

**Alphabetical
Expenditure Guide:
Community Based
Organizations**

**HB2 Out-of-School
Time Program
Community
Learning Centers**

New Mexico Public Education
Department

HB2 Out-of-School Time Program

Alphabetical Expenditure Guide

Purpose

This guidance document is a technical assistance tool for Community Based Organizations (CBOs) on allowable and disallowable purchases of goods and services (expenditures) under the HB2 Out-of-School Time Program (HB2 OST). This document also provides additional guidance (State) and links to resources to assist CBOs with their program planning through a proactive approach, setting them up for success.

The New Mexico Public Education Department (NMPED) awards State HB2 Out-of-School Time Program funds through a state application process. Through a competitive process, NMPED gives funds to eligible entities. Eligible entities are the “recipients” or “grantees”. CBOs are “recipients” or “grantees”.

In addition, the state's and the other entity's financial management systems, including records documenting compliance with State statutes, regulations, and the terms and conditions of the State award, must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the State statutes, regulations, and the terms and conditions of the State award. Subsequently, this technical assistance tool will assist both the NMPED (Grantor) and CBOs (grantee) in meeting the State laws pertaining to fiscal accountability.

HB2 Out-of-School Time Program:
Applicable Statutes, Regulations, and State Rules

Travel and Per Diem [2.42.2](#) NMAC.

Applicable Definitions

Below are the applicable definitions to use as a reference when reviewing the related statutes and regulations in order to correctly and compliantly purchase goods and services. Having a working knowledge of this information will assist compliance with State laws.

Allocable Costs

A cost is allocable to a particular cost objective, such as a grant, contract, project, service, or other activity, in accordance with the relative benefits received. The cost is incurred specifically for the award.

Allowable Costs

An allowable cost must be necessary and reasonable for the performance of the State award (HB2 Out-of-School Time Program) and be allocable to those principles and adequately documented. The cost must be incurred during the approved budget period.

Authorized Activities

Authorized activities means the broad array of activities that advance student academic achievement and support student success that the HB2 Out-of-School Time Program eligible entity may use funds to carry out.

Award

Award has the same meaning as the definition of grant.

Community-Based Organization (CBO)

The term “community-based organization” means a public or private nonprofit organization of demonstrated effectiveness that –

- A. is a representative of a community or significant segments of a community; and
- B. provides educational or related services to individuals in the community.

HB2 Out-of-School Time Program

The term “Out-of-School Time program” means an entity that –

- A. assists students to meet the challenging State academic standards by providing the students with academic enrichment activities and a broad array of other activities during non-school

hours or periods when school is not in session (such as before and after school or during recess) that –

- i. reinforce and complement the regular academic programs of the schools attended by the students served; and are targeted to the students' academic needs and aligned with the instruction students receive during the school day; and
- B. offers families of students served by such center opportunities for active and meaningful engagement in their children's education, including opportunities for literacy and related educational development.

Compensation – Fringe Benefits

Fringe benefits means allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages. Fringe benefits include, but are not limited to, the costs of leave, employee insurance, pensions, and unemployment benefit plans. The costs of fringe benefits are allowable provided that the benefits are reasonable and are required by law, entity-employee agreement, or an established policy of the entity.

Compensation – Personal Services

Compensation for personal services means all remuneration, paid currently or accrued, for services of employees rendered during the period of performance under the State award, including but not necessarily limited to wages and salaries. Compensation may also include fringe benefits. Compensation for employees must be reasonable.

Cost Objective

Cost Objective means a program, function, activity, award, organizational subdivision, contract, or work unit for which cost data are desired and for which provision is made to accumulate and measure the cost of processes, products, jobs, capital projects, etc. A cost objective may be a major function of the entity, a particular service or project, a State award.

Direct Costs

Direct costs are those that can be identified specifically with a particular final cost objective, i.e., a particular award, project, service, or other direct activity of an organization.

Disallowed costs

Disallowed costs means those charges to an award that the State awarding agency determines to be unallowable, in accordance with the applicable State cost principles or other terms and conditions contained in the award.

Eligible Entity

Eligible entity means a local education agency, community-based organization, Indian tribe or tribal organization (as such terms are defined in section 4 of the Indian Self-Determination Act (25 U.S.C. 450b)), another public or private entity, or a consortium of 2 or more such agencies, organizations, or entities.

Equipment

Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the entity for financial statement purposes, or \$5,000.00. The purchase of equipment with an acquisition cost of \$5000.00. or more per unit requires prior written approval from NMPED.

