U.S. DEPARTMENT OF EDUCATION
Office of Elementary and Secondary Education
Washington, DC 20202

Fiscal Year 2021

Application for New Grants Under the Expanding Opportunity Through Quality Charter Schools Program -- Credit Enhancement for Charter School Facilities Grants Program

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I. PAPERWORK REDUCTION ACT OF 1995

According to the Paperwork reduction Act of 1995, no persons are required to respond to a collection of information unless such collection displays a valid OMB control number. The valid OMB control number for this information collection is: 1855-0007. Public reporting burden for this collection of information is estimated to average 80 hours per response, including the time for reviewing instructions, searching existing data resources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The obligation to respond to this collection is voluntary. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the U.S. Department of Education, 400 Maryland Ave., SW, Washington, DC 20210-4537, or email ICDocketMgr@ed.gov. Please do not return completed applications to this address.

UNITED STATES DEPARTMENT OF EDUCATION
Office of Elementary and Secondary Education

Dear Applicant:

Thank you for your interest in the Credit Enhancement for Charter School Facilities Program (Credit Enhancement Grants Program), administrated by the Charter Schools Program (CSP) in the Office of Elementary and Secondary Education at the U.S. Department of Education. The Credit Enhancement Grants Program, authorized under the Elementary and Secondary Education Act of 1965 (ESEA), as amended by the Every Student Succeeds Act of 2015 (ESSA) (20 U.S.C. 7221c), provides grants to eligible entities to demonstrate innovative methods of helping charter schools to address the cost of acquiring, constructing, and renovating facilities by enhancing the availability of loans and bond financing.

Priorities have changed from last year's competition, so I strongly encourage you to thoroughly review this application package and the program's FY2021 Notice Inviting Applications (NIA). This application package includes vital instructions and guidance that govern the submission of applications. These instructions must be followed in order to apply for a grant from the U.S. Department of Education. An application will not be evaluated for funding if the applicant does not comply with all the procedural rules that govern the submission of the application or if the application does not contain the information required under the program (34 CFR§75.216 (b) and (c)).

Applications for this competition must be submitted via http://www.grants.gov. We encourage that early in the process of compiling an application for submission you familiarize yourself with Grants.gov and register or identify who has access to your entity's registration within your entity. Also, it is highly recommended that you do not wait until the last day of the competition to submit your application. The deadline for submitting applications is July 23, 2021; late applications will not be accepted.

Please visit our program website at Credit Enhancement Applicant Info and Eligibility for further information. The program website includes the date of the pre-application webinar as well as other helpful information. If you have any technical questions about the program after reviewing this application package, please contact Clifton Jones by telephone at (202) 205-2204 or via e-mail at Clifton.Jones@ed.gov. For questions or problems concerning the Grants.gov system, please call the Grants.gov helpdesk at **1-800-518-4726.**

We look forward to receiving your application and appreciate your efforts in assisting and expanding the number of high-quality charter schools across the nation.

Sincerely,

Anna Hinton, Ph.D.
Director
Charter Schools Programs

II. A BRIEF OVERVIEW OF THE APPLICATION PROCESS

The following is a brief overview of the application process for the Credit Enhancement Grants Program.

Getting Started
All interested applicants should first thoroughly review this application package and the Notice Inviting Applications (NIA) for FY 2021 Credit Enhancement Grants Program published in the Federal Register and on the Department's website at: Credit Enhancement Applicant Info and Eligibility.

This Application Package does not contain the full text of the NIA and should only be used as a guide when completing and submitting a Credit Enhancement Grants Program application. The NIA will orient applicants to the Credit Enhancement Grants Program by providing details associated with the following information:

- Background information and purpose of the program;
- Eligibility requirements;
- Selection criteria and assigned points;
- Key definitions; and
- Instructions on how to electronically submit the application.

Applicants should pay close attention to the selection criteria as applications will be evaluated and scored against these criteria.

Completing and Submitting Your Application
A complete application consists of the following components:

- Project Abstract - where applicants provide a brief overview of the proposed project including primary goal and key objectives and activities.
- Project Narrative – where applicants respond to application requirements and selection criteria.
- Budget Narrative - where applicants provide the ED-524 and Table 3 along with an itemized breakdown and narratives for project costs in the ED-524 and Table 3.
- Other Attachments and Forms – where applicants provide other required items and supplementary documents, including:
    - Table 1 - Non-Grant Funds Projected to be Generated
    - Table 2 - Applicant Activity Table for the Most Recently Completed Fiscal Year
    - Table 4 - Risk Level of Charter Schools Served (required of past grantees only)
    - Consortium agreements
    - Resumes/Curriculum Vitae
    - Other Supplementary Documents (example: logic model)
- Required Standard Forms, Assurances and Certifications

- Application for Federal Assistance (SF 424);

  Note: Please do not attach any narratives, supporting files, or application components to the Standard Form (SF 424). Although this form accepts attachments, the Department of Education will review only materials/files attached to the section labeled "Other Attachments Form."

- Department of Education Supplemental Information form SF 424;

- Department of Education Budget Summary Form (ED 524) Sections A & B;

- Disclosure of Lobbying Activities (SF-LLL);

  Note: For those who the SF-LLL does not apply, mark N/A in the appropriate fields.

- General Education Provisions Act (GEPA) Requirements - Section 427;

- Assurances, Non-Construction Programs (SF 424B) (This form is completed in SAM);

- Electronic copies and instructions for the standard forms can be downloaded at the following address: https://www2.ed.gov/fund/grant/apply/appforms/appforms.html and can be found in the Grants.gov submission package.

Once the application is complete, it must be submitted electronically using the Grants.gov system.

Tips for Submitting of Your Application

- Thoroughly review the "Important Tips & Reminders for Applicants' section in the subsequent pages of this application package.
- All Credit Enhancement Grants Program applications must be submitted electronically via Grants.gov unless an applicant qualifies for one of the exceptions to the electronic submission requirement and submit, no later than two weeks before the application deadline date, a written statement to the Department that you qualify for one of these exceptions. Please refer to the NIA for more information on the exceptions to electronic submission.
- Before you are ready to submit your application familiarize yourself as early as possible with Grants.gov.
- Please ensure proper browser support. The latest versions of Microsoft Internet Explorer (IE), Mozilla Firefox, Google Chrome, and Apple Safari are supported for use

with Grants.gov. However, these web browsers undergo frequent changes and updates, so we recommend you use the latest version when submitting your application via Grants.gov. Legacy versions of these web browsers may be functional, but you may experience issues. For additional information or updates, please see the Grants.gov Browser information in the Applicant FAQs: http://www.grants.gov/web/grants/applicants/applicant-faqs.html#browser.

- Do not wait until the last day to submit your application. The time it takes to upload the narratives for your application will vary depending on several factors including the size of the files and the speed of your Internet connection. If you try to submit your application after 11:59:59 p.m. Eastern Time on the deadline date, the Grants.gov system will not accept it.
- Late applications will not be accepted. The Department is required to enforce the established deadline to ensure fairness to all applicants.
- All applications must be received on or before July 23, 2021. No changes or additions to an application will be accepted after the deadline date and time.

Addressing Your Questions

The Department provides an avenue for interested applicants to ask questions to clarify their understanding of the Credit Enhancement Grant Program competition and process. Applicants should keep in mind that the Department cannot provide guidance on specific applications. The Department cannot provide guidance or recommendations on an applicant's proposed approach, plan, or response to program requirements, and selection criteria. Interested applicants may send all other questions to Clifton.Jones@ed.gov.

