

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"> <li>• Salaries for 2 FTE paraprofessionals 100% dedicated to supporting students with disabilities/IDEA (see attached salary schedule)</li> <li>• Stipends for 12 teachers to attend LearnZillion training at \$25.00 per hour for 4hrs</li> </ul>

**Object Code 200 –Employee 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.
- Amounts reimbursed by the LEA to an employee (or university on behalf of the employee) qualifying for reimbursement for educational expenditures based upon the LEA policy.

Example(s)
<ul style="list-style-type: none"> <li>• Benefits for 1.0 FT Parent/family Educator (Health Insurance \$3000) (Medicare \$497) (Retirement \$9127) (Workers Comp. \$515) (Unemployment Comp. \$69)</li> <li>• Benefits for teacher stipends to include retirement (\$2,400), FICA (\$756), workmen’s compensation (\$254), health insurance (\$3,500)</li> <li>• Reimbursement to 25 teachers for tuition paid related to certification requirements.</li> </ul>

**Object Code 300 – Professional and Technical Services**

- When the purchased professional services are being provided by a professional and/or technical professional (not a district or school employee).

Example(s)
<ul style="list-style-type: none"> <li>• Contract with STEM Leader Corp. for 15 professional development sessions at \$2750 per session (\$41,250)</li> <li>• Contracted services for teachers for Leveled Literacy Intervention training by Greenwood Publishing, dba/Heinemann (\$3200 per day x 6.125 days)</li> </ul>

**Object Code 400 - Purchased Property Services**

- 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 purpose of the rental.
- Services to repair and maintain technology related equipment.

Examples
<ul style="list-style-type: none"> <li>• Copy machines: Xerox 2 copiers \$7,800</li> <li>• Maintenance/repair services for technology lab for Title I schools</li> </ul>

**Object Code 500 – Other Purchased Services**

- Mileage – rate in PPM 49 or the local rate, *whichever is less*.
- Other employee travel- conference/activity, participants, associated costs (registration, airfare, lodging, meals, etc.).
- Non-employee travel – requires prior approval request: see page 3.
- Student transportation services including contracts with transportation companies.
- Additional expenditures include: student fees, interagency agreements, online web-based subscriptions, printing services, and advertisements.

Examples
<ul style="list-style-type: none"> <li>• 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)</li> <li>• Online subscription to LearnZillion (student access) @ \$2,500 X 4 schools.</li> </ul>

**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.

Examples
<ul style="list-style-type: none"> <li>• 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.</li> <li>• 30 laptops (\$859 each), 30 pads (\$359 each), 1 3D printer (\$1,599) and 1 charging cart (\$859.99)</li> </ul>

**Object Code 700 - Property<sup>1</sup>**

- Hardware/Equipment- The number of items being purchased and/or per unit cost for each item.
- Federal capitalization threshold is currently \$5,000.00 unless the LEA has established a lower threshold (if this is the case, please state the LEA’s threshold).

Example
<ul style="list-style-type: none"> <li>• Dell EMC PowerEdge @ \$5,250.00</li> <li>• 2 Sharp Touch Boards with built-in computers (\$5,150 per unit)</li> </ul>

**Object Code 800 – Debt Service and Miscellaneous**

- Membership dues and fees for professional organizations
- Costs paid directly to non-public employees; see “Participant Support Costs for Non-Employees” on page 3.

Examples
<ul style="list-style-type: none"> <li>• LRCE annual membership @ \$300.00</li> <li>• Prior approval request: 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</li> </ul>

<sup>1</sup> **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.

## Additional Notes for FY 2019 Budgets

### Participant Support Costs for Non-Employees

- **Prior written approval**<sup>2</sup> 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.

### 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.<sup>3</sup>
- 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.

For the 2018-19 budget detail, every budget line will have a checkbox to exclude the expense from the Modified Total Direct Cost (MTDC). Expenditures coded to 700 will automatically be excluded.

- 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.

### Common Coding Issues

- Insufficient detail to determine whether the expenditure is necessary, reasonable, and allowable.
- Benefit ratios exceed 35% without further breakdown of costs.
- Maintenance and installation costs not coded to Object Code 400.
- Student fees including student exam costs not coded to Object Code 500.
- Transfer of funds/payments to other state agencies (including LEAs and higher ed) coded to 300 instead of 500.
- Unit costs for computers, laptops, iPads, printers, etc. are not provided.
- Printing services in Object Code 600 as opposed to printing supplies in Object Code 600.
- Expenditures that do not exceed property threshold coded to Object Code 700.
- Expenses related to non-publics that are not nonpublic employee payments are coded to Object Code 800.
- Amendments do not address reviewer comments.

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<sup>2</sup> 2 CFR 200.407

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