

# Arizona Charter Schools Program Funding Application Training

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January 20, 2021

# Learning Intention

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- Learn basic principles of Grants Management Enterprise Funding Applications.
- Learn laws, regulations, and rules which govern federal grants administered by ADE.
- Learn to access and enter budget information in the AZCSP 2022-26 Funding Application.
- Learn how to access Grants Management resource information.
- Learn Grants Management budget codes.



# Success Criteria

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- AZCSP subrecipient will successfully submit Grants Management Enterprise Funding Application for approval.
- AZCSP subrecipients will demonstrate knowledge of Code of Federal Regulation (CFRs), Arizona Procurement Law (ASRS § 41.2501, et. al) and AZ Administrative Code procurement regulation (R2-7-D301, et. al.) by receiving no audit findings from the Grants Management federal monitoring team.

## Basic Definitions

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- Grants Management (GM) – the ADE unit which manages grants to schools, various government entities including tribal organization, and not-for-profit organizations.
- Grants Management Enterprise (GME) – the software program grant recipients use to interface with Grants Management.
- Subrecipient – a nonfederal entity (In this case, a charter school) which is the recipient of a grant first made to ADE and subsequently overseen by the Agency. ADE is often referred to in the Code of Federal Regulations as a pass-through agency.



# Basic Definitions

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- Funding Application – The GME page in which subrecipients enter the project year budget plan.
- Reimbursement Request – The GME page in which subrecipients submit requests of reimbursement for obligations supported by the grant.
- Obligation – financial commitment by the subrecipient to a vendor for products or services supported by the AZCSP grant. Obligations must be supported by – but not limited to – the following: invoice for a product, a contract for services, and time and effort logs.

# Basic Definitions

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- Project Year – each AZCSP Project Year is 12 months in length. It starts February 1 and ends January 31 of the next calendar year. Do not confuse the Project Year with Planning and Implementation or the Grants Management Fiscal Year. They overlap.
- Completion Report – the reconciled report submitted by the subrecipient to Grants Management within 60 days of the end of the Project year. It represents the Actuals for that completed Project Year.

# Basic Definitions

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Function and Object Codes – the Funding application is set up like a table. Objects Codes are aligned in rows and Function codes are align in columns.

- Object Codes describe specific items and services;
- Function codes describe their function within the operations. This is described in detail in the [Uniform System of Financial Records Charter Schools.](#)



# Basic Definitions

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- Support and Supplant – A core principle of the Elementary and Secondary Education Act dating back to its inception is that federal funds should not supplant state funds for school operation. That means that state funding for school operation cannot be replaced or supplanted by federal funds.
- AZCSP Planning - The school is receiving no state funds; thus, no funds are being supplanted. Salaries and contracts for services to open the school are allowed if they are reasonable and necessary.
- AZCSP Implementation ends support for salaries and operational services once the school opens and receives state funding. More on this later.



# General Rule of Thumb

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- Funding applications may be rejected. Do not be afraid to seek corrective help.
- Mistakes only become major problems if they are not rectified before submitting the Project Year Completion Report.

# General Rule of Thumb

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- **Why you must keep your Funding Application current: Aligning your Funding Application with your Reimbursement Requests**
- Your Funding Application is your spending plan to obligate federal funds to fulfill your project. It is not a vague target document of intention but an accurate reflection of your spending. Therefore, you must continuously revise your application as your plans change. If your requested revisions align with your overall application and if your requests are reasonable, necessary, and allocable within federal regulation and guidance, they will be approved.
- Your Funding Application does not require a list of every intended expenditure. However, you must keep an internal journal of your obligations, and it should closely align with your Funding Application.



# Basic Resources

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- Grants Management provides the following information and training resources:
  - Grants Management Resource Page
  - LEA Document Library
  - [ADE GME](#)
- Grants Management has many rules and regulations. You are always welcome to ask the AZCSP Director for guidance or go directly to the Grants Management Help Page. The GM staff are found to be friendly and helpful.

# Introduction

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- Monitoring of allowability of AZCSP subrecipient reimbursement requests is conducted by the ADE Grants Management monitoring team.
- Monitoring does not occur until the Completion Report for the previous year has been submitted.



# Basic Regulations and Rules

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- **General Procurement Guidelines:** Federal grants are subject to federal procurement law and regulation. Even if you seek relief from state procurement law from the Arizona State Board for Charter Schools, that relief does not excuse your federal grants from that exemption. That includes AZCSP.

# Basic Regulation and Rules

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- **2 CFR §200.217:** “When procuring property and services under a Federal award, a State must follow the same policies and procedures it uses for procurements from its non-Federal funds. The State will comply with §§200.321, 200.322, and 200.323 and ensure that every purchase order or other contract includes any clauses required by §200.327. All other non-Federal entities, including subrecipients of a State, must follow the procurement standards in §200.318 through 200. 327.”
- **Electronic Code of Federal Regulations (e-CFR)**
- AZCSP awarded charter schools are considered non-federal entities.