III. THE CREDIT ENHANCEMENT GRANTS COMPETITION

Applications Available
June 21, 2021

Deadline for Transmittal of Applications
All applications must be received on or before 11:59:59 p.m. Eastern Time, on July 23, 2021**.** Your application must be fully uploaded and submitted and must be date and time stamped by the Grants.gov system no later than 11:59:59 p.m. (Eastern Time), on the application deadline date. Late applications will not be accepted. The Department is required to enforce the established deadline to ensure fairness to all applicants. No changes or additions to an application will be accepted after the deadline date and time.

Award Information:
Estimated Available Funds: $43,000,000.
Estimated Range of Awards: $4,000,000 - $12,000,000.
Estimated Average Size of Awards: $11,000,000.
Maximum Award: We will not award a grant for more than $12,000,000 for a grant project. The Department may change the maximum amount through a notice published in the Federal Register.
Estimated Number of Awards: 4 (Note: The Department is not bound by any estimates)

Project Period: From the start date indicated on the grant award document until the Federal funds and earnings on those funds have been expended for the grant purposes or until financing facilitated by the grant has been retired, whichever is later.

Credit Enhancement Authorizing Legislation
Section 4304 of the ESEA (20 USC 7221c: Facilities financing assistance)

Program Purpose
The purpose of the Credit Enhancement Grants Program is to provide grants to eligible entities to demonstrate innovative methods of helping charter schools to address the cost of acquiring, constructing, and renovating facilities by enhancing the availability of loans and bond financing.

Application Requirements
Applicants are required to follow the Common Instructions for Applicants to Department of Education Discretionary Grant Programs, published in the *Federal Register* on February 13, 2019 (84 FR 3768) and available at www.govinfo.gov/content/pkg/FR-2019-02-13/pdf/2019-02206.pdf, which contain requirements and information on how to submit an application.

Eligibility Information
1. Eligible Applicants: (A) a public entity, such as a State or local government entity; (B) a private nonprofit entity; or (C) a consortium of entities described in (A) and (B).

Note: If you are a nonprofit organization, under 34 CFR 75.51, you may demonstrate your nonprofit status by providing: (1) proof that the Internal Revenue Service currently recognizes the applicant as an organization to which contributions are tax deductible under section 501(c)(3) of the Internal Revenue Code; (2) a statement from a State taxing body or the State attorney general certifying that the organization is a nonprofit organization operating within the State and that no part of its net earnings may lawfully benefit any private shareholder or individual; (3) a certified copy of the applicant's certificate of incorporation or similar document if it clearly establishes the nonprofit status of the applicant; or (4) any item described above if that item applies to a State or national parent organization, together with a statement by the State or parent organization that the applicant is a local nonprofit affiliate.

2. Cost Sharing or Matching: This program does not require cost sharing or matching.
3. Subgrantees: A grantee under this competition may not award subgrants to entities to directly carry out project activities described in its application.

Intergovernmental Review[1]

This competition is subject to Executive Order 12372 and the regulations in 34 CFR part 79.

Funding Restrictions[2]

(1) An eligible entity receiving a grant must, in accordance with State and local law, directly or indirectly, alone or in collaboration with others, deposit the funds received, other than funds used for administrative costs, in a reserve account established and maintained by the eligible entity.

(2) An eligible entity receiving a grant must use the funds deposited in the reserve account to assist one or more charter schools to access private sector capital to accomplish one or more of the allowable objectives.

i. The acquisition (by purchase, lease, donation, or otherwise) of an interest (including an interest held by a third party for the benefit of a charter school) in improved or unimproved real property that is necessary to commence or continue the operation of a charter school.

ii. The construction of new facilities, or the renovation, repair, or alteration of existing facilities, necessary to commence or continue the operation of a charter school.

iii. Assist charter schools with the predevelopment costs required to assess sites for the purpose of acquiring (by purchase, lease, donation, or otherwise) an interest (including an interest held by a third party for the benefit of a charter school) in improved or unimproved real property or constructing new facilities, or renovating, repairing, or altering existing facilities, and that are necessary to commence or continue the operation of a charter school.

(3) Grantees must ensure that all costs incurred using funds from the reserve account are reasonable.

[1] See Appendix I for further details on the Intergovernmental Review

[2] See Appendix II for a full description of Funding Restrictions

Application Review Information: Selection Criteria

(1) **The selection criteria related to the potential contribution of the proposed grant project to achieving the purpose of the Credit Enhancement for Charter School Facilities Program include:**

i. The quality of the design and significance (35 points).

This criterion addresses the goals, objectives, and activities of the grant project, how the applicant will determine the viability of an individual school as an educational enterprise and therefore as a target for investment, the number and type of charter schools that the applicant anticipates will obtain facilities as a result of the grant project, the amount and type of assistance they will receive, and the degree to which projects would serve charter schools in States with strong charter school laws. This criterion also addresses the grant project's potential impact on the national need for charter school facilities and, in that regard; it ispotential as a model for others**.**

The most successful applicants are likely to provide services to a number of charter schools, including start-ups. They will accomplish this, in part, by leveraging a significant amount of capital for investment in charter school facilities. They will clearly document their activities and the resulting outcomes for the different types of schools served and will demonstrate that their grant projects are likely to help other charter schools acquire appropriate facilities in thefuture.

In addition, successful applicants will provide comprehensive plans with clear goals, objectives, and activities that have specific timelines and that are aligned with the four statutory purposes for which reserve account funds may be used. They will describe the partnerships they plan to develop to help further the purposes of the program and how they will leverage private-sector and other non-Federal capital for financing charter school facilities. They will give their projections for the amounts to be leveraged relative to the amount of governmentfunding used. They also will discuss how they will invest funds from the reserve account and provide an estimate of the earnings they expect from these investments, and from fees, interest, or other sources.

ii. The materials reviewers will consider when rating against this selection criterion include:

- The budget form and other budget information (including the consistency of numbers, the accuracy of any mathematical functions, and the clarity ofany explanations);
- Information on fees and lending terms, including how they might vary with interest rate fluctuations;

- The cash flow pro forma; and
- The logic models.

iii. Factors used to assess the project's quality of design and significance include:

- The extent to which the grant proposal would provide financing to charter schools at better rates and terms than they can receive absent assistance through the program;
- The extent to which the grant project goals, objectives, and timeline are clearly specified, measurable, and appropriate for the purpose of the program;
- The extent to which the grant project implementation plan and activities, including the partnerships established, are likely to achieve measurable objectives that further the purposes of the program;
- The extent to which the proposed grant project is likely to produce results that are replicable;
- The extent to which the grant project will use appropriate criteria for selecting charter schools for assistance and for determining the type and amount of assistance to be given;
- The extent to which the proposed activities will leverage the private or public sector funding and increase the number and variety of charter schools assisted in meeting their facilities needs absent the program;
- The extent to which the project will serve charter schools in States with strong charter laws, consistent with the criteria for such laws in Section 4303(g)(2) of the Elementary and Secondary Education Act of 1965, as amended;
  The extent to which the requested grant amount and project costs are reasonable in relation to the objectives, design, and potential significance of the project;
  Note: The applicant should review the Performance Measures section of the notice for information on the requirements for developing project-specific performance measures and targets consistent with the objectives of the program.

iv. The quality of the project services (15 points).

