

This document provides guidance regarding budget descriptions by each object code. At minimum, descriptions must demonstrate that proposed expenditures:

- meet the **necessary** and **reasonable** standard, and
- are **allowable** under the terms of the particular grant (e.g. IDEA funds must be “excess costs”).

For a definitive guide to expenses by object code, please refer to the [Louisiana Accounting & Uniform Governmental Handbook \(LAUGH\)](#).

Object Code 100 – Salaries

- Provide the number of positions, type of position/name of position, the percentage of time and/or funds dedicated to the grant.
- Each job classification should have a separate line in the budget

Example(s)
<ul style="list-style-type: none"> • Annual: Salaries for 2 FTE paraprofessionals 100% dedicated to supporting students with disabilities/IDEA (see attached salary schedule) • Hourly: Stipends for 12 teachers to attend LearnZillion training at \$25.00 per hour for 4hrs • One-time: 21-22 Support Staff Pandemic Supplement - 15 staff X \$400

Object Code 200 – Benefits

- Provide the amount of benefits based upon the compensation of the LEA. Benefits ratios above 35% will require a breakdown of benefits by type.
- Benefits for each job position should have separate lines in the budget (There must be a corresponding object code 100 expenditure for each object code 200 benefit expenditure).
- Amounts reimbursed by the LEA to an employee (or university on behalf of the employee) qualifying for reimbursement for educational expenditures (Inclusive of: tuition, textbooks, testing fees and certification fees) based upon the LEA policy.

Example(s)
<ul style="list-style-type: none"> • Benefit ratios below 35%: Benefits for teacher stipends to include retirement, FICA, workmen’s compensation, health insurance • Benefits ratios above 35% (dollar amounts): Benefits for 1.0 FT Parent/family Educator (Health Insurance \$3000) (Medicare \$497) (Retirement \$9127) (Workers Comp. \$515) (Unemployment Comp. \$69) • Benefits ratios above 35% (percentages): Benefits for 1.0 FT Parent/family Educator - Health Insurance (11%), Medicare (1.45%), Workers Comp. (), Unemployment Comp (3%), Social Security/FICA (6.2%), etc. • Reimbursement to 25 teachers for tuition paid related to certification requirements with an average cost.

Object Code 300 – Professional and Technical Services

- Services purchased from professional/technical service providers and not a district or school employee.
- Note: services purchased to operate, repair, maintain, or service equipment and/or property owned or used by the LEA should be coded in object code 400.

Example(s)
<ul style="list-style-type: none"> • Contract with STEM Leader Corp. for 15 professional development sessions at \$2750 per session (\$41,250) • Contracted services for teachers for Leveled Literacy Intervention training by Greenwood Publishing, dba/Heinemann (\$3200 per day x 6.125 days) • 2 occupational therapists from XYZ Therapy for 100 hours of services at \$250 per hour. • Behavioral intervention services with Health Associates, LLC. for evaluation services (as needed) for a maximum of 300 hours at \$375 per student evaluation. • Annual contract for school nurse to provide health-related services to 3 schools for the 21-22 school year for \$60,000.

Object Code 400 – Purchased Property Services

- Services purchased to operate, repair, maintain, or service equipment, technology-related equipment and/or property owned or used by the LEA.
- For leases and/or rentals funded by the grant, include the type and number of items being rented, and the rental/lease amount.
- For facility rentals, include the purpose of the rental.
- Pre-approval may be required for expenditures for constructing, renovating and remodeling paid to contractors (See capital expenditure pre-approval on page 4).

Example(s)
<ul style="list-style-type: none"> • Rental: Annual copy machine rental: Xerox 2 copiers \$7,800 • Maintenance/Repair/Upkeep: Annual upkeep services for technology lab for Title I schools at \$400 monthly for 12 months. • Construction: Hiring an external vendor to replace ceiling tiles in gymnasium at a projected cost of \$1.00/sq. ft. • Construction: Hiring an external vendor to replace 12 windows @ \$5000/window

Object Code 500 – Other Purchased Services

- Mileage – rate in PPM 49 or the local rate, *whichever is less*.
- Other employee travel- Conference/activity Name, participants, associated costs (registration, airfare, lodging, meals, etc.).
- Student transportation services including contracts with transportation companies.
- Additional expenditures include: student fees, interagency agreements, online, web-based subscriptions, printing services, and advertisements.
- Note: If an online, web-based subscription is the main purchase and additional printed materials are added at no charge, use this object code (bundled purchases).

Example(s)
<ul style="list-style-type: none"> • Mileage: Annual mileage cost of \$5,000 for content coaches to travel to 10 schools throughout the parish. Mileage rate shall not exceed state/local LEA guidelines. • Travel (in-state and out of state): Travel to attend Teacher Leader Summit for 2 administrators and 10 teachers; meals, lodging, mileage, parking @ \$1000 each. (12 attendees @ \$1,000 each = \$12,000) • Web-based subscriptions: Online subscription to LearnZillion (student access) @\$2,500 X 4 schools. • Student Transportation: Annual contract with Bus Company LLC. for 6 buses at \$122,000. • Student Fees: Registration ACT vouchers at approximately \$55 per student for 200 students. • Student Fees: Dual enrollment course fees for 40 students at approximately \$200 per student. • Interagency Agreements: Consultant for Early Childhood professional development provided by La Tech at \$2500 per session for four sessions.