External Organization

External organization means

- A. a nonprofit organization with a record of success in running or working with before and after school (or summer recess) programs and activities; or
- B. in the case of a community where there is no such organization, a nonprofit organization in the community that enters into a written agreement or partnership with an organization described in subparagraph (A) to receive mentoring and guidance in running or working with before and after school (or summer recess) programs and activities.

State awarding agency

State awarding agency means the State agency that provides and awards to the recipient. For the HB2 OST program, the State awarding agency is the NM Public Education Department (NMPED).

GAAP

GAAP means the Generally Accepted Accounting Principles set of procedures and guidelines used by companies to prepare their financial statements and other accounting disclosures. The standards are prepared by the Financial Accounting Standards Board ([FASB](#)) and the Governmental Accounting Standards Board [GASB](#).

General Ledger

A general ledger is a bookkeeping ledger in which accounting data are posted including accounts payable, accounts receivable, cash management, fixed assets, purchasing, and projects.

GEPA

GEPA means The General Education Provisions Act which ensures the equitable access to funds.

[GEPA section 427](#)

Grant

Grant means financial assistance, including cooperative agreements that provide support or stimulation to accomplish a public purpose.

Grantee

Grantee means the legal entity to which a grant is awarded and that is accountable to the State Government for the use of use of the funds provided.

Grant period

Grant period means the period for which funds have been awarded.

Indirect Costs

Indirect costs are those that have been incurred for common or joint objectives and cannot be readily identified with a particular cost objective. Indirect costs are classified within two broad categories: “Facilities” and “Administration”.

Invoice

An invoice is a document submitted to the grantee (NMPED) by the subgrantee (CBO) that records and details the products and services delivered during a certain time period along with the total amount due. Invoices submitted to NMPED by CBOs must meet the NMPED’s invoice requirements.

Non-profit Organization

Non-profit organization means any corporation, trust, association, cooperative, or other organization which:

1. Is operated primarily for scientific, educational, cooperative, or similar purposes in the public interest;
2. Is not organized primarily for profit; and
3. Uses its net proceeds to maintain, improve, and/or expand its purposes.

Period of Performance

Period of performance means the total estimated time interval between the start of an initial State award and the planned end date, which may include one or more funded portions, or budget periods.

Personnel Activity Report (PAR)

A PAR is the written record (form) that documents an employee’s time and work activities to specific grants and projects. The PAR is completed at least every two weeks, signed by the employee and employee’s supervisor and accompanies the employee’s timesheet.

Prior Written Approval (prior approval)

Prior written approval means written approval by the grantee (NMPED) prior to the subgrantee expending funds for certain purposes or conducting certain activities. This includes the purchase of equipment with an acquisition cost of \$5000.00. or more per unit. The purpose of the prior written approval is for the grantee to determine reasonableness and allocability of the costs.

Purchased Goods

Tangible products purchased during the accounting period.

Purchased Services

Intangible products purchased during the accounting period such as maintenance and repairs and services provided by personnel who are not on the CBO's payroll.

Reasonable Costs

A cost is reasonable if, in its nature or amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the costs.

Recipient

Recipient means an organization receiving financial assistance directly from State awarding agencies to carry out a project or program. The term recipient does not include subrecipients or individuals that are beneficiaries of the award.

Semiannual certification

Semiannual certification is time and effort documentation certifying a single cost objective employee worked solely on one cost objective. (December and June).

Supplies

Supplies means all tangible personal property other than those described in the definition of equipment.

Time and Effort Reporting

Time and effort reporting means documenting the time in which State funds are charged for personnel to work on allowable cost activities and to ensure that State programs pay only their proportionate share of personnel costs. Charges to State awards for salaries and wages must be based on records that accurately reflect the work performed.

Timesheet

A timesheet is a method in which to record the amount of an employee's time spent on each job for a specific pay period.

Authorized Activities under the HB2 Out-of-School Time Program

Each eligible entity that receives an award, may use the award funds to carry out a broad array of activities that advance student academic achievement and support student success, including—

- 1) academic enrichment learning programs, mentoring programs, remedial education activities, and tutoring services, that are aligned with—
 - A. the challenging State academic standards and any local academic standards; and
 - B. local curricula that are designed to improve student academic achievement;
- 2) well-rounded education activities, including such activities that enable students to be eligible for credit recovery or attainment;
- 3) literacy education programs, including financial literacy programs and environmental literacy programs;
- 4) programs that support a healthy and active lifestyle, including nutritional education and regular, structured physical activity programs;
- 5) services for individuals with disabilities;
- 6) programs that provide after-school activities for students who are English learners that emphasize language skills and academic achievement;
- 7) cultural programs;
- 8) telecommunications and technology education programs;
- 9) expanded library service hours;
- 10) parenting skills programs that promote parental involvement and family literacy;
- 11) programs that provide assistance to students who have been truant, suspended, or expelled to allow the students to improve their academic achievement;
- 12) drug and violence prevention programs and counseling programs;
- 13) programs that build skills in science, technology, engineering, and mathematics (referred to in this paragraph as “STEM”), including computer science, and that foster innovation in learning by supporting nontraditional STEM education teaching methods; and
- 14) programs that partner with in-demand fields of the local workforce or build career competencies and career readiness and ensure that local workforce and career readiness skills.