This criterion is concerned with the immediate benefits to be provided to charter schools as a result of the grant project. In this regard, this criterion addresses questions about the fit between the assistance to be provided and the needs of the recipients of the services. This criterion also considers the cost-effectiveness of the services to be provided.

Successful applicants will demonstrate that charter schools participated in the development of the grant project and in the identification of the specific needs to be addressed by the grant project. These applicants may have letters of endorsement from charter schools or otherwise document charter school support. In addition, these applicants will focus on quality charter schools with the greatestneed for facilities and an inability to access private-sector capital. They are likely to succeed in meeting the needs of charter schools that are just starting up as well as more established charter schools. Applicants should describe how their serviceswould affect the charter

schools in terms of burdens (such as fees and paperwork)and benefits -- financial and otherwise.

v. The materials reviewers will consider when rating against this selection criterion include:

- Support letters from charter schools; and
- Information on fees and lending terms, including how they might varywith interest rate fluctuations.

vi. Factors used to assess the quality of the services include:

- The extent to which the services to be provided by the project reflect the identified needs of the charter schools to be served;
- The extent to which charter schools and chartering agencies were involved in the design of, and demonstrate support for, the grant project;
- The extent to which the technical assistance and other services to be provided by the proposed grant project involve the use of cost-effective strategies for increasing charter schools' access to facilities financing, including the reasonableness of fees and lending terms; and
- The extent to which the services to be provided by the proposed grant project are focused on assisting charter schools that have the greatest needs for assistance under the program.

(2) **The selection criteria related to the applicant's capacity to carry out the proposed grant project include:**

i. Capacity (35 points).
This criterion focuses on the applicant's expertise in capital market financing and its organizational capacity to implement the proposed project. The applicant will need to document its financial track record and strength, ability to protect against unwarranted financial risk, expertise in assessing credit and evaluating the success of charter schools, and ability to prevent conflicts of interest. The Application Content Requirements section of this package describes some of the specific data and documents the applicant needs to provide regarding business and organizational capacity.

ii. The materials that reviewers will consider when rating against this selection criterion include:

- Table 1 – Non-Grant Funds Projected to be Generated;
- Table 2 – Applicant Activity Table for the Most Recently Completed Fiscal Year
- Table 4 – Risk Level of Charter Schools Served;
- Audited Financial Statements;
- Credit Rating Reports;
- Standards of Conduct;

- Non-profits: Articles of Incorporation and By-Laws;
- Non-profits: IRS Form 990;
- Public entities: Enabling Statutes and Other Relevant Legislation;
- Letters of commitment from financial partners;
- Previous grantees (both Credit Enhancement for Charter School Facilities Program and Charter School Facility Financing Demonstration Grant Program Grantees): the most recent annual performance report (if the grant has not been in place long enough to have an annual performance report); and
- Applicable experience financing charter schools (if any), including the number of schools served, the total amount of financing provided, the total amount of financing credit enhanced

iii. Factors that will be considered in assessing the applicant's business and organizational capacity include:

- The amount and quality of experience of the applicant in carrying out the activities it proposes to undertake in its application, such as enhancing the credit on debt issuances, guaranteeing leases, and facilitating financing;
- The applicant's financial stability;
- The ability of the applicant to protect against unwarranted risk in its loan underwriting, portfolio monitoring, and financial management;
- The applicant's expertise in education to evaluate the likelihood of success of a charter school;
- The ability of the applicant to prevent conflicts of interest, including conflicts of interest by employees and members of the board of directors in a decision-making role;
- If the applicant has co-applicants (consortium members), partners or other grant project participants, the specific resources to be contributed by each co- applicant (consortium member), partner, or other grant project participant to the implementation and success of the grant project;
- For State governmental entities, the extent to which steps have been or will be taken to ensure charter schools within the State receive the funding needed to obtain adequate facilities; and
- For previous grantees under the charter school facilities programs, their performance in implementing these grants.

  Note: The 35 available points under this selection criterion will be allocated evenly among the factors applicable to a particular applicant. For example, for an applicant for which none of factors (6)-(8) apply, the 35 available points will be allocated among the first five factors. Similarly, for an applicant that is a State governmental entity that is a previous grantee under the charter school facilities programs, the 35 available points will be allocated evenly among factors (1)-(5), (7), and (8)

iv. Quality of Project Personnel (15 points).

This criterion focuses on the relevant training and experience of key grant project personnel, consultants, subcontractors, and, for nonprofits, members of the board of directors holding key positions.

Successful applicants will plan to use the services of individuals with substantial experience and expertise in facilities financing, charter schools, and other appropriate areas. They will provide the information requested in the Application Content Requirements section of this package. This information will include, among other things, a description of current job responsibilities, the educational background, and the experience and skills of each member of the grant project team as described in current resumes or detailed biographical statements. The applicant should describe its staffing plan for the project, including a description of the assignments by activity or service and the match between the proposed staff and the skills necessary to execute the specific proposal.

v. Factors used to assess the grant project team include:

- The qualifications of project personnel, including relevant training and experience, of the project manager and other members of the project team, including consultants or subcontractors; and
- The staffing plan for the grant project.

Responding to the Selection Criteria
The Secretary will select for funding under the Credit Enhancement Grants Program from those applications that are deemed of highest overall quality. Experts in finance, including school facilities finance and credit enhancement, will review the applications and assign each application up to 100 points. Each criterion includes factors the reviewers will consider in determining how well an application meets the criterion. Reviewers will use their own professional judgment to assess the quality of each application against these criteria.

Open Licensing Requirements
Unless an exception applies, if you are awarded a grant under this competition, you will be required to openly license to the public grant deliverables created in whole, or in part, with Department grant funds. (*See the register for the full text associated with the open licensing requirements.)*

Reporting
If you apply for a grant under this competition, you must ensure that you have in place the necessary processes and systems to comply with the reporting requirements in 2 CFR part 170 should you receive funding under the competition. This does not apply if you have an exception under 2 CFR 170.110(b). (*See the NIA for the full text associated with the reporting requirements.)*

Performance and Project-specific Measures

The Department has established the following performance measures for the Credit Enhancement Grants program: (1) the amount of funding grantees leverage for charter schools to acquire, construct, and renovate school facilities; and (2) the number of charter schools served. Grantees must provide information that is responsive to these measures as part of their annual performance reports. In addition, applicants must propose project-specific performance measures and performance targets consistent with the objectives of the proposed project. (*See the NIA for more information pertaining to project specific measures.)*

IV. APPLICATION SUBMISSION PROCEDURES

Applicants are required to follow the Common Instructions for Applicants to Department of Education Discretionary Grant Programs, published in the Federal Register on February 13, 2019 (84 FR 3768) and available at www.govinfo.gov/content/pkg/FR-2019-02-13/pdf/2019-02206.pdf which contain requirements and information on how to submit an application.

Submission Procedures
To do business with the Department, and to submit your application electronically using Grants.gov, you must:

(1) Have a Data Universal Numbering System (DUNS) number and a Taxpayer Identification Number (TIN);

(2) Register both your DUNS and TIN with the System for Award Management (SAM.gov), the Government's primary registrant database;

(3) Provide your DUNS and TIN on your application; and

(4) Maintain an active SAM registration with current information while your application is under review by the Department and, if you are awarded a grant, during the project period.

DUNS
The DUNS number is a unique nine-digit number that does not convey any information about the recipient. A built-in check digit helps assure the accuracy of the DUNS number. The ninth digit of each number is the check digit, which is mathematically related to the other digits. It lets computer systems determine if a DUNS number has been entered correctly.

