates>



ED 524 Form and Budget Narrative Alignment

Line 4: Equipment

ED 524 Form	Budget Narrative
<ul style="list-style-type: none">• Indicate the cost of tangible, <u>non-expendable personal property</u> that has a usefulness greater than one year and acquisition costs that are the lesser of the capitalization level established by the applicant entity for financial statement purposes or \$10,000 per article.• Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost that equals or exceeds the lesser of the capitalization level established by the recipient or subrecipient for financial statement purposes, or \$10,000. See 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 “Equipment”)	<ul style="list-style-type: none">• Indicate the estimated unit cost for each item to be purchased.• Identify each type of equipment.• Provide adequate justification of the need for items of equipment to be purchased.• Explain the purpose of the equipment, and how it relates to project success.• Provide the basis for cost estimates or computations.• Distinguish between technical assistance and/ or administration set aside amounts and percentage.



Example: Equipment Costs

Copy Machine: \$11,800

Budget Narrative:

- The ABC Department of Education is going to purchase a high-capacity copy machine in year 1 of the grant to ensure that we can print resources for the administration of the grant and to provide tangibles to subgrantees during TA sessions delivered by grant staff. The copy machine is needed equally for administrative purposes and technical assistance activities, as such the split for the copy machine is 50% for TA costs, and 50% administrative costs. Our cost estimate is based on the middle cost of three copy machine price points. Purchasing a copy machine is \$11,800 and is more cost efficient than renting a copy machine for the average rate of \$2,500 a year which would cost \$12,500 over the life of the grant.

Copy Machine	Year 1	Year 2	Year 3	Year 4	Year 5
Administrative Costs	\$5,900	\$0	\$0	\$0	\$0
Technical Assistance	\$5,900	\$0	\$0	\$0	\$0



ED 524 Form and Budget Narrative Alignment

Line 5: Supplies

ED 524 Form

- Show all tangible, expendable personal property. Direct supplies and materials differ from equipment in that they are consumable, expendable, and of a relatively low unit cost.
- Supplies purchased with grant funds should directly benefit the grant project and be necessary for achieving the goals of the project.
- *Supply* means all tangible personal property other than those described in the equipment definition. A computing device is a supply if the acquisition cost is below the lesser of the capitalization level established by the recipient or subrecipient for financial statement purposes or \$10,000, regardless of the length of its useful life. See this section's definitions of *computing devices* and *equipment* in this section. (2 CFR 200.1 "Supply")

Budget Narrative

- Provide an itemized estimate of materials and supplies by nature of expense or general category (e.g., instructional materials, office supplies, etc.).
- Explain the purpose of the supplies and how they relate to project success.
- Provide the basis for cost estimates or computations.
- Distinguish between technical assistance and/ or administration set aside amount and percentages.



Example: Supplies Costs

Software Licenses: \$500/year

Budget Narrative:

- The XYZ State Charter School Association is going to pay for a software license for the life of the grant that will allow it to host interactive TA webinars for eligible applicants and subgrantees. The platform allows for polling and will store the recording for the life of the grant. The XYZ State Charter School Association does not currently have a platform with that capability.
- The webinars will provide trainings to the subgrantees on allowable costs and best practices.

	Year 1	Year 2	Year 3	Year 4	Year 5
Administrative Total	\$0	\$0	\$0	\$0	\$0
Technical Assistance	\$500	\$500	\$500	\$500	\$500
Webinar License Program	\$500	\$500	\$500	\$500	\$500



ED 524 Form and Budget Narrative Alignment

Line 6: Contractual

ED 524 Form	Budget Narrative
<ul style="list-style-type: none">• The contractual category should include all costs specifically incurred with actions that the grantee takes in conjunction with an established internal procurement system.• Include consultant fees, expenses, and travel costs in this category if the consultant's services are obtained through a written binding agreement or contract.	<ul style="list-style-type: none">• Provide the purpose and relation to project success.• Describe the products to be acquired, and/or the professional services to be provided.• Provide a brief justification for the use of the contractors selected, if known.• Identify the name(s) of the contracting party, including consultants, if known.• Provide the cost per contractor.• Provide the length of time anticipated for the contract(s).• For professional services contracts, provide the amounts of time to be devoted to the project, including the costs to be charged to this proposed grant award.• Provide a brief statement that you have followed the procedures for procurement under 2 CFR 200.317-200.326.• Provide the basis for cost estimates or computations.• Distinguish between technical assistance and/ or administration set aside amount and percentage.



Example: Contractual Costs

Administrative: Peer Review Honorarium

- The grantee will provide an honorarium to peer reviewers of \$200 for up to 3 reviewers per subgrant competition. We will hold two subgrant competitions a year, for a total of \$1200 year.

Technical Assistance: Authorizer Evaluation

- The grantee will contract with an organization to conduct evaluations of all 9 authorizers in the State. This will be contracted during the first 3 years of the grant at \$2,000 per evaluation, evaluating 3 authorizers per year.

	Year 1	Year 2	Year 3	Year 4	Year 5
Administrative Total	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
Peer Review Honorarium	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
Technical Assistance	\$6,000	\$6,000	\$6,000	\$0	\$0
Authorizer Evaluations	\$6,000	\$6,000	\$6,000	\$0	\$0



ED 524 Form and Budget Narrative Alignment

Line 7: Construction

ED 524 Form	Budget Narrative
<ul style="list-style-type: none">Construction funds are <u>not authorized</u> in State Entity grants.	<ul style="list-style-type: none">Construction funds are <u>not authorized</u> in State Entity grants.



