OVERVIEW

This guidance provides information on whether and to what extent Early Literacy Success Community Grant funds may be used for various types of expenditures. In addition to the detailed guidelines provided below, all grant expenditures (whether proposed as part of a grant application, or submitted for reimbursement after receiving a grant award) will be evaluated by ODE staff alongside the proposed or approved project plan to determine whether the expenses are **reasonable, allocable, and necessary** for the performance of the award.

A cost is **allocable** to the grant if it can be readily assigned, fully or proportionally, to the grant program. For example, if a full-time staff member is assigned to run two programs (the ODE grant program and another program not related to the ODE grant), and half of their work time is spent on the ODE grant program, that means .5 FTE for that staff member is allocable to the ODE grant.

In determining what constitutes **reasonable and necessary** for performance of the grant, ODE staff will examine each line item with the following questions in mind:

- *Will the expense be incurred during the period of performance?*
- *How does this expense contribute to achieving the outcomes of the grantee's program plan?*
- *Which goal or objective of Early Literacy Success Community Grants are addressed by the expense?*
- *How does the expense prioritize direct service to focal groups served?*
- *How is the expense necessary to implement the grant program?*
- *What would be the impact on the project if the expense were not allowed?*
- *Is there any local context that affects what is considered reasonable and necessary?*
- *Does the expense reflect sound business practices and rates that a prudent person would pay in similar circumstances?*

If an expense is not allowable per the guidelines below, ODE staff will consider requests for exceptions submitted with justification (detailing responses to the questions above) for how an exception to these guidelines is reasonable and necessary to carry out the grant program.

[Early Literacy Success Initiative Community Grants](#)

BUDGET DEVELOPMENT GUIDELINES

When creating your ODE Early Literacy Success Community Grant budget, keep in mind that all expenses must be a part of a comprehensive plan to implement activities that are reflective of the objectives of the Early Literacy Success Community Grants. In addition:

1. Each line item must include a description of the expense, including details that illustrate how the expense is calculated/estimated (e.g., the cost per participant and number of participants; the mileage reimbursement rate and how many staff or FTE will be traveling; the number of events and how many participants will attend; the names or types of professional development and cost per participant, etc).

    a. For Personnel, include the position title and proportion of FTE allocated to the grant. For seasonal or hourly staff, you may provide anticipated weekly (or monthly, etc.) hours instead of FTE and any other pertinent information, such as time period the staff member will be working on the grant, if not throughout the full budget period.

2. Select the expense sub-category that most accurately describes the expense.

3. Provide a brief justification for the expense to describe what purpose or need the expense serves for the project, including naming activity/ies supported by the expense.

4. For all direct costs, enter the budgeted amount in the appropriate column/s (direct administrative and/or direct service). Direct administrative costs may not exceed 10% of the total grant amount (i.e., for a $200,000 grant, direct administrative costs may not exceed $20,000).

5. At the bottom of the budget, enter the indirect costs being charged to the grant. Ensure that the indirect cost amount is calculated at or below the maximum allowable rate as a percentage of the direct costs allocated to the grant. (See how to calculate indirect costs.)

6. If applicable, add budget comments in the space provided at the bottom of the budget to explain any circumstances that impact or explain your budget, such as large expenses for the grant project that are covered by other sources, etcetera.

Please note: Participants in activities funded by Early Literacy Success Community Grants may not be charged a fee for their participation.

USE OF GRANT FUNDS

The categorization of allowable and unallowable identified for specific expenditures are intended to provide guidance and direction for how the Oregon Department of Education and Early Literacy Success Community Grant funds being used rather than dichotomous boundaries. We recognize that each Grant Project is unique and specifically designed to elicit systems change and meet the specific needs of Grantee's students and families through the implementation of all the objectives of the Early Literacy Success Initiative, and as such the allowability of many expenditures must be contextualized on a case-by-case basis. Grantees will have the opportunity to consult with the Early Literacy Community Grants team, using the protocol outlined on page one of this document, to determine the allowability of specific expenditures and activities during Grant negotiations and in the event of any adjustments needed throughout the performance period.