Dun & Bradstreet, a global information services provider, has assigned DUNS numbers to over 43 million companies worldwide. Check with your fiscal office to see if your agency has an assigned DUNS number before contacting Dun & Bradstreet.

You can obtain a DUNS number at no charge by calling **1-800-333-0505** or by completing a D-U-N-S Number request online at the following URL: http://fedgov.dnb.com/webform.

TIN
Corporate entities, agencies, institutions, and organizations can obtain a TIN from the Internal Revenue Service (IRS). If you need a new TIN, please allow two to five weeks for your TIN to become active.

SAM
The SAM registration process can take approximately seven business days, but may take upwards of several weeks, depending on the completeness and accuracy of the data you enter

into the SAM.gov database. Once your SAM registration is active, it may be 24-48 hours before you can access the information in Grants.gov and apply through Grants.gov.

If you are currently registered with SAM, you may not need to make any changes. However, please make certain that the TIN associated with your DUNS number is correct. **NOTE:** Your agency must update its SAM registration annually.

Grants.gov
In order to submit your application via Grants.gov, you must:

(1) Register as an applicant using the DUNS number your organization used when it registered in SAM; and

(2) Be designated by your organization's E-Biz Point of Contact as an Authorized Organization Representative (AOR). Details on these steps are outlined at http://www.grants.gov/web/grants/register.html.

Grants.gov System Maintenance
Please keep in mind that the Grants.gov system will not be available for use during the times listed below.

Date	Details
July 17-21, 2021	**Scheduled Maintenance Outage:** Production System will go **Offline** Saturday July 17, 2021 at 12:01 AM ET. Production System will go **Online** Monday July 19, 2021 at 6:00 AM ET. Training System will go **Offline** Monday July 19, 2021 at 12:01 AM ET. Training System will go **Online** Wednesday July 21, 2021 at 6:00 AM ET.

Important Tips & Reminders for Applicants
To facilitate your use of Grants.gov, below are important submission procedures you need to be aware of to ensure your application is received in a timely manner and accepted by the Department of Education.

Browser Support
The latest versions of Microsoft Internet Explorer (IE), Mozilla Firefox, Google Chrome, and Apple Safari are supported for use with Grants.gov. However, these web browsers undergo frequent changes and updates, so we recommend you have the latest version when using Grants.gov. Legacy versions of these web browsers may be functional, but you may experience issues.

For additional information or updates, please see the Grants.gov Browser information in the Applicant FAQs: http://www.grants.gov/web/grants/applicants/applicant-faqs.html#browser

ATTENTION – Workspace, Adobe Forms and PDF Files

Grants.gov applicants can apply online using Workspace. Workspace is a shared, online environment where members of a grant team may simultaneously access and edit different web forms within an application. For each funding opportunity announcement (FOA), you can create individual instances of a workspace.

Below is an overview of applying on Grants.gov. For access to complete instructions on how to apply for opportunities, refer to: https://www.grants.gov/web/grants/applicants/workspace-overview.html

(1) Create a Workspace: Creating a workspace allows you to complete it online and route it through your organization for review before submitting.

(2) Complete a Workspace: Add participants to the workspace to work on the application together, complete all the required forms online or by downloading PDF versions, and check for errors before submission. The Workspace progress bar will display the state of your application process as you apply. As you apply using Workspace, you may click the blue question mark icon near the upper-right corner of each page to access context-sensitive help.

a. Adobe Reader: If you decide not to apply by filling out web forms you can download individual PDF forms in Workspace. The individual PDF forms can be downloaded and saved to your local device storage, network drive(s), or external drives, then accessed through Adobe Reader.
NOTE: Visit the Adobe Software Compatibility page on Grants.gov to download the appropriate version of the software at:
https://www.grants.gov/web/grants/applicants/adobe-software-compatibility.html

b. Mandatory Fields in Forms: In the forms, you will note fields marked with an asterisk and a different background color. These fields are mandatory fields that must be completed to successfully submit your application.

c. Complete SF-424 Fields First: The forms are designed to fill in common required fields across other forms, such as the applicant's name, address, and DUNS Number. Once it is completed, the information will transfer to the other forms.

(3) Submit a Workspace: An application may be submitted through workspace by clicking the Sign and Submit button on the Manage Workspace page, under the Forms tab. Grants.gov recommends submitting your application package at least 24-48 hours prior to the close date to provide you with time to correct any potential technical issues that may disrupt the application submission.

(4) Track a Workspace Submission: After successfully submitting a workspace application, a Grants.gov Tracking Number (GRANTXXXXXXXX) is automatically assigned to the application. The number will be listed on the Confirmation page that is generated after submission. Using the tracking number, access the Track My Application page under the Applicants tab or the Details tab in the submitted workspace.

For additional training resources, including video tutorials, refer to
https://www.grants.gov/web/grants/applicants/applicant-training.html

Helpful Reminders

(1) **REGISTER EARLY** – Grants.gov registration involves many steps including registration on SAM (www.sam.gov) which may take approximately one week to complete but could take upwards of several weeks to complete, depending upon the completeness and accuracy of the data entered into the SAM database by an applicant. You may begin working on your application while completing the registration process, but you cannot submit an application until all of the Registration steps are complete. Please note that once your SAM registration is active, it will take 24-48 hours for the information to be available in Grants.gov, and before you can submit an application through Grants.gov. For detailed information on the Registration Steps, please go to: http://www.grants.gov/web/grants/register.html [Note: Your organization will need to update its SAM registration annually.]

a. Primary information about SAM is available at www.sam.gov. However, to further assist you with obtaining and registering your DUNS number and TIN in SAM or updating your existing SAM account the Department of Education has prepared a SAM.gov Tip Sheet which you can find at: http://www2.ed.gov/fund/grant/apply/sam-faqs.html

(2) **SUBMIT EARLY** – **We strongly recommend that you do not wait until the last day to submit your application. Grants.gov will put a date/time stamp on your application and then process it after it is fully uploaded.** The time it takes to upload an application will vary depending on a number of factors including the size of the application and the speed of your Internet connection, and the time it takes Grants.gov to process the application will vary as well. If Grants.gov rejects your application (see step three below), you will need to resubmit successfully to Grants.gov before 11:59:59 p.m. Eastern Time on the deadline date.

(3) **Note:** To submit successfully, you must provide the DUNS number on your application that was used when you registered as an Authorized Organization Representative (AOR) on Grants.gov. This DUNS number is typically the same number used when your organization registered with the SAM. If you do not enter the same DUNS number on your application as the DUNS you registered with, Grants.gov will reject your application.

(4) **VERIFY SUBMISSION IS OK** – You will want to verify that Grants.gov received your application submission on time and that it was validated successfully. To see the date/time your application was received, login to Grants.gov and click on the Track My Application link. For a successful submission, the date/time received should be earlier than 11:59:59 p.m. Eastern Time, on the deadline date, AND the application status should

be: Validated, Received by Agency, or Agency Tracking Number Assigned. Once the Department of Education receives your application from Grants.gov, an Agency Tracking Number (PR/award number) will be assigned to your application and will be available for viewing on Grants.gov's Track My Application link.