Object Code 600 – Materials/Supplies

- Materials/ supplies should list items to be purchased (e.g., notebooks, pencils, toner, etc.).
- For non-consumable items such as computers, laptops, Chromebooks, printers, etc., provide per unit cost and number of units. Unit costs are not necessary for consumable items (e.g. paper, etc.).
- Internal printing – identify supplies being purchased such as paper, toner, binding supplies, etc.
- Note: If printed materials is the main purchase and an online, web-based subscription is added at no charge, use this object code (bundled purchases).

Example(s)
<ul style="list-style-type: none"> • Materials and supplies (school-wide) - Eureka modules, paperback novels, leveled literacy kits, chart paper, pencils, pens, copy paper, trifold boards, math manipulatives, sentence strips, easels. • 30 laptops (\$859 each), 30 iPads (\$359 each), 1 3D printer (\$1,599) and 1 charging cart (\$859.99) • Band equipment: 5 tubas (\$600 each), 3 clarinets (\$250 each), 4 drum sets (\$900 each)

Object Code 700 – Property¹

- Federal capitalization threshold is currently \$5,000.00 unless the LEA has established a lower threshold (If this is the case, please state your LEAs threshold amount).
- Provide per unit cost and number of units for hardware/equipment.
- For bundled sets for hardware/equipment where cost is not priced by individual items and it exceeds the property threshold, use this object code.

Example(s)
<ul style="list-style-type: none"> • 1 Dell EMC PowerEdge @ \$5,250.00 • 2 Sharp Touch Boards with built-in computers (\$5,150 per unit) • Elementary playground set inclusive of all pieces/materials at a bundled unit cost of \$7,500 X 4 for each of our elementary schools

Object Code 800 – Debt Service & Miscellaneous

- Membership dues and fees for professional organizations
- Cost paid directly to non-public employees; see “Participant Support Costs for Non-Employees” below.

Example(s)
<ul style="list-style-type: none"> • LRCE annual membership @ \$300.00 X 2 staff members • ASCD annual site membership @\$1500 annual. • Summer teaching institute stipend for non-public teachers to attend Math/Literacy Cohort workshop; Baton Rouge, LA; July 20-22, 2018; 12 teachers @\$30 per hour for 3 days

Participant Support Costs for Non-Employees

- **Prior written approval²** is required for certain costs, including participant support costs, defined as direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences or training projects.
- Inclusion of a cost in the eGMS budget will be considered a request for prior approval *provided the following information is included*: (1) the activities for which the costs will be used, (2) elements of the costs (i.e. travel, registration, and individual participant costs), (3) the specific timeframe of the activities, and (4) the role of participants or trainees as it relates to the grant program.

Common Coding Best Practices/Reminders

- Ensure that sufficient details are provided to determine whether the expenditure is necessary, reasonable, and allowable.
- Benefit ratios exceeding 35% include a breakdown of costs by benefit type.
- Maintenance, installation and upkeep costs must be coded to Object Code 400.
- Student fees including student exam costs must be coded to Object Code 500.
- Transfer of funds/payments to other state agencies (including LEAs and higher ed.) must be coded to 500.
- Unit costs for computers, laptops, iPads, printers, etc. must be provided.
- Printing services must be in Object Code 500 while printing supplies must be in Object Code 600.
- Expenditures that exceed property threshold must be coded to Object Code 700.
- Expenses related to nonpublic employee payments must be coded in Object Code 800. All other non-public expenses must be coded in the appropriate object code.
- Amendments must address reviewer comments.

¹ **Equipment Criteria** – An item is considered “equipment” (Code 700) only if it meets **all** the criteria listed below:

- It can be expected to serve its principal purpose for at least one year.
- It is nonexpendable; that is, if damaged or worn out, it can be repaired without being replaced. The item does not lose its identity through fabrication or incorporation into a different or more complex unit.
- Each unit costs \$5,000 or more **unless** the LEA has set a lower value threshold for inventory. If so, the LEA’s equipment threshold should be noted in the budget line description. Note: the unit cost of \$5,000 does not apply to any program funded by 8(g) money

Capital Expenditure Pre-approval

- All pre-approval requests are required to be submitted in eGMS.
- Expenditure requests that require the use of the “Pre-Approval Process.”
 - General equipment purchases (vans, buses, portable buildings, etc.)
 - Land purchases
 - Building purchases
 - Improvements to general equipment, land, and/or buildings that increase the value or use life

Indirect Costs

Unless otherwise noted, federal grants allow LEAs to claim indirect costs (IDC), which are calculated by multiplying the LEA’s indirect cost rate by the “modified total direct cost” (MTDC):

- MTDC *includes* all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and sub-awards and subcontracts up to the first \$25,000 of each sub-award or subcontract.³
- MTDC *excludes* equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs (only for non-employees), and the portion of each sub-award and subcontract in excess of \$25,000.
- Aside from ESSA and IDEA, LDOE will provide guidance regarding expenses to be marked as excluded from MTDC.
- For ESSA and IDEA, the LEA’s business manager will determine whether an expense should be excluded from the MTDC. It is important that this decision is made by the business manager as exclusions must be documented and consistent with the information submitted for the LEA’s annual IDC rate determination.
- Please note the importance of listing contracts on separate budget lines as checking the “excluded from MTDC” box will exclude the budget line total in excess of \$25,000.

² 2 CFR 200.407

³ Note that not all subcontracts are subject to the \$25,000 exclusion rule. Please refer to LDOE Finance guidance re: IDC for more information.

⁴ UGG Requirement (Edgar: 200.439): Pre-Approval Process for Equipment and other capital expenditures