Purchased goods and purchased services must support the HB2 OST program authorized activities. The purchased goods and purchased services must be:

- Allocable;
- Allowable; and
- Reasonable.

Goods and services must also be documented. Documentation of costs means there is “evidence” or “proof” of expenditures.

Funds must be expended, not just encumbered. This means funds have to be spent in order for the CBO to receive payment from NMPED. The CBO is responsible for providing the proof it paid for the “purchased goods” and “purchased services” prior to submitting an invoice for payment.

- Goods must be received and services must be rendered.
 - This means goods were already purchased and services have already been provided.
 - Examples of documentation include:
 - ☐ Packing slip.
 - ☐ Itemized and dated receipt/invoice.
 - ☐ Time and effort documentation (PARs or semiannual certification).
 - ☐ Lesson plan(s).
 - ☐ HB2 OST Program level approval email for activity or event, approved request forms, approved equipment purchase request, etc.
 - ☐ Entrance fee receipts for prior approved field trips.
 - ☐ Mileage documentation. ☐ Transportation logs.
- Specialized costs requiring prior written approval from NMPED ○ This means some costs have additional, required documentation, and prior written approval from NMPED.
 - Examples of documentation include:
 - ☐ NMPED pre-approved equipment purchase [form](#) (Fiscal Grants Management Bureau website).
 - ☐ HB2 OST Program level field trip approval.
 - ☐ NMPED pre-approved subcontractor assurance form.
 - ☐ Sign-in sheet from family events.
 - ☐ Sign-in sheet or certificate of attendance plus an agenda for professional development activities.

These are just some examples of the types of documentation that can support an expenditure. Since the NMPED is responsible for the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the State statutes, regulations, and the terms and conditions of the State award, the NMPED has the right to request any additional documentation that is needed in order to approve an expenditure and an invoice.

If there is any uncertainty about a purchase or service or if the item cannot be found in this guide, contact the NMPED's HB2 Out-of-School Time Program Manager **prior** to the expenditure.

Under each of the purchased goods and purchased services, there is a list of the statutes, regulations and rules that pertain to that particular good or service. The applicable statutes, regulations, and rules should be read in their entirety in order to have a complete understanding of the requirements.

A

Accounting and Auditing

This cost is allowable and can be included in the invoice. However, there are certain limitations regarding reasonableness and the amount of time spent on the accounting or auditing. If the qualified individual conducting the accounting for the fiscal agent of the grant (CBO employee), this cost should be included under compensation – personal services and compensation – fringe benefits in the General Ledger and on the invoice. The employee is subject to time and effort reporting and will need to submit a PAR with the timesheet as part of the invoice.

If the person is contracted to complete the accounting work for the CBO, the purchased services will need to be recorded in the General Ledger and on the invoice under contracted services. As part of the documentation of costs requirement, the invoice for contracted services and any other applicable documents must be submitted with the CBO's invoice.

People conducting audits are to be independent and external in order to maintain their neutrality in their work performance.

Advertising

The only allowable advertising costs are those which are solely for:

1. The recruitment of personnel required by the entity for performance of a State;
2. The procurement of goods and services for the performance of a State award;
3. The disposal of scrap or surplus materials acquired in the performance of a State award except when entities are reimbursed for disposal costs at a predetermined amount; or
4. Program outreach and other specific purposes necessary to meet the requirements of the State award.

Note: Program outreach costs can only be incurred when the cost is absolutely necessary to the grant. For example: printing cost for a brochure informing parents about the HB2 OST program. Since there is a fine line between allowable and disallowable costs, prior written approval will be needed.

Unallowable advertising costs include the following:

- Costs of meetings, conventions, convocations, or other events related to other activities including:
 - Costs of displays, demonstrations, and exhibits;
 - Costs of meeting rooms, hospitality suites, and other special facilities used in conjunction with shows and other special events; and
 - Salaries and wages of employees engaged in setting up and displaying exhibits, making demonstrations, and providing briefings.
- Costs of promotional items and memorabilia, including models, gifts, and souvenirs.
- Costs of advertising and public relations designed solely to promote the entity.

