

The Louisiana Charter School Start-Up Loan Fund provides no-interest loans to assist Type 1, 2, and 3 charter schools with procuring start-up supplies and facility improvements. The following guidelines provide: a) an overview of charter school start-up loan terms and requirements; and b) instructions on how charter schools may apply for a start-up loan.

Charter School Start-Up Loan Eligibility

Type 1, 2, and 3 charter schools may be eligible to apply for a charter school if the school either is:

- a) Within their first five years of operation, including schools recently authorized; or,
- b) Planning to purchase equipment, instructional material, and facility acquisition/upgrade/repairs.

Charter School Loan Fund: Amount, Length, and Repayment

The Department will issue charter school start-up loans of up to \$100,000. Loan repayments will occur in three equal, no-interest increments. The repayment timeline depends on whether the school currently operates or was recently authorized.

	Loan Length and Repayment
Charter School Currently Operates	There are three years of automatic loan repayment. Loan repayment will occur at the end of the fiscal year in which the loan was issued. The repayment will occur by the Department withholding one-third of the loan amount from school's June 2019 MFP payment.
Recently Authorized Charter School	There are three years of automatic loan repayment. Loan repayment will occur at the end of the fiscal year in which the school first operates. For example, if a loan was issued in August 2018 and the school first enrolls children in August 2018, then the Department will withhold one-third of the loan amount from the school's June 2019 MFP payment.

If the school receiving the loan is a Type 1 or 3 charter school, then this repayment will be withheld from the charter school's authorizing district's June MFP Payment.

If a charter school that receives a start-up loan fails to open or closes during the loan's duration, then any equipment or other items purchased with loan funds equaling the value of the unpaid loan amount will become the property of the state.

The Department may consider loan terms other than those indicated above at the charter school's request, not to exceed \$100k 3-year loans.

Allowable Use of Loan Funds

Charter schools may use start-up loan funds to purchase tangible items such as equipment, technology, instructional materials, and facility acquisition, upgrade, and repairs. These items fit within following object codes according to the [Louisiana Accounting and Uniform Governmental Handbook](#):

- 430: Repairs and Maintenance Services
- 450: Construction Services
- 600: Supplies
- 700: Property

How to Apply for the Start-Up Loan

To apply for the Charter School Start-Up Loan, interested charter schools should e-mail charters@la.gov for loan application documents. These documents will include:

- Charter School Loan Detailed Loan Budget – depicts how schools plan to spend loan funds.
- Charter School Overall Budget – depicts the school's overall budget during the loan's duration.
- Type 1 & 3 Charter Schools Only: The approved charter application and verification of approval by the local school board, such as board meeting minutes.

Review and Agreement Process

- The Office of Portfolio and Education Finance will review charter school start-up loan requests. This review team may require modifications to the submitted budgets.
- If the loan request approved, the Department will provide the charter school a loan fund agreement for signature. This loan fund agreement must be signed by either: a) if a Type 2 – the charter school board; or b) if a Type 1 or 3 – the charter school's authorizing district's board.
- Once the loan fund agreement is completed, the Department will issue the charter school start-up loan funds within 30 days to either: a) directly to the charter school if a Type 2; or b) to the charter school's authorizing district if a Type 1 or 3.

Required Reporting

Once the Department issues loan funds, the charter school must submit both quarterly and annual reports to the Office of Portfolio.

Annual Reports: The charter school should submit the following documentation within thirty days after the end of each fiscal year of the loan term until the use of all loan funds have been reported.

- Loan Expenditure Summary Report – indicates all expenditures made using loan funds during the previous fiscal year;
- Copies of invoices and proofs of payment for all transactions over \$1000 made using loan funds during the previous fiscal year; and,

Quarterly Report: The charter school should submit the following documentation within thirty days after the end of each fiscal quarter of the loan term until the use of all loan funds have been reported.

- A cumulative property inventory listing of all moveable property purchased with loan funds with a unit price exceeding \$1000 during the previous fiscal quarter.

Additional Questions

If you have any questions regarding the Charter School Start-Up Loan, please contact the Office of School Improvement at charters@la.gov.