

School District of Palm Beach County Charter School Fiscal Training Recorded June 4, 2021

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Discussion for Today

- ❖ Charter Tool Benchmarks
 - Current Fiscal Year
 - Upcoming Fiscal Year
- ❖ Financial Monitoring
 - Monthly financial statements
 - Annual financial reviews
- ❖ Federal and State Grants Resources and Requirements
- ❖ Understanding the Charter School Revenue Worksheet
- ❖ Resources and Key Takeaways

Charter Tool Benchmarks

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FY21 Remaining Fiscal Year Related Benchmarks

❖ June 2021

- Financial Statements, checklist and budget amendments, if applicable (no more than thirty (30) days after the last day of the reporting period, (6A-1.0081, FAC)
- Grant reporting
 - 21st Century, Planning/Implementation Grants, **FY20 School Hardening Grant, ESSER I, ESSER II*, GEER Civic Literacy, GEER K-3 High Quality Reading Curriculum, CSP Remote Learning & Access Due to COVID-19** - Itemized Expenditure Reimbursement Report, if applicable.
 - IDEA and Title I have separate benchmarks/submission methods for each department.

*Depends on timing of when funds are released by FDOE



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FY22 Fiscal Year Related Benchmarks

- ❖ **Monthly/Quarterly** – Financial Statements, **checklist** and budget amendments, if applicable (no more than thirty (30) days after the last day of the reporting period, (6A-1.0081, FAC)
- ❖ **Monthly/Quarterly** – Grant reporting
 - 21st Century, Planning/Implementation Grants, **FY20 School Hardening Grant, ESSER I, ESSER II, ESSER III (ARP), GEER K-3 High Quality Reading Curriculum, GEER Civic Literacy**
 - Itemized Expenditure Reimbursement Report, if applicable.
 - IDEA and Title I have separate benchmarks/submission methods for each department.

FY22 Fiscal Year Related Benchmarks

❖ July 15

- Annual Contract for Accounting Services
- ACH Deposit Form (if any changes made)

❖ July 31

- Adopted Budget (Signed Board Minutes/Resolutions showing approval)
- Annual Audit Contract (Audit Engagement Letter)
- FY21 General Ledger
- FY21 Annual Program Cost Report ****common issues****
- Copy of complete ESP management agreement, if applicable

❖ August 1

- FY21 Unaudited Annual Financial Statements – including K-Schedules, SEFA, MHAA, CERP, & Safe Schools Expenditure surveys ****common issues****

❖ September 3

- Florida Classroom Supply Assistance – affidavit/roster/check request



FY22 Fiscal Year Related Benchmarks

❖ September 30

- FY21 Final Amended Budget minutes evidencing board approval
- FY21 Annual Financial Statement Audit including management letter and response and minutes evidencing board approval
- FY21 Annual property inventory form reconciled to annual audit (69I-73.006 F.A.C.)
- Non-capitalized personal property list between \$100 and \$999

❖ October 15

- Florida Classroom Supply Assistance – verification of payment by September 30th (1012.71 F.S.)



FY22 Fiscal Year Related Benchmarks

❖ January 15

- Financial Policies and Procedures (Budget Process, Grant Accounting, & Fixed Asset Accounting)
- Accrued Liabilities – Board approved agreements for new/modified Notes, Loans, and/or Lines of Credit received during the fiscal year & AP Aging Report (Explanations for payables aged over 60 days **REQUIRED**)

❖ March 31

- Form 990 or extension, if applicable (If granted an extension, Form 990 must be submitted by May 15)
- Federal Single Audit, if applicable

❖ May 1

- Copies of Cancelled Checks & Check Registers (Months to be determined by April 1 each year)



Annual Program Cost Report – Common Issues

- ❖ Program contains FTE but Total Program Cost is \$0
- ❖ Program does not contain FTE but Total Program cost is greater than \$0
- ❖ Program Total Cost per FTE is **high** or **low**
- ❖ Basic Program Total Cost per FTE is Greater than ESE Program Total Cost per FTE
- ❖ No Direct Costs Reported for Special Revenue Funds



Unaudited Financial Statements – Common Issues

❖ Common Issues include:

- Schedules/Surveys not completed
 - Ex. All or some of the Schedule-K excerpts left blank.
- Schedule/Surveys missing required information
 - Ex. Number of officers not included on Safe School Expenditure Survey.
- Schedule/Survey information is incorrect
 - Ex. Total Categorical Allocations are incorrect on the Schedule-K excerpts, Safe School Expenditure Survey, CERP (Reading Allocation) Expenditure Survey.

❖ Template will be available on District webpage and Charter Tools



Schedule of Loans or Transfers

District: **PALM BEACH**
 Y/E June 30: **2021**

DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
 SCHEDULE OF LOANS OR TRANSFERS TO CHARTER SCHOOLS OR
 OTHER ENTITIES

For the Fiscal Year Ended June 30, 2021

	Account Number	Governmental Activities Total Balance [1] June 30, 2021	School# and Name	County	Terms



Schedule of Short & Long term Liabilities Exhibit K-11

DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
 SCHEDULE OF SHORT-TERM AND LONG-TERM LIABILITIES

Exhibit K-11
 FDOE Page 16

For the Fiscal Year Ended June 30, 2021

Fund 601

	