Airline Tickets

Travel must be necessary, legal, and completed in accordance with State rules and statutes. CBOs must receive prior written approval from NMPED before purchasing the airline tickets. Airline tickets cannot be included in the CBO's invoice until the trip has been completed. The only exception is if the invoice is submitted at the end of the fiscal year (June) and the travel will take place at the beginning of the new fiscal year (July).

Direct instructors or program administrators/coordinators should be the only staff traveling out of state for professional development. Students participating in the HB2 OST program should not travel out of state via air travel. Out of state field trips for students using ground transportation, must have prior written approval from the NMPED.

Attachments to the invoice must include the receipt(s) for the airline tickets along with the legal name(s) of the employee(s).

Applicable Regulations and Rules

[2.42.2](#) NMAC, Regulations Governing the Per Diem and Mileage Act.

Alcohol

CBOs cannot submit the cost of alcohol or non-alcoholic beverages in their invoice. The costs of alcoholic beverages are disallowed. The State rule allows for actual reimbursement of meals; however alcohol is not considered a meal.

Applicable Regulation and Rule

[2.42.2.9](#) NMAC, Regulations Governing the Per Diem and Mileage Act.

Alumni/Alumnae Activities and Costs

Costs incurred for, or in support of alumni/alumnae activities and similar activities are disallowed under the HB2 OST program.

Amusement Parks

Funding for entertainment purposes is a disallowable cost. A field trip to an amusement park is considered entertainment; therefore, not allowed.

B

Background Checks/Fingerprinting

This is an allowable cost. State law requires all staff members (employees or contracted staff) and all volunteers working with students or student data (and are age 18 and over) **MUST** have a background check conducted and on file.

The invoice must include the receipt(s) for the background check(s) along with the legal names of the employees, contractors, and volunteers who received a background check.

Applicable Statutes and Rules

[22-10A-5](#) NMSA, 1978, Background checks, known convictions; alleged ethical misconduct; reporting required; penalty failure to report.

[6.60.8](#) NMAC, Background Check for Educator License.

[8.16.2](#) NMAC, Child Care Licensing, Child Care Centers, Out of School Time Programs, Family Child Care Homes, and other Early Care and Education Programs.

Subparagraph (1) of Paragraph (B) of [6.50.18.8](#) NMAC, Use of Volunteers in Schools and School Districts.

[28-2-3.1](#) NMSA, 1978 Employment eligibility determination; private employers.

[28-2-4](#) NMSA, 1978 Power to refuse, renew, suspend or revoke public employment or license.

Bad Debts

This is a disallowed cost. Applicable

Regulation and Rule

[3.2.227](#) NMAC, Deduction – Gross Receipts Tax – Refunds – Uncollectable Debts.

Benefits

Compensation – Fringe Benefits are an allowable cost.

Employee leave (vacation, sick, family-related leave, military, etc.) is considered a benefit. The cost of fringe benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as for annual leave, family-related leave, sick leave, holidays, court leave, military leave, administrative leave, and other similar benefits, are allowable if all of the following criteria are met:

- (1) They are provided under established written leave policies;
- (2) The costs are equitably allocated to all related activities, including State awards; and,
- (3) The accounting basis (cash or accrual) selected for costing each type of leave is consistently followed by the entity or specified grouping of employees.
 - (i) When an entity uses the cash basis of accounting, the cost of leave is recognized in the period that the leave is taken and paid for. Payments for unused leave when an employee retires or terminates employment are allowable in the year of payment.
 - (ii) The accrual basis may be only used for those types of leave for which a liability as defined by GAAP exists when the leave is earned. When an entity uses the accrual basis of accounting, allowable leave costs are the lesser of the amount accrued or funded.

Leave should be included on the invoice as a **direct** cost. The Healthy Workplaces Act of 2021, requires all private employers in New Mexico to allow employees to accrue and use earned sick leave. The appropriate leave must be included in the employee's PAR and signed by the employee's supervisor. The PARs must be attached to the invoice for the proper reporting period.

Applicable Statute and Rule

[50-17-3](#) NMSA, 1978 The Healthy Workplaces Act, earned sick leave, use and accrual.

[11.1.6](#) NMAC, Healthy Workplaces.

Bicycles

The purchase of bicycles must have prior written approval from the NMPED prior to their purchase. When submitting the request for approval, three quotes must be attached. The request must include an explanation of how the bicycles will be used and where the bicycles will be securely stored. Also, the eligible entity must provide an assurance that it will abide by all New Mexico bicycle safety laws.

Applicable Statute

[66-3-701](#) NMSA, 1978, Part 8 Bicycles; effect of regulations.

Board Games

Board games are an allowable cost. However, this should be an infrequent expenditure. Students participating in the HB2 OST programs are to be provided opportunities for academic enrichment, including tutoring services, to meet challenging State [academic standards](#). The board games must reinforce and complement the regular academic program. The board games should be academic in

nature and can be used in centers as part of independent learning where students work independently or in small groups on tasks that reinforce the previous lessons.