If the date/time received is later than 11:59:59 p.m. Eastern Time, on the deadline date, your application is late. If your application has a status of "Received" it is still awaiting validation by Grants.gov. Once validation is complete, the status will either change to "Validated" or "Rejected with Errors." If the status is "Rejected with Errors," your application has not been received successfully. Some of the reasons Grants.gov may reject an application can be found on the Grants.gov site: http://www.grants.gov/web/grants/applicants/encountering-error-messages.html. For more detailed information on troubleshooting Adobe errors, you can review the Adobe Reader Software Tip Sheet at: http://www.grants.gov/web/grants/applicants/adobe-software-compatibility.html. If you discover your application is late or has been rejected, please see the instructions below. Note: You will receive a series of confirmations both online and via e-mail about the status of your application. Please do not rely solely on e-mail to confirm whether your application has been received timely and validated successfully.

Submission Problems – What should you do?
If you have problems submitting to Grants.gov before the closing date, please contact Grants.gov Customer Support at 1-800-518-4726 or email at: mailto:support@grants.gov or access the Grants.gov Self-Service Knowledge Base web portal at: https://grants-portal.psc.gov/Welcome.aspx?pt=Grants

If electronic submission is required, you must submit an electronic application before 11:59:59 p.m. Eastern Time, unless you follow the procedures in the Federal Register notice and qualify for one of the exceptions to the electronic submission requirement and submit, no later than two weeks before the application deadline date, a written statement to the Department that you qualify for one of these exceptions. If electronic submission is optional and you have problems that you are unable to resolve before the deadline date and time for electronic applications, please follow the transmittal instructions for hard copy applications in the Federal Register notice and get a hard copy application postmarked by midnight on the deadline date. (*See the Notice Inviting Applications for detailed instructions.*)

Helpful Hints When Working with Grants.gov
Please go to http://www.grants.gov/web/grants/support.html for help with Grants.gov. For additional tips related to submitting grant applications, please refer to the Grants.gov

Applicant FAQs found at this Grants.gov link: http://www.grants.gov/web/grants/applicants/applicant-faqs.html as well as additional information on Workspace at https://www.grants.gov/web/grants/applicants/applicant-faqs.html#workspace.

Dial-Up Internet Connections
When using a dial up connection to upload and submit your application, it can take significantly longer than when you are connected to the Internet with a high-speed connection, e.g., cable modem/DSL/T1. While times will vary depending upon the size of your application, it can take a few minutes to a few hours to complete your grant submission using a dial up connection. **If you do not have access to a high-speed connection and electronic submission is required, you may want to consider following the instructions in the Federal Register notice to obtain an exception to the electronic submission requirement no later than two weeks before the application deadline date.** (*See the Notice Inviting Applications for detailed instructions.*)

Attaching Files – Additional Tips
Please note the following tips related to attaching files to your application:

a. When you submit your application electronically, you must upload any narrative sections and all other attachments to your application as files in either Portable Document Format (PDF) or Microsoft Word. Although applicants have the option of uploading any narrative sections and all other attachments to their application in either PDF or Microsoft Word, we recommend applicants submit all documents as read-only flattened PDFs, meaning any fillable PDF files must be saved and submitted as non-fillable PDF files and not as interactive or fillable PDF files, to better ensure applications are processed in a more timely, accurate, and efficient manner.

b. Grants.gov cannot process an application that includes two or more files that have the same name within a grant submission. Therefore, each file uploaded to your application package should have a unique file name.

c. When attaching files, applicants should follow the guidelines established by Grants.gov on the size and content of file names. Uploaded file names must be fewer than 50 characters, and, in general, applicants should not use any special characters. However, Grants.gov does allow for the following UTF-8 characters when naming your attachments: A-Z, a-z, 0-9, underscore, hyphen, space, period, parenthesis, curly braces, square brackets, ampersand, tilde, exclamation point, comma, semi colon, apostrophe, at sign, number sign, dollar sign, percent sign, plus sign, and equal sign. Applications submitted that do not comply with the Grants.gov guidelines will be rejected at Grants.gov and not forwarded to the Department.

d. Applicants should limit the size of their file attachments. Documents submitted that contain graphics and/or scanned material often greatly increase the size of the file attachments and can result in difficulties opening the files. For reference, the average discretionary grant application package with all attachments is less than 5 MB. Therefore, you may want to check the total size of your package before submission.

Tips for Submitting the Narratives and Appendices
When attaching files, applicants should limit the size of their file names. Lengthy file names could result in difficulties with opening and processing your application. We recommend your file names be less than 50 characters. **Please note that Grants.gov cannot process an application that includes two or more files that have the same name within a grant submission.**

Please ensure that only U.S. Department of Education approved file types are attached. See the NIA for a detailed description of these files (read-only, non-modifiable .pdf files). Also, do not upload any password-protected files to your application.

The recommended page limit applies only to the project narrative. The recommended page limit does not apply to the cover sheet; the budget section, including the budget narrative; the forms, assurances and certifications; the one-page abstract; or the items listed under "Other Attachments Form".

ED Abstract Narrative Form Instructions
The abstract is to be attached to the "ED Abstract Attachment Form" in the application package in Grants.gov.

The abstract narrative must include the name and address of your organization and the name, phone number, and e-mail address of the contact person for the project.

The abstract narrative must not exceed one page and should use language that will be understood by a range of audiences. For all projects, include the project title (if applicable), goals, expected outcomes and contributions for research, policy, practice, etc. In addition, address how your application meets the purpose of the Credit Enhancement for Charter School Facilities program as stated in the Notice Inviting Applications for New Awards.

Project Narrative Form Instructions
This part of your application contains information responsive to the Project Selection Criteria and the Application Content Requirements. Make sure your narrative addresses all of the elements. We strongly recommend that the information be organized around and appear in the same sequence as the Project Selection Criteria. Please upload the program narrative as one document.

Before preparing the project narrative, applicants should review the NIA, the program statute, and regulations for specific guidance and requirements on the program website at Credit Enhancement Applicant Info and Eligibility. Note that applications will be evaluated according to the selection criteria specified in the NIA.

Please limit the project narrative to 40 pages, double-spaced, and number the pages consecutively. Refer to the NIA for additional application submission requirements.

Budget Narrative Form Instructions
This part of the application contains information about the Federal funding you are requesting. You must fill in the ED-524 budget form. For the ED-524, applicants only need to fill out Row 8 (titled "Other") in Project Year 1. The amount listed in row 12. Total Costs should reflect the total amount of grant funds requested.

Applicants are also required to fill out Table 3 and provide narrative explanations and comments necessary to interpret the information/costs included in the ED-24 budget form and Table 3.

Both of these forms (the ED-524 and Table 3) and the narrative will be uploaded in the Budget Form Section

In accordance with 34 CFR 75.232, Department of Education staff will perform a cost analysis of each project recommended for funding to ensure that costs relate to the activities and objectives of the project, are reasonable, allowable, and allocable. Therefore, budget should only include costs that are reasonable, allowable, and necessary for carrying out the objectives of the Credit Enhancement Grants Program project. Rules about allowable costs are set out in 2 C.F.R. 200, as adopted by the Department at 2 C.F.R. 3474. We may delete or reduce costs from the budget during this analysis.

Other Attachments Form Instructions
Applicants should attach tables 1, 2 and 4; consortium agreements; resumes/curriculum vitae; and other supplementary documents to the "Other Attachments Form" in the application package in Grants.gov.