ED 524 Form and Budget Narrative Alignment

Line 8: Other

ED 524 Form	Budget Narrative
<ul style="list-style-type: none">• Indicate all direct costs not covered on lines 1-6. For example, include costs such as subgrants, etc.• <u>Do not include costs that are included in the indirect cost rate.</u>	<ul style="list-style-type: none">• List and identify items by major type or category (e.g., subgrants, etc.).• Provide the cost per item (subgrants = \$2,000,000).• Provide the purpose for the expenditures and relation to project success.• Provide the basis for cost estimates or computations.• Distinguish between technical assistance and/ or administration set aside amount and percentage.



Example: Other Costs

New School Subgrants:

- \$2,000,000 each, 10 total
- Obligated at time of Subaward
- 3-year subgrant length

Replication Subgrants:

- \$1,500,000 each, 10 total
- Obligated at the time of Subaward
- 3-year subgrant length

Expansion Subgrants:

- \$500,000 each, 5 total
- Obligated at the time of Subaward
- 3-year subgrant length

Type of Subgrants	Number of Subawards each Year	Project Year 1	Project Year 2	Project Year 3	Project Year 4	Project Year 5
New School	2	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000
Replication	2	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
Expansion	1	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
	Total Funds Requested per Year	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000



ED 524 Form and Budget Narrative Alignment

Line 10: Indirect Costs

ED 524 Form	Budget Narrative
<ul style="list-style-type: none">• State the approved indirect cost rate, per sections 75.560 – 75.564 of EDGAR.• Grant award recipients that do not have a current Federal negotiated indirect cost rate (included provisional rate) may elect to charge a de minimis rate of up to 15% of modified total direct costs. 2 CFR 200.414(f)	<ul style="list-style-type: none">• Identify indirect cost rate, if applicable• Provide a copy of the most recent approved indirect cost agreement.• This should be included as part of your administrative costs



ED 524 Form and Budget Narrative Alignment

Line 11: Training Stipends

ED 524 Form	Budget Narrative
<ul style="list-style-type: none">In general training stipends are not seen in this program.	<ul style="list-style-type: none">A very strong rationale and justification would need to be included in this category to request funds.




Align Your Budget Narrative & ED 524 Form

Application Narrative

- Abstract Narrative Form
- Budget Narrative Form
- Project Narrative Form



 Aligning your budget in these categories will help with monitoring of your grant down the line!

U.S. DEPARTMENT OF EDUCATION
BUDGET INFORMATION NON-CONSTRUCTION PROGRAMS

OMB Control Number: 1894-0008
Expiration Date: 8/31/2026

Name of Institution/Organization: _____

Applicants requesting funding for only one year should complete the column under "Project Year 1." Applicants requesting funding for multi-year grants should complete all applicable columns. Please read all instructions before completing form.

SECTION A - BUDGET SUMMARY U.S. DEPARTMENT OF EDUCATION FUNDS

Budget Categories	Project Year 1 (a)	Project Year 2 (b)	Project Year 3 (c)	Project Year 4 (d)	Project Year 5 (e)	Total (f)
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10. Indirect Costs*						
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12. Total Costs (lines 9-11)						

***Indirect Cost Information (To Be Completed by Your Business Office):**
If you are requesting reimbursement for indirect costs on line 10, please answer the following questions:
(1) Do you have an Indirect Cost Rate Agreement approved by the Federal government? Yes No.
(2) If yes, please provide the following information:
Period Covered by the Indirect Cost Rate Agreement: From: ___/___/___ To: ___/___/___ (mm/dd/yyyy)
Approving Federal agency: ___ED ___Other (please specify): _____ The Indirect Cost Rate is _____%
(3) If this is your first Federal grant, and you do not have an approved indirect cost rate agreement, are not a State, Local government or Indian Tribe, and are not funded under a training rate program or a restricted rate program, do you want to use the de minimis rate of 10% of MTDC? Yes No. If yes, you must comply with the requirements of 2 CFR § 200.414(f).
(4) If you do not have an approved indirect cost rate agreement, do you want to use the temporary rate of 10% of budgeted salaries and wages? Yes No. If yes, you must submit a proposed indirect cost rate agreement within 90 days after the date your grant is awarded, as required by 34 CFR § 75.560.
(5) For Restricted Rate Programs (check one) – Are you using a restricted indirect cost rate that: ___ Is included in your approved Indirect Cost Rate Agreement? Or ___ Complies with 34 CFR 76.564(c)(2)? The Restricted Indirect Cost Rate is _____%

ED 524



Looking Ahead: Budget Revisions



Spending time providing sufficient detail in the budget in your application may mean less work in the future.

- If funded, you will be held accountable to what is written in your grant application (including the budget).
- Changes to your project's budget over the project period require CSP approval.
- Need to make changes?
 - Must submit required information to your Program Officer
 - Wait for approval

Your Budget = The budget CSP has on record



Resources and Reminders



Resources



Federal Register NIA

Nonregulatory Guidance: The [CSP NRG](#) includes applicable information to the CSP program that addresses additional issues and provides clarification for components specific to CSP grants

- Section D: Allowable Expenses



Uniform Guidance:

- [Subpart D – Post Federal Award Requirements](#)
- [Subpart E – Cost Principles](#)
- [Subpart F – Audit Requirements](#)
- [Title 2 CFR Part 3474](#)
- [Part 180: OMB Guidelines for Debarment and Suspension](#)
- [Part 3484: Non procurement Debarment and Suspension](#)

Note: 2 CFR part 200 (Uniform Guidance) was revised in April 2024, and the updates are effective October 2024.



Applicant Reminders



- You must register at SAM.gov to obtain a Unique Entity Identifier (UEI)
- The deadline to submit an application to Grants.gov is 11:59:59pm on June 13, 2024





THANK YOU!