Applicable Rules

New Mexico content [standards](#).

Bonuses

This cost is disallowable.

Bounce House

This cost is disallowable.

C

Capital Expenses

Capital expenditures for general purpose equipment, buildings, and land are disallowable as direct charges, except with the prior written approval of the State awarding agency or pass-through entity (NMPED).

Capital expenditures for special purpose equipment are allowable as direct costs, provided that items with a unit cost of \$5,000 or more have the prior written approval of the State awarding agency or pass-through entity. Prior to purchasing the equipment, the prior written approval [form](#) must be submitted to NMPED for approval.

Capital expenditures for improvements to land, buildings, or equipment which materially increase their value or useful life are unallowable (disallowed) as a direct cost except with the prior written approval of the State awarding agency, or pass-through entity.

Equipment and other capital expenditures are unallowable (disallowed) as indirect costs.

Cards

Greeting cards and playing cards are a disallowed cost. Flash cards are allowable and must reinforce and complement the regular academic program. The flashcards should be academic in nature and can be used in centers where students work independently or in small groups on tasks that reinforce the previous lessons.

Clerical Support/Personnel

The salaries of administrative and clerical staff should normally be treated as indirect (F & A) costs. Direct charging of these costs may be appropriate only if all of the following conditions are met:

1. Administrative or clerical services are integral to a project or activity;
2. Individuals involved can be specifically identified with the project or activity;
3. Such costs are explicitly included in the budget or have the prior written approval of the State awarding agency; and
4. The costs are not also recovered as indirect costs.

The invoice should include the personnel's salary and benefits, timesheet (signed by the employee and employee's supervisor), along with the PAR.

Clothing

Clothing in general is disallowable. Aprons can be purchased for cooking and gardening classes.

Computers/Laptops/Tablets

HB2 OST programs should utilize the existing technology at the learning center sites whenever possible. This includes the use of the school's computer labs, mobile labs, smart boards, and other relevant technology. Computer and technology purchases for students and administrative use must have prior written approval from NMPED. Prior to purchasing the technology, a written request must be submitted to the HB2 OST Program Manager. The request must have prior written approval before the purchase is made. The request must include:

- A description of the need for the equipment along with an assurance that the learning center does not have access to or currently does not possess the equipment needed.
- A justification of how the equipment will enhance academic programming and fulfillment of the overall HB2 OST program objectives.
- At least one (1) price quote (additional price quotes may be requested by NMPED) along with information about the funding currently available to purchase the technology.

In addition, if purchasing equipment with a unit cost of \$5,000 or more, prior to purchasing the equipment, the prior written approval [form](#) must be submitted to NMPED for written approval.

The invoice should include the detailed receipt or invoice along with the NMPED equipment purchase approval form.

Conferences

A conference is defined as a meeting, retreat, seminar, symposium, workshop or event whose primary purpose is the dissemination of technical information beyond the entity and is necessary and reasonable for successful performance under the State award.

Travel, including attending conferences, must have prior written approval from NMPED. Conference registration fees cannot be included in the CBO's invoice until the conference has been completed. The only exception is if the invoice is submitted at the end of the fiscal year (June) and the travel will take place at the beginning of the new fiscal year (July).

The invoice must include an agenda and proof or certificate of completion, and any receipts along with the approved travel forms.

Contracted Services

Contracted services are an allowable cost as long as they are allocable and reasonable.

If an outside business entity will provide services for students during the HB2 OST hours, a [Subcontractor Assurance Form](#) must be completed by the LEA, REC, or CBO (the subrecipient/fiscal agent), approved by the NMPED, and kept on file throughout the fiscal year.

If an outside business entity is hired (contracted) to provide services, the subrecipient must ensure there are no conflicts of interests. In addition, the subrecipient must ensure that the subcontractor receives training on child abuse and ethical misconduct.

The invoice must include the detailed invoice for the services provided. The initial invoice must include the subcontractor assurance form and the contract with the outside entity.

Applicable Statute and Rules

[22-10A-5](#) NMSA, 1978, Background checks, known convictions; alleged ethical misconduct; reporting required; penalty failure to report.

[6.60.11](#) NMAC, Required Training Program for School District Personnel, Volunteers, and Contractors.

[8.16.2](#) NMAC, Child Care Licensing, Child Care Centers, Out of School Time Programs, Family Child Care Homes, and other Early Care and Education Programs.

Costumes

See "clothes".