1. **Personnel**

    1.1. Allowable: Salary and personnel expenses (benefits) for staff performing work directly related to grant activities, including providing direct service to students such as high-dosage tutors, supervision of direct service delivery, and staff time to collect and report progress, outcome, and demographic data required by ODE. Salaries and fringe benefits may be charged as a direct program cost only in the proportion of FTE directly allocable to the approved grant program. **Note:** contracted staff and positions paid under agreements with partners must follow the same guidelines and be included in the appropriate budget sections below. See Section 11.4 for relevant claim reporting requirements.

    1.2. Unallowable: Salary and personnel expenses for staff performing administrative work that benefits the grantee organization as a whole and is not readily allocable to the approved grant program may not be charged to the grant except through the recovery of indirect costs, according to the guidelines stipulated in this document.

    1.3. Unallowable: Please refer to the miscellaneous section.

2. **Contracted Services**

2.1. Allowable: Contracted professional services (e.g., training for high-dosage tutoring) for participants and/or for staff who provide direct service to participants. ODE may request documentation, including but not limited to: the solicitation process used to select the contractor, certificates of insurance (if required), and contracts and/or invoices for services rendered.

2.2. Allowable: Contracted services necessary to conduct grant activities, such as site rental costs, and childcare and translation/interpretation services to reduce barriers to participation. **Note:** Site rental costs or use fees allocable to the grant for facilities specifically procured for purposes of the approved grant activities may be charged as a direct cost. Facilities costs for the organization in general are considered indirect costs (as noted below).

2.3. Allowable: Speaker fees incurred for events, conferences, seminar series, or any other gathering where the speaker's participation is reasonable and necessary for successful performance of the goals and activities of the grant program. Justification for the need for hiring the speaker must be provided. The maximum allowable amount for speaker fees is $2,000 per day; travel costs for speakers are not eligible for reimbursement.

2.4. Allowable: Reasonable, allocable, and necessary professional development and training, including training for tutors to deliver high-dosage tutoring services, for staff who provide direct service to students for approved project activities, stipends for participants, costs for sub coverage, overtime costs, and in-state travel, in accordance with all applicable collective bargaining contracts.

2.5. Unallowable: Travel costs for out-of-state conferences.

2.6. Unallowable: Tuition and/or other costs related to education endorsements, teacher/admin licensure, and/or licensure fees.

2.7. Unallowable: Scholarships and tuition assistance.

2.8. Unallowable: Participation incentives, such as gifts, gift cards, cash, check, e-payment (e.g., Venmo, Cash App) to individuals participating in the program, including paying school staff within school hours to attend mandated PD.

2.9. Unallowable: Please refer to the miscellaneous section.

3.   Travel & Transportation

3.1.   Allowable: Reimbursement for mileage at the [state approved rate](#), vehicle rental, and charter transportation for travel necessary to accomplish grant program activities.

3.2.   Allowable: Participant transportation costs (such as bus or metro passes, mileage reimbursement at state per diem rate, or fuel cards) to reduce barriers to participation in grant activities.

3.3.   Unallowable: Costs related to out-of-state or international travel.

3.4.   Unallowable: Please refer to the miscellaneous section.

4.   Supplies & Materials

4.1.   Allowable: All consumable materials required for program delivery. This may include, but is not limited to: office supplies; postage; printing; course materials and curriculum; high-dosage tutoring instructional materials; limited event supplies such as food and presentation materials; and other reasonable, allocable, and necessary costs for implementing the approved project.

4.2.   Allowable: Vouchers (e.g., school supply voucher, fuel cards, and food cards or vouchers that state no alcohol or tobacco may be purchased) valued at no more than $50/family per event with no more than one event per fiscal year.

4.3.   Allowable: Expenditures related to advertising and outreach costs that are solely for the purposes of: (a) recruitment of personnel for Project activity and/or objective, or (b) program outreach for Project activity and/or objective.

4.4.   Unallowable: Supplies for general organization use not clearly allocable to grant program activities.
4.5.   Unallowable: All advertising costs other than specified above.
4.6.   Unallowable: Please refer to the miscellaneous section.

5.   Equipment

5.1.   Allowable: Equipment required to administer the grant Project can be purchased once per grant cycle. Items purchased with grant funds must be reasonable, allocable, and necessary to implement the grant Project. **Note:** Office equipment expenditures charged to the grant are a direct administrative cost.

5.2.   Allowable: Electronic devices and equipment for student or participant use that are reasonable, allocable, and necessary to implement the approved grant Project (e.g., laptops, tablets, headsets for listening to translations, or other electronic devices that are necessary to implement the approved grant program).

