



Permissible Use of Title V, Part B Grant Funds

Grantees may only use grant funds for allowable grant project expenditures during the grant project period. The Office of the State Superintendent of Education (OSSE) will evaluate all grant project budgets to ensure that proposed grant expenditures are reasonable, allocable, and allowable under federal guidelines, and may require modifications at any time as a condition of funding.

Allowable costs are determined by the approved objectives and budget for each grant agreement. Only expenditures that qualify as allowable, allocable, and reasonable will be reimbursed.

The following are *examples* of expenditures which *may* be considered allowable:

- Purchase of curriculum materials, supplies and equipment, and for essential services and other initial start-up costs not met by the local-source District funds
- Reasonable wages, salaries and consulting fees in direct support of one or more approved grant objectives
- Reasonable attorney fees for startup expenses (e.g., 501 (c) 3 application filing with IRS, review of facility lease, etc.) that are incurred **after** a grant is fully executed
- Reasonable accounting fees for planning, development, system implementation and training of key staff
- Organizational membership dues to associations; *individual memberships are not allowable*
- Reasonable facility identification and evaluation costs to secure an appropriate facility for the new school; *costs incurred after a facility has been identified (architectural design, renovation, construction) are not allowable*
- Food costs, specifically included in a grantee's approved budget narrative or incurred during the course of travel up to the approved stipend amount
- Educational items purchased to promote the school (e.g., pencils or bookmarks with schools logo); *promotional items that are not educational in nature are not allowable*
- Out-of-state travel for professional development that is approved in advance

The following are *examples* of expenditures which *may* be considered unallowable:

- Costs incurred before a grant agreement is fully executed
- Costs incurred or obligated after the end date of a grant agreement
- All costs related to direct work with students (e.g., instruction, programming, transportation, special education, food, tutoring, counseling, arts, nursing, special projects, and field trips)
- All costs related to a program outside of a school's charter (e.g., before and/or after school care)



- Costs related to leveraging other funding source
- Day-to-day operation and administration of the charter school once serving students (e.g., utilities)
- Program operational costs
- Administrative costs that are not in direct support of grant activities and/or objectives
- Ongoing expenditures that are not directly related to initial start-up costs
- Compensation for services previously paid through other funding sources
- School vehicles
- Facilities design, architect fees, construction, renovation, purchases and/or leases
- Down payments or deposits for school facilities
- Debt service costs
- Alcoholic beverages
- Gifts and gift certificates, including gift cards
- Fines and penalties
- Contributions and donations
- T-shirts or other school apparel for students or staff (unless apparel is owned by school)
- Candy and other non-promotional items for advertising, parades, recruiting, outreach, and open house activities
- Per pupil monitoring and/or oversight fee charged by sponsor
- All sales tax expenses unless the tax was incurred during travel
- Real estate taxes
- Mortgage interest
- Insurance costs which include the following:

<ul style="list-style-type: none"> • Liability Coverage for the Board • Property • Comprehensive • Boiler and Machinery 	<ul style="list-style-type: none"> • Crime • Commercial • Employee benefits liability • Umbrella 	<ul style="list-style-type: none"> • General liability • Building replacement • Transportation • Business income
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The OSSE strongly encourages applicants to set aside funds to cover costs associated with Board of Trustees training and development, the establishment of a data system compatible with the data system(s) of the OSSE and PCSB, and the development and production of a fiscal management manual.