Credit Cards

Purchases can be made using a credit card. Credit card interest payments or late fees are disallowed. If the credit card allows the subrecipient to receive “cash back” through a rewards program, this must be reported to NMPED since the “cash back” needs to be equitably shared between programs supported through the use of that card.

D

Data Entry

This is an allowable cost.

The salaries of administrative and clerical staff should normally be treated as indirect (F&A) costs. Direct charging of these costs may be appropriate only if all of the following conditions are met:

1. Administrative or clerical services are integral to a project or activity;
2. Individuals involved can be specifically identified with the project or activity;
3. Such costs are explicitly included in the budget or have the prior written approval of the State awarding agency; and
4. The costs are not also recovered as indirect costs.

The invoice must include the data entry employee’s salary and benefits, employee’s timesheet (signed by employee and employee’s supervisor), and PAR for the reporting period.

Decorations

This is a disallowable cost.

Donations

Cost of contributions and donations, including cash, property, and services, are disallowable.

Drug Testing for Staff

This is an allowable cost. If drug testing is a condition of employment or contract work, this would be a direct cost. If an employee must take a drug test because of suspected or alleged illegal or illicit drug use or the employee must take a drug test as part of a treatment plan, the cost of the drug test would be an indirect cost.

The invoice should include the receipt for the cost of the drug test(s) conducted during the time period. Employees have the right to keep their health information private and protected under the Health Insurance Portability and Accountability Act ([HIPPA](#)); therefore private and confidential information should not be included with the invoices sent to the NMPED.

Application Statute and Rules

6.12.4 NMAC [Tobacco, Alcohol and Drug Free Schools](#).

6.60.9 NMAC [Licensure Requirements, Code of Ethical Responsibility of the Education Profession](#).

22-5-4.4 NMSA, 1978 School employees; reporting drug and alcohol use; release from liability.

DVDs

See “movies”

E

Electronic timesheets: see “timesheets” **Entertainment**

Costs of entertainment, including amusement, diversion, and social activities and any associated costs are unallowable, except where specific costs that might otherwise be considered entertainment have a programmatic purpose and are authorized either in the approved budget for the State award or with prior written approval of the State awarding agency.

Exercise Equipment

HB2 OST programs should utilize the existing exercise equipment at the learning center sites, whenever possible. If the exercise equipment is not available, this cost is considered allocable. However, it must be reasonable and documented. The purchase of exercise equipment will require prior written approval from the NMPED.

The invoice must include the detailed receipts or invoice for the exercise equipment along with the prior written approval from NMPED, and the lesson plan(s) that supported the use of the exercise equipment.

F

Field Trips

Field trips are an allowable cost, however the subrecipient must receive prior written approval from the NMPED prior to taking the field trip.

Field trips are to be provided outside of the regular school day or during periods when school is not in session e.g. before school, after school, evenings, weekends, holidays, or summer. The program may offer services to students during normal school hours on days when school is not in session, e.g. school holidays or teacher professional development days.

Field trips for entertainment purposes are disallowed.

Attachments to the invoice must include the prior written approval from NMPED, lesson plan, invoice or proof of payment for entrance (if applicable), and transportation invoice.

Fines or Penalties

Costs resulting from entity violations of, alleged violations of, or failure to comply with State, tribal, local or foreign laws and regulations are unallowable (disallowed), except when incurred as a result of compliance with specific provisions of the State award, or with prior written approval of the State awarding agency.

Fingerprinting/Background Checks

See background checks.

Food

Snacks and meals are required for students in the HB2 OST program through the USDA's meal programs. However, purchasing food is disallowed except when being used in a cooking class or in a science class as part of an experiment.

Attachments to the invoice should include the itemized dated receipt and lesson plan.

Fund Matching

This cost is disallowed.

Fund Raising

Costs of organized fund raising, including financial campaigns, endowment drives, solicitation of gifts and bequests, and similar expenses incurred to raise capital or obtain contributions are

unallowable (disallowed). Fund raising costs for the purposes of meeting the State program objectives are allowable with prior written approval from the State awarding agency.

Furniture

The purchase of furniture is allowable only in rare circumstances and the cost must be reasonable. There must be prior written approval from NMPED prior to the purchase of furniture.

The invoice must include the prior written approval and the detailed invoice or receipt.

G

Games

See board games, cards, and video games.

Gift Cards

This cost is disallowed.

Gifts

This cost is disallowed.

Grant Writer

This cost is disallowed.

Greenhouses

Greenhouses are allowed if they support the HB2 OST authorized activities. Prior written approval must be obtained from NMPED prior to the purchase of the greenhouse or materials to build the greenhouse.

Attachments to the invoice should include the prior written approval, itemized dated receipt(s), and lesson plan (s).