5.3.   Unallowable: Capital assets such as furniture, playground equipment, vehicles, etc.

5.4.   Unallowable: Please refer to the miscellaneous section.

6.   Indirect Costs

6.1.   Allowable: Indirect costs are allowed as a percentage of the direct grant costs at the following rates:

6.1.1.   Up to five percent for school districts, education service districts, public charter schools, early learning hubs, or post-secondary institutions of education;

6.1.2.   Up to fifteen percent for community-based organizations, public libraries, or providers of early learning services;

6.1.3.   Indirect costs for partnerships will be allowed based on the lead entity's organization type.

8.2 Unallowable: Indirect costs in excess of the approved rate based on lead/grantee entity type, and as identified in the grant agreement.

8.3 **How to calculate indirect costs - EXAMPLES**

Example 1: Calculate indirect costs based on the total direct costs

	$183,260.45	Total Direct Costs (the total of all budget categories before indirect costs)
x	0.15	Multiply by your approved rate as a decimal (in this example, 15% becomes 0.15)
	$27,489.07	**Total Indirect Costs**

Example 2: Calculate Indirect costs based on the total grant amount

Step 1: Calculate Total Direct Costs

	$ 200,000.00	Total Grant Amount
÷	1.15	Divide by 1+ your approved indirect rate as a decimal (in this example, 15% becomes 1.15)
	$ 173,913.04	Total Direct Costs

Step 2: Calculate Indirect Costs

	$ 200,000.00	Total Grant Amount
-	$ 173,913.04	Direct Costs
	$26,086.96	**Indirect Costs**

7. Miscellaneous

7.1. Unallowable: Costs related to supplies, equipment, utilities or other costs to establish or support at-home office spaces.

7.2. Unallowable: Costs related to grant writing or fundraising activities.

7.3. Unallowable: Religious activities or services.

7.4. Unallowable: Rent, utilities, and liability insurance premiums (or other overhead/facility and administration costs), except as part of indirect cost recovery.

7.5. Unallowable: Scholarships and tuition assistance.

7.6. Unallowable: Participation incentives, such as gifts, gift cards, cash, check, e-payment (e.g., Venmo, Cash App) to individuals participating in the program, including paying school staff within school hours to attend mandated PD. Vouchers and other support to reduce barriers to participation are allowable as described in the Contracted Services, Travel, and Supplies sections.

7.7. Unallowable: Stipends or honoraria that are not reasonable, necessary, and allocable to the grant program.

7.8. Unallowable: Entertainment, gifts with a monetary value more than $50, and recreational or sport activities that are not directly related to the implementation of plan strategies and/or are not reasonable, allocable, and necessary to accomplish the approved project plan.

8. Claim Reporting Requirements

8.1. Claims must be submitted quarterly.

8.2. Claims are submitted in EGMS and must be supported by an expenditure report in Smartsheet showing claims against the approved budget, and including justification and progress on the approved project plan.

8.3. Grantees may be required to submit additional documentation to support their claim, including but not limited to transaction ledgers and invoices/receipts.

8.4. For Personnel costs, grantees must provide staff member name, job title, percentage FTE, or hourly rate and anticipated total hours.

HELP

If you have questions about any of the information provided in this document, or need to request approval of a grant expenditure, contact your grant manager, Gina Kim-Le (gina.kimle@ode.oregon.gov) or Krista Whitney (krista.whitney@ode.oregon.gov).

Additional information will be available in a video tutorial (coming soon) of how to update your budget and activity table in Smartsheet, including tips on using the Smartsheet platform as well as general best-practices and guidelines for grant budget development.

DEFINITIONS

Allocable: Purchased specifically to implement the approved grant activities, or portions of costs shared among other grantee programs which can be reasonably apportioned to the grant program based on proportional benefit. In service to the purpose of the program and in alignment with local policy.

Capital Asset: Assets or property (whether tangible or intangible) with a useful life beyond the contracted grant life.

Capital Expenditure: Expenditures to acquire capital assets or to make additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations to capital assets that materially increase their value or useful life.

Community Based Organization (CBO): A nonprofit organization that is reflective of a community or significant segments of a community it seeks to serve.

Contracted Services: A service provided to the grantee organization that is fully or partially funded using SSP grant dollars through an agreement between a business, organization, or individual who the grantee agrees to pay for a determined service.