# Basic Regulations and Rules

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- **Arizona State procurement guidance:** Arizona Procurement law is found in ASRS §41-2501, et. al. Cost threshold guidelines are found in Arizona Administrative Code, R2-7-D301 et.al. *See below.*
- *Costs between \$10,000 and \$100,000:* Procurements that do not exceed an aggregate dollar amount of \$100,000 are governed by A.R.S. § 41-2535(A), and the rules promulgated thereunder, A.A.C. R2-7-D301 to -D305. The Administrative Code provides specific procedures for handling purchases estimated to cost between \$10,000 and \$100,000. See A.A.C. R2-7-D302 to -D303. These rules require the agency chief procurement officer to issue a request for quotation unless the purchase is not expected to exceed \$10,000 or may be made off an existing state contract or through a set-aside organization as defined in the Procurement Code, or if the agency chief procurement officer makes a written determination that competition is not practicable under the circumstances. A.A.C. R2-7-D301.

# Basic Regulations and Rules

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- *Costs less than \$10,000:* Purchases of \$10,000 or less, the agency chief procurement officer may, but is not required to, use a request for quotation. The agency chief procurement officer shall use reasonable judgment in awarding contracts for \$10,000 or less and in determining that such contracts are advantageous to the state. A.A.C. R2-7-D304. Purchases of \$5,000 or less have similar requirements and are governed by A.A.C. R2-7-D305.



# Your Funding Application

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- Each subrecipient will have a County, Type, District and School number (CTDS) assigned to them by Schools Finance and managed by Grants Management. It becomes the web page(s) unique to your school.
- Your application title is FY 2021, AZCSP 2022-26, Year 1. The years in the title reflect the end dates of your first and last project years.
- ADE GME

# Your Funding Application

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- History Log – AZCSP and subrecipients can and will communicate by phone and email. All official actions are recorded in the History Log (HL).
- Allocations – AZCSP is a Competitive application. No allocation is pre-populated. Your final award will be populated when you fill out the FA.
- Information – AZCSP description and requirements are described herein.



# Your Funding Application

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While filling out Sections A- D and district questions, leave tables, footnotes, diagrams, and graphs out. Use your application narrative only.

- Section A: ESEA Part C 4303 compliance – use your application to fill in the blank windows.
- Part B: Abstract – use your application to fill in the blank windows.
- Part C: Charter Entity Founders – use your application to fill in the blank windows.

# Your Funding Application

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- Section D: Governance – use your use your application to fill in the blank windows.
- District Questions Related documents – you may upload your Logic Model.
- AZCSP 2022-26 Year 1 – Budget this is where you begin entering your proposed expenditures.



# Allowable Use of funds

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- **Allowed costs are defined by law in ESEA Title IV, Part C, 4303**
- *(b) LOCAL USES OF FUNDS.—An eligible applicant receiving a subgrant under this section shall use such funds to support the activities described in subsection (b)(1), which shall include one or more of the following activities: (1) Preparing teachers, school leaders, and specialized instructional support personnel, including through paying the costs associated with— (A) providing professional development; and (B) hiring and compensating, during the eligible applicant’s planning period specified in the application for subgrant funds that is required under this section, one or more of the following: (i) Teachers. (ii) School leaders. (iii) Specialized instructional support personnel. (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 activities described in subsection (b)(1) when such costs cannot be met from other sources.*

# Prior Approval

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- *Travel:* Travel costs are allowable with the prior written approval of the Federal awarding agency or pass-through entity when they are specifically related to the Federal award. Listing the intended travel in your Funding Application will suffice. If travel plans change, revise your FA. If AZCSP needs more clarifying information, we will contact you.
- *2 CFR §200.747 Travel Costs*
- Describe your travel in the Funding Application. Information needed is where you are going, a brief description of purpose. Conference fees are entered into **Object Code 6300**. The **Function Code** may be either school site support level **2100** or administrative level **2300** depending on the purpose of the travel.
- Actual travel expenses, air fare, car rental, hotel, per diem expenses, are entered into **Object Code 6500**.



# Prior Approval

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- *Capital Expenditures:* Capital equipment item more than \$5,000 must receive permission from AZCSP Director before ordering. **DO NOT USE 8700** lines in the GME Funding Application. Charter school capital expenditures are entered on **Line 0190**. Use the Capital Expenditure Worksheet when preparing the entry and submit the worksheet to AZCSP Director for approval before your Funding Application submission to GME.
- *2 CFR §439 Equipment and Capital Expenditures*
- “(2) Capital expenditures for special purpose equipment are allowable as direct costs, provided that items with a unit cost of \$5,000 or more have the prior written approval of the Federal awarding agency or pass-through entity.”
- For Charters: The Capital Outlay Worksheet is required if any budgeted item is coded as 0190. If there are no capital items to declare, this can easily be bypassed when completing the funding application.”

# Disallowed Costs

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- See [AZCSP Website](#)

[Helpful Links – Funding Application and Allowable Costs](#)



# Contact Information

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- Mark Francis, Arizona Charter Schools Program Director

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<http://www.azed.gov/charter-school-program/>

602.542.4020

# Contact Information

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- [ADE Help Desk](#)
- Grants Technology Support & Fiscal & Processing Support  
602.542.3901