Guns

This cost is disallowed. Funds cannot be used to purchase guns of any kind (real or toy) or ammunition. Students cannot participate in field trips to use guns.

H

Hats

Hats are clothing, see clothing.

High School Students

See “mentors”.

Housing and Personal Living Expenses

Costs of goods or services for personal use of the entity's employees are unallowable (disallowed) regardless of whether the cost is reported as taxable income to the employees.

Costs of housing (e.g., depreciation, maintenance, utilities, furnishings, rent), housing allowances and personal living expenses are only allowable as direct costs regardless of whether reported as taxable income to the employees. In addition, to be allowable direct costs must be approved in advance by a State awarding agency.

I

Incentives

The cost of incentives is allowable. Incentives should not be used as a payment of any kind.

When submitting the invoice, include the detailed receipts and the program’s incentive plan or policy.

J

Janitorial Supplies

The cost of janitorial is allowable. Items purchased should be reasonable.

When submitting the invoice, include the detailed receipts or invoices.

L

Landscaping

The costs of landscaping are disallowable.

Lanyards

The cost of lanyards is an allowable cost. The costs of putting logos on the lanyards is not allowable since this is considered promotional.

The invoice should include the detailed purchasing receipts.

Lobbying Costs

The costs of lobbying are disallowed. No appropriated funds may be expended by the recipient of a State contract, to pay any person for influencing or attempting to influence.

Lock-In

This type of activity requires prior written approval from NMPED. When requesting approval, include the lesson plan. The activity must align with the allowable use of funds and be allocable to the HB2 OST program goals.

M

Maintenance of Plant

These types of expenses are disallowable. See capital expenses.

Matching

See fund matching.

Membership Costs

Membership costs for clubs are disallowable.

Mentors

High school students can be hired to serve as mentors to younger students and this is an authorized activity under HB2 OST. Salaries must be reasonable and meet at least the New Mexico minimum wage [requirements](#).

When invoicing, the mentor's salaries and benefits or stipends should be included along with their timesheet or mentoring log.

Movies

Entrance fees to movie theaters and movies in any format including digital are disallowable.

P

Postage

The cost of postage is allowable as long as it is reasonable.

When submitting the invoice, postage should be included under general supplies and materials. Include the receipts for postage.

Promotional Items

The cost of promotional items is disallowable.

Props (properties for a play)

The costs of props is disallowable.

Puppets

The cost of puppets is an allowable cost. Art and music programs are a couple of the broad array of services offered through HB2 OST. The cost should be reasonable.

The cost of puppets should be included in the invoice as student supplies and materials. Detailed receipts and lesson plans must be attached to the invoice.

R

Refrigerator

The HB2 OST program should use the refrigerator at the school if possible. If the program has to purchase a refrigerator, prior written approval from the NMPED is required. The request should include a justification for the purchase and an explanation as to how the refrigerator is going to be used. The cost of the refrigerator should be reasonable.

The invoice should include the prior written approval and the invoice or receipt from the purchase.

S

Salary/Hourly Wages

Salaries for the program director, site coordinator, instructors, tutors, and paraprofessionals are all allowable expenditures. Salaries/hourly wages for superintendents or executive directors are not allowable. Salaries and benefits should remain consistent with the subrecipient's salary and benefit structure for similar programs in the area. Time and effort documentation is required.

The invoice should include the employees' salaries and benefits broken down by employee. The PARs and semi-annual certifications (December and June) for each employee must be included with the invoice.

Snack Coordinator/Distributor

This cost of the salary and benefits for this position are allowable. Time and effort documentation is required.

The invoice should include the employees' salaries and benefits broken down by employee. The PARs and semi-annual certifications (December and June) for each employee must be included with the invoice.

Sunglasses

Sunglasses are considered clothing therefore disallowed.

T

Telephones

Communication services are an allowable cost. When purchasing a phone, the selection of phone must be reasonable.

The invoice should include the cost of the phone and the phone service along with the receipt for the phone purchase and the monthly service bill.

Textbooks/Workbooks

Textbooks are typically not purchased since students usually have textbooks from their classrooms. If textbooks need to be purchased, contact NMPED.