To facilitate the review of the application, please organize your attachments in the following order:[3]

- Table 1 - Non-Grant Funds Projected to be Generated
- Table 2 - Applicant Activity Table for the Most Recently Completed Fiscal Year
- Table 4 - Risk Level of Charter Schools Served (required of past grantees only)
- Consortium Agreements
- Resumes/Curriculum Vitae
- Other Supplementary Documents (example: logic model)

Consortium Agreements:
Consortium applicants must also submit consortium agreements as part of their application package. These applicants must either designate one member of the group to apply for the grant or establish a separate legal entity to apply for the grant. All members of the consortium must then enter into an agreement that details the activities that each member of the group plans to perform and that binds each member to the application statements and assurances. This consortium agreement must be submitted as part of the consortium's application. The

[3] See Appendix III for templates of the attachments to include in your application.

Department's administrative regulations at 34 CFR sections 75.127--129 provide more details about the requirements that govern group/consortium applications.

Resumes/Curriculum Vitae:
Provide resumes/curriculum vitae for the project director as well as any key personnel identified in the application.

Recommended Page Limit
The project narrative is where the applicant addresses the application requirements and selection criteria that reviewers use to evaluate your application. We recommend that you limit the project narrative to no more than 40 pages. (*See the NIA for more information on the recommended page limit and other submission standards.)*

Application Content Requirements
Each Credit Enhancement Grants Program application must include the following specific program elements:

(1) A statement identifying the activities proposed to be undertaken with grant funds (the "grant project") and the timeline for the activities, including howthe applicant will determine which charter schools will receive assistance, how much and what types of assistance these schools will receive, the type ofschools to be served, and what procedures the applicant will use for documenting grant project procedures and results.

(2) A description of the involvement of charter schools in the application'sdevelopment and design of the proposed grant project.

(3) A description of the applicant's expertise in capital markets financing andorganizational capacity to implement the proposed grant project successfully. (Consortium applicants must list information for each of the participating organizations.)

This description must include the applicant's:

a. Operational Capacity and Risk Mitigation Strategies as evidenced by:

i. Age of Organization
Identify how long the organization has been in existence. (Consortia should identify the ages of each of the participating organizations.)

ii. Policies and Procedures
Provide a brief summary of the following applicant policiesand procedures, indicating whether they are approved by the applicant's governing board and when they were implemented. If they are not currently in place, describe what steps the organization will take to develop and implement such policies and procedures. If the practices differ from the policies and procedures, explain.

- Underwriting Standards for Participants: Process forevaluating the creditworthiness of charter school participants, including criteria for providing guarantees or other credit enhancement.

- Portfolio Monitoring: Monitoring process, riskrating methodologies, and debt restructuring, collections, and write-off policies.

- Financial Management/Risk Mitigation: Internal controls and operating policies for safeguarding assets, including cash management; maintaining liquidity and operating reserves; likely reserve account investments; and risk mitigation strategies(e.g., portfolio diversification, adopting internal lending limits, establishing and adjusting debt loss reserves, and seeking third-party insurance againstdefault by the applicant).

iii. Standards of Conduct
Provide a copy of the ***standards of conduct*** for your organization if they exist. The standards of conduct must, at a minimum, require disclosure of direct and indirect financial or other interests, mandate disinterested decision-making, and indicate corrective actions to be taken in the event of violation.

b. Financial Track Record and Strength as evidenced by:

i. Credit Rating
Submit the most recent ***credit rating and report*** prepared for the organization by a major bond rating agency, such asStandard and Poor's, Moody's Investors Service, or Fitch IBCA. If the organization does not have a credit rating, please indicate.

ii. Financial Statements
Submit ***audited financial statements*** for the applicant'sthree most recently completed fiscal years. If audited statements are not available, please provide ***financial statements*** for the applicant's three most recently completed fiscal years that have been reviewed by an independent Certified Public Accountant (C.P.A.).

Such documents must include:

- Balance sheets or statements of financial position;

- Income statements or statements of activities;

- Statements of cash flows; and

- Notes to the financial statements and, if applicable,the auditor's opinion letter and any reports of findings.

  If neither audited nor C.P.A.-reviewed financial statements are available, submit internal financial statements and explain why audited or C.P.A.-reviewed financial statements are not available. If the audited financial statements of the applicant are consolidated with those of its affiliates and do not include separate schedules on the applicant's financial position and separate income statements for the applicant, also submit a separate set of internal financial statements that clearly distinguish the applicant's financial information from that of the affiliates.

iii. Non-profits: IRS Form 990

Provide a copy of the most recently filed IRS Form 990.

iv. Portfolio Quality

Provide a narrative explanation of portfolio performance, particularly explaining the circumstances of any unusually high levels of delinquencies and losses, or loss reserves thatappear inconsistent with actual losses. Such explanations should include any steps the organization is taking to remedy identified problems.

Also include an explanation of any debt-loss experiencewith high-risk borrowers.

v. Financial Track Record

Complete the ***Applicant Activity Table for the Most Recently Completed Fiscal Year***.

vi. Financial Projections

Applicants must submit a ***cash flow pro forma*** for the grant project. The pro forma should include both a statement of sources and uses of funds and a projection of annual cash flows during the Project Period. All amounts should be expressed on a cash (year-of-expenditure) basis and shouldinclude a narrative describing key assumptions in the business model used to arrive at such estimates. The pro forma should include:

- Projected cash flows (receipts and disbursements) through the Project Period, including separate line items for each category of allowable uses of reserveaccount funds (such as facilitating financing or guaranteeing leases). The cash flow must indicate the projected

reserve account balance at the end of each year;

- Administrative cost charges covered by the Federalfunds (a maximum of 2.5%) and non-grant sourcessuch as donations;

- An explanation of the amount and nature of all fees and expenses (including interest on loans) payable by the charter school participants associated with the grant project; and

- Anticipated interest and other earnings expected to be gained on grant funds.

- If applicable, the applicant also should calculate the estimated effective financing rate (true interest cost) for charter schools participating in the grant project and compare such percentage rate to other available financing sources.

- In the event that the applicant proposes to charge fees (including interest on loans) to charter schools, the applicant must: indicate whether the fees and interest are in excess of the direct cost to the applicant, identify the size of this excess amount, and describe how this excess amount will be used.

  Furthermore, the applicant must explain how these fees and interest rates are reasonable.

vii. Financial Stability

Discuss the applicant's strategy for sustaining its projected operations through earned income, grants, contributions, or other resources. Discuss the applicant's strategy for capitalizing its loan, guarantee, or investment fund through debt, equity, secondary markets, or other resources. Discuss the extent to which funding sources are diversified and any plans to maintain or increase the diversification of funding sources. Complete the Non-Grant Funds Projected to be Generated Table.

viii. Legal Background

- Non-profit entities: Submit a copy of ***articles ofincorporation and by-laws***
- Public entities: Submit a copy of ***enabling statute andother relevant legislation***

ix. Previous grantees (both Credit Enhancement for Charter School Facilities Program and Charter School Facility Financing Demonstration Grant Program Grantees): the most recent annual performance report (if the grant has notbeen in place long enough to have an annual performance report, the most recent half-

year report).

x. Applicable experience financing charter schools (if any), including the number of schools served, the total amount offinancing provided, the total amount of financing credit enhanced.

c. Skills and Experience of the Grant Project Management Team as evidenced by:

i. Management and Staff Experience

For each member of the management team and other keystaff, submit:

- A description of current and past job responsibilities, and education, experience, and skills, with particular attention to experiences in the fields of finance and education. The description of the individuals' experience in education must include a discussion of their expertise in assessing the programs of charter schools. This information may be provided in the form of current resumes or detailed biographical statements. Position qualification statements should be included for staff the applicant plans to hire for the project.