Culturally-Specific Organization (CSO): An organization that serves a particular cultural community and is primarily staffed and led by members of that community; these organizations demonstrate: intimate knowledge of lived experience of the community, including but not limited to the impact of structural and individual racism or discrimination on the community; knowledge of specific disparities, barriers or challenges documented in the community and how that influences the structure of their program or service; commitment to the community's strength-based and self-driven thriving and resilience; ability to describe and adapt their services to the community's cultural practices, health and safety beliefs/practices, positive cultural identity/pride, religious beliefs, etc.

Direct costs: Costs that are directly and readily allocable to the activities of the grant, and which provide measurable, direct benefits to the grant program. ***Direct service costs*** are those primarily associated with providing direct service to program participants and otherwise carrying out the approved project plan. These costs will encompass the bulk of grantee's award expenditures. ***Direct administrative costs*** include administrative functions readily allocable to and required for administering the grant program such as oversight, grant expenditure data collection, leadership, management, and supervision. Direct administrative costs may not exceed 10% of the overall grant amount. See also: indirect costs.

Direct student services: Face-to-face instruction, mental health supports, culturally affirming practices, leadership development, identity development, individual student supports, and responsive services provided by the grantee directly to students. These services are data-driven and meant to help promote healthy development and a positive attitude toward learning and the community, and help students achieve success in school as well as effectively identify post secondary choices.

Equipment: Any asset that has a useful life beyond the grant period.

Grant cycle: The full life cycle of a grant that spans from when an applicant is awarded, to when the performance period, as identified in the grant agreement, is completed.

Grant partner: A separate organization that the primary grant recipient has entered into an agreement with for the purpose of implementing certain grant program activities and objectives. There are clear roles and expectations for the grant partner and a clear understanding of their contribution in implementing grant program activities and objectives.

Honorarium: A payment given for professional services that are rendered nominally without charge.

High-dosage tutoring: Tutoring that: (a) is provided outside of the school day; (b) is provided by a qualified and trained tutor which is defined for Community Grants as a person who has the training necessary to implement the research-aligned tutoring model effectively; (c) uses a research-aligned tutoring model that employs evidence-based strategies and is administered in a culturally responsive manner and that is combined with the training necessary for tutors to implement the model effectively; (d) is provided to four or fewer students; (e) uses materials that are aligned to the program; and (f) uses student assessment data and other evidence of student learning to inform tutoring sessions and adjust to student needs.

Incentive: Financial compensation, public recognition, or other benefits used to reward higher levels of performance and/or ideas or contributions.

Indirect costs: Costs not readily identifiable with the activities of the grant but incurred for the joint benefit of those activities and other activities of the organization.

Necessary: Costs and expenses required for the successful implementation of grant activities.

Partnership: A group of organizations, Tribal governments, districts, or individuals who agree to work together with a common interest and shared vision. In a partnership, there is a high level of trust and communication, and differences in power and privilege are addressed. Roles and responsibilities on all sides are well-defined and developed with shared authority in decision-making. Ideally, expectations and agreements are documented in writing.

Reasonable: Clearly aligned with one or more of the Early Literacy Success Community Grant objectives for this grant project. Activities must demonstrate how they are in service to the chosen objectives. For example, a literacy-focused, culturally-specific afterschool activity for students and families is in service to the Project Goal of increasing families and caregiver engagement in supporting literacy at home. Activity outcomes must be measured to address Project objectives.

Stipend: A fixed sum of money paid to individuals in exchange for performing otherwise unpaid work or while they receive training.

Work-Based Learning: Structured learning in the workplace or simulated environment that provides opportunities for sustained interactions with industry or community professionals that foster in-depth, firsthand experience of the expectations and application of knowledge and skills required in a given career field (definition from [Perkins V Work-Based Learning Handbook](#)). Must be focused on one of the six career clusters outlined in Oregon's CTE Programs of Study, including: Agriculture, Food, and Natural Resources Systems; Arts, Information, and Communications; Business and Management; Health Sciences; Human Resources; and Industrial and Engineering Systems. For details on specific skill sets by career, see [CTE Oregon Skill Sets](#).

Wraparound Services: Wraparound services are services that are a result of collaboration and coordinated partnerships between state, regional, and local private, government, and public entities and organizations that provide educational, mental health, healthcare and management services.