Timesheets

Timesheets must meet the following requirements:

- Time worked must be recorded daily and must accurately reflect the work performed.
 - “Time-In” and “Time-Out” should be identified in hour and minute format to include a.m. or p.m. or reported in military format to include the hour and minute of the day.
 - Actual hours worked, which may include multiple cost objectives. Total hours worked per cost objective must be identified.
 - Compensation charged cannot exceed total hours worked.
 - Time is rounded to the nearest ¼ hour (0.25).
 - Time and work cannot be recorded in advance.
 - HB2 OST funds will only pay for “sick” and “vacation” hours as an indirect cost.
 - Compensation in excess of wages for the work performed is not eligible for reimbursement.
- Timesheets should be double-checked for accuracy.
- If using a manual timesheet
 - Use ink to record time.
 - Make changes by striking through and initialing. □ Do not use white-out or liquid paper.
- Timesheets should be signed at the end of a pay period by the following people:
 - Employee.
 - Supervisor.
 - If using an electronic timesheet, an electronic signature may be accepted if the electronic signature meets the following conditions:
- Identifies and authenticates a particular person as the source of the electronic signature; and
- Indicates such person’s approval of the time; and
- Does not allow changes to the electronic record once appropriate electronic signatures have been applied unless there is a clear, auditable record of the revision.
 - A supervisor cannot approve their own timesheet.
- The hourly rate does not have to be disclosed on the timesheet unless it is not disclosed on the pay stub, or the pay stub is not submitted with the employee’s time and effort documentation.

When submitting the invoice for the employee’s wages, the timesheets and PARs must be included.

Travel

Travel must have prior written approval from the NMPED. The following steps must be completed:

1. Estimate the cost of your travel on a **Travel Approval Form**

There are two options for travel:

- Per Diem

- Per Diem rates are fixed amounts for overnight travel including lodging and meals.
- No receipts are required. ○ Reimbursement = Per Diem amount multiplied by the number of travel days (day = 24 hours).
 - Per Diem limits
 - In-state = \$155.00.
 - In-state in an expensive area (Santa Fe) = \$202.00.
 - Out-of-State = \$155.00
 - Actuals ○ Actuals are expenditures limited by a monetary threshold.
 - There are limits to what can be reimbursed.
- All figures are calculated using a 24-hour period. ○ Receipts are required.
- Reimbursement – based on receipts.
 - Actuals Limits.
 - Meals in-state = \$59.00 per day.
 - Meals out-of-state = \$59.00 per day.
 - Add tips at the end. Tips are not part of the totals. (20% limit per check)
 - Tips can only be reimbursed if the word “tip” or “gratuity” is actually included on the typed, printed, receipt from the restaurant. Tip cannot be handwritten on the receipt.
 - Lodging ○ Check with the school district or organization for specific policies.

2. **Print out a Rand-McNally Map** which tracks the route and miles traveled. The use of the Rand-McNally Map is required under Paragraph (D) of [2.42.2.11](#) NMAC, Regulations Governing the Per Diem and Mileage Act.

3. **Calculate mileage reimbursement.**

- Use the rate per mile designated for your organization/school district. ○ Every public officer or employee shall receive up to the internal revenue service standard mileage rate set January 1 of the previous year for each mile traveled in a privately owned vehicle. Section (D) [10-8-4](#) NMSA, 1978, Per Diem and Mileage Rates; in Lieu of Payment.

4. **Complete a travel preapproval form.**

- This requires a signature from the Fiscal Manager, Executive Director, Principal, or Program Director. Employees cannot approve their own travel.
- A travel approval form should include the following: ○ Destination ○ Travel Dates ○ Traveler (one per form)

- Lodging (# of nights and estimated/actual cost)
- Purpose of Travel
- Travel schedule
 - Departure time (estimated/actual)
 - Return time (estimated/actual)
 - Both outbound and inbound times are needed
- Mileage (if applicable)
- Total Per Diem or Actuals (estimated/actual)
- Airfare, taxi, other (if applicable – estimated/actual)
- Bag fee (if applicable)
- Total travel cost (estimated/actual)

5. Have an Agenda

- Agendas should contain the following elements;
 - Name of participants
 - Date
 - Time
 - Objectives
 - Discussion/observations
 - An agenda should even be created for site visits. Specify in what areas the observations are focused.
- If attending a training/conference facilitated by an outside organization, be sure to get a copy of the agenda.

6. Document Completion

- Sign-in sheet
- Site visit – Learning Center Coordinator should sign.
- Obtain certificate of completion if an outside conference or training

7. Submit the following items with the invoice:

- Approved travel form
- Rand-McNally Map mileage
- Receipts (if actuals used/timesheet (if Per Diem used)
- Agenda
- Documentation of completion

Trainings

Professional development and training are an allowable cost. However, they must support or be related to the HB2 OST program.

The invoice for the costs of the training should include the agenda, sign-in sheets, training materials, and employee feedback.

V

Vacation Leave

See Benefits.

Vehicle/Van/Bus Purchase

Vehicle purchases are disallowable.

Video Games

Video games are a disallowable cost.

Videos

See movies.

W

White Water Rafting

White water rafting is a disallowable cost.

Z

Zip-Lining

The cost of zip-lining is disallowable.