- A description of the duties of the management teamand key staff working on the project. Include any staff the applicant anticipates hiring, including through contracts, to work on the project.

ii. Board of Directors:

Non-profit applicants only: Submit a current list of the governing board members that indicates their tenure and organizational affiliations. Discuss the role(s) of the boardof directors with respect to the grant project and their qualifications in that regard. Disclose any business and personal relationships between board members and personnel working for the applicant's organization.

(4) A description of how the proposed grant project will leverage the maximum amount of private-sector and other non-Federal capital relative to the amount of Credit Enhancement for Charter School Facilities Program funding used, the definition of "leverage" the applicant has used in developing that description, the type of assistance to be provided, how the assistance would sufficiently reduce the costs that charter schools face so thatit would enable them to obtain or improve school facilities that they would not be able to obtain or improve absent the assistance, and how the proposedactivities will otherwise enhance credit available to charter schools.

Provide a ratio of Federal funds to the anticipated amount of capital leveraged. For instance, if the size of the reserve account is $1 million and $5 million in bonds would

be guaranteed using funds in the reserve account, the ratio is 5:1. Describe how the leveraging ratio is calculated and how the assistance provided tocharters schools will be sufficient to assist them in meeting their school facility needs that could not have been met absent this assistance.

Provide an explanation of the number and characteristics of charter schools to be served by the Project (e.g., size, demographics, and age of school -- start-up or experienced, etc.) Include an explanation of the types of services they will receive.

(1) A description of how the applicant possesses sufficient expertise in educationto evaluate the likelihood of success of a charter school for which facilities financing is sought.

(2) In the case of an application submitted by a State governmental entity, a description of current and planned State funding policy and other forms offinancial assistance that will help charter schools meet their facility needs.

VI. APPLICATION PACKAGE CHECKLIST

Applicants should review this checklist once they believe they have completed their applications. The Application Checklist is optional; however, applicants are strongly encouraged to fill in the checklist or something similar, to ensure that all requirements have been addressed and to ensure that program staff and peer reviewers can find the information in the application that addresses each applicable element from the NIA.

ED Standard Forms

- ☐ Application for Federal Assistance (SF 424)
- ☐ Department of Education Supplemental Information for SF 424
- ☐ Department of Education Budget Summary Form (ED 524) Sections A & B
- ☐ Disclosure of Lobbying Activities (SF-LLL)

Assurances and Certifications

- ☐ GEPA Section 427
- ☐ Assurances – Non-Construction Programs (SF 424B)

Application Narratives Forms

- ☐ ED Abstract Narrative Form
- ☐ Project Narrative Form
- ☐ Budget Narrative Form (ED-524 and Table 3)

☐ **Other Attachments Form**

- ☐ Table 1 - Non-Grant Funds Projected to be Generated
- ☐ Table 2 - Applicant Activity Table for the Most Recently Completed Fiscal Year
- ☐ Table 4 - Risk Level of Charter Schools Served (required of past grantees only)
- ☐ Consortium agreements
- ☐ Resumes/Curriculum Vitae
- ☐ Other Supplementary Documents (example: Logic Model, Current Indirect Cost Rate Agreement if applicable)

APPENDIX I: EXECUTIVE ORDER 12372 (INTERGOVERNMENTAL REVIEW OF FEDERAL PROGRAMS)

This program falls under the rubric of Executive Order 12372 (Intergovernmental Review of Federal Programs) and the regulations in 34 CFR Part 79. One of the objectives of the Executive order is to strengthen federalism--or the distribution of responsibility between localities, States, and the Federal government--by fostering intergovernmental partnerships. This idea includes supporting processes that State or local governments have devised for coordinating and reviewing proposed Federal financial grantapplications.

The process for doing this requires grant applicants to contact State Single Points of Contact for information on how this works. Multi-state applicants should follow procedures specific to each state.

Further information about the State Single Point of Contact process and a list of names by State can befound at: https://obamawhitehouse.archives.gov/omb/grants_spoc

Absent specific State review programs, applicants may submit comments directly to the Department. Allrecommendations and comments must be mailed or hand-delivered by the date indicated in the actual application notice to the following address: The Secretary, EO 12372--CFDA# [commenter must insert number--including suffix letter, if any], U.S. Department of Education, room 7E200. 400 Maryland Avenue, SW., Washington, DC 20202.

Proof of mailing will be determined on the same basis as applications (see 34 CFR §75.102). Recommendations or comments may be hand-delivered until the closing date indicated in this notice.

Important note: The above address is not the same address as the one to which the applicant submits its completed applications. ***Do not send applications to the above address.***

APPENDIX II: FUNDING RESTRICTIONS (FULL DESCRIPTION)

Funding Restrictions:

(a) Reserve accounts. An eligible entity receiving a grant must, in accordance with State and local law, directly or indirectly, alone or in collaboration with others, deposit the funds received, other than funds used for administrative costs, in a reserve account established and maintained by the eligible entity. Amounts deposited in such account must be used by the eligible entity for one or more of the following purposes:

i. Guaranteeing, insuring, and reinsuring bonds, notes, evidences of debt, loans, and interests therein.
ii. Guaranteeing and insuring leases of personal and real property.
iii. Facilitating financing by identifying potential lending sources, encouraging private lending, and other similar activities that directly promote lending to, or for the benefit of, *charter schools*.
iv. Facilitating the issuance of bonds by *charter schools*, or by other public entities for the benefit of *charter schools*, by providing technical, administrative, and other appropriate assistance (including the recruitment of bond counsel, underwriters, and potential investors and the consolidation of multiple charter school projects within a single bond issue).

Funds received and deposited in the reserve account must be invested in obligations issued or guaranteed by the United States or a State, or in other similarly low-risk securities. Any earnings on funds received must be deposited in the reserve account and used in accordance with this program per ESEA section 4304(f).

(b) Charter school objectives. An eligible entity receiving a grant must use the funds deposited in the reserve account to assist one or more *charter schools* to access private-sector capital to accomplish one or more of the following objectives:

i. The acquisition (by purchase, lease, donation, or otherwise) of an interest (including an interest held by a third party for the benefit of a charter school) in improved or unimproved real property that is necessary to commence or continue the operation of a charter school.
ii. The construction of new facilities, or the renovation, repair, or alteration of existing facilities, necessary to commence or continue the operation of a charter school.
iii. The predevelopment costs required to assess sites for purposes of paragraph (1) or (2) and that are necessary to commence or continue the operation of a charter school per ESEA section 4304(e).

(c) Other. Grantees must ensure that all costs incurred using funds from the reserve account are reasonable. Under 20 U.S.C. 7221c(g), an eligible entity may use not more than 2.5 percent of the funds received under this grant for the administrative costs of carrying out its project responsibilities. We specify unallowable costs in 34 CFR 225.21.

No financial obligation of a grantee under this program (such as an obligation under a guarantee, bond, note, evidence of debt, or loan) shall be an obligation of, or guaranteed in any respect by, the United States. The full faith and credit of the United States are not pledged to the payment of funds that may be required to be paid under any obligation made by a grantee under this program. In the event of a default on any debt or other obligation, the United States has no liability to cover the cost of the default.

Applicants that are selected to receive an award must enter into a written Performance Agreement with the Department prior to drawing down funds, unless the grantee receives written permission from the Department in the interim to draw down a specific limited amount of funds.

Grantees must maintain and enforce standards of conduct governing the performance of their employees, officers, directors, trustees, and agents engaged in the selection, award, and administration of contracts or agreements related to this grant. The standards of conduct must mandate disinterested decision-making.

The Secretary, in accordance with chapter 37 of title 31 of the United States Code, will collect all or a portion of the funds in the reserve account established with grant funds (including any earnings on those funds) if the Secretary determines that: (1) the grantee has permanently ceased to use such funds to accomplish the purposes described in the authorizing statute and the Performance Agreement; or (2) not earlier than two years after the date on which it first receives these funds, the grantee has failed to make substantial progress in undertaking the grant project.

(d) We reference additional regulations outlining funding restrictions in the Applicable Regulations section of the NIA.

Table 1 – Non-Grant Funds Projected to be Generated

Source	Project year 1	Project year 2	Project year 3	Project year 4	Project year 5	Remaining years	Total
1. Donations							
2. Fees not associated with grant							
3. Interest not associated with grant							
4. Borrowed funds (including lines of credit to be used)							
5. Appropriated funds							
6. Other							
Total							

The purpose of this table is to determine amount and expected source of revenues for the applicant.

Table 2 – Applicant Activity Table for the Most Recently Completed Fiscal Year

Outstanding credit enhanced debt	**Total activity**
Number of debt issues with credit enhancement	
Dollar amount of debt issues with credit enhancement (includes debt structured using a senior/subordinate debt structure)	$
Outstanding leases guaranteed	
Number of leases guaranteed or insured	
Dollar amount of leases guaranteed or insured	$
Other means of facilitating financing (including both lending and the issuance of bonds) for the most recently completed fiscal year	
Number of clients assisted by facilitating financing [1]	
Amount of funds spent on facilitating financing (including both lending and the issuance of bonds)	$

Please provide a narrative associated with this table that briefly describes the types of assistance provided and the types of clients served, paying particular attention to any clients related to education, including charter schools. Each member of a consortium should complete this table separately.[4]

[4] Includes activities in Section 4304(f)(1)(C) and (D).

Table 3 -Budget Form: Grant Funds Expenditures

Budget categories	Project year 1	Project year 2	Project year 3	Project year 4	Project year 5	Remaining years	Total
A. Administrative funds (2.5%)							
A.1. Indirect costs							
A.2. Administrative costs other than indirect costs							
A. Total administrative costs							
B. Reserve account earnings							
C. Reserve account (97.5%)							
C.1. Grant funds spent on guaranteeing and insuring debt and leases [1]							
C.1.a. Personnel and fringe benefits							
C.1.b. Payments to third parties to guarantee or insure debt							
C.1.c. Other payments associated with guaranteeing and insuring debt and leases							
C.1. Total Guaranteeing and insuring debt and leases payments							
C.2. Grant funds spent on facilitating financing (including facilitating lending and the issuance of bonds) [2]							
C.2.a. Personnel and fringe benefits							
C.2.b. Contractual							
C.2.c. Other payments associated with facilitating financing							

C.2. Total grant funds spent on facilitating financing (including facilitating lending and the issuance of bonds)							
C.3. Total reserve account costs (lines C.1. and C.2.)							

The purpose of this table is to determine the amount of Federal grant funds that the applicant intends to spend on activities to cover costs associated with the Credit Enhancement for Charter School Facilities Grant. The table should include funds from the reserve account only in the year they are spent. The table should not include funds that remain in the reserve account and are used to directly guarantee or insure debt or leases.[5] [6]

Instructions for Table 3 -- Budget Form: Grant Funds Expenditures

A. Administrative funds:

Indirect costs: Many organizations have indirect cost rates established with the U.S. Department of Education which allow those organizations to spend a portion of their grant funds on a share of the total organization costs such as rent and utilities. For this grant you may choose to claim indirect costs, but the total amount may not exceed the 2.5% allowed by statute. Also, if you choose to claim indirect costs, the sum of your indirect costs and your other administrative costs (line A.2.) combined may not exceed the allowable 2.5%.

Administrative costs other than indirect costs: Administrative costs include such items as preparing reports. Administrative cost funds are capped by the program's authorizing statute at 2.5% of the award amount. Administrative costs may be spread out over the project period, but the total amount may not exceed 2.5% in total. Also, if you choose to claim indirect costs, the sum of your indirect costs and your other administrative costs (line A.2.) combined may not exceed the allowable 2.5%.

A. Total administrative costs: The total for this line should include the sum of lines A, A.1. and A.2. This line cannot exceed 2.5% of the award amount for the entire project period.

B. Reserve account earnings: Earnings include the total interest earned per year on reserve account funds as well as all fees charged in association with the project, because fees

[5] Includes activities in Section 4304(f)(1)(A) and (B).

[6] Includes activities in Section 4304(f)(1)(C) and (D).

must also be added to the reserve account and used for the four allowable purposes of the grant.

C. Reserve account expenditures

C.1. Grant funds spent on guaranteeing and insuring debt and leases

C.1.a. Personnel and fringe benefits: All costs associated with paying personnel who will receive reserve account funds for their direct involvement with guaranteeing and insuring debt and leases. (We expect that this will not be a significant portion of the total request.)

C.1.b. Payments to third parties to guarantee or insure debt: All payments made with reserve account funds to third parties such as fees for guaranteeing or insuring debt.

C.1.c. Other payments associated with guaranteeing and insuring debt and leases: Any other costs paid for with reserve account funds that are not covered in C.1. a-b that can be directly attributed to guaranteeing and insuring debt and leases.

C.1. Total Guaranteeing and insuring debt and leases payments: The sum of lines C.1.a., C.1.b., and C.1.c.

C.2. Grant funds spent on facilitating financing (including facilitating lending and the issuance of bonds)

C.2.a. Personnel and fringe benefits: All costs associated with paying personnel who will receive reserve account funds for their direct involvement with facilitating financing. (We expect that this will not be a significant portion of the total request.)

C.2.b. Contractual: All costs associated with paying contractors that will receive reserve account funds for their work facilitating financing.

C.2.c. Other payments associated with facilitating financing: Any other costs paid for with reserve account funds that are not covered in lines C.2. a-b that can be directly attributed to facilitating financing.

C.2. Total grant funds spent on facilitating financing (including facilitating lending and the issuance of bonds): The sum of lines C.2.a., C.2.b., and C.2.c.

C.3. Total reserve account costs (lines C.1. and C.2.): The sum of lines C.1. and C.2. The amount in the total column for this row cannot exceed the sum of the request on Form ED 424 (the Application for Federal Education Assistance) plus reserve account earnings and would likely be less.

Table 4 – Risk Level of Charter Schools Served – (required of past grantees only)

Type of charter schools served through previous Credit Enhancement grants from the US Department of Education as of September 30 of the most recent year	**Number of charter schools**
Number of charter schools served through all Credit Enhancement grants	
Number of charter schools served through Credit Enhancement grants that have educated students for three years or less	
Number of charter schools served through Credit Enhancement grants receiving credit enhancements of leasehold improvement loans	
Number of charter schools served through Credit Enhancement grants that are independent of Charter Management Organizations, networks, or "chains" of charter schools	
Number of charter schools served through Credit Enhancement grants providing personal guarantees	
Number of charter schools served through Credit Enhancement grants in connection with other grantees under the program	
Number of charter schools served through Credit Enhancement grants receiving guarantees through other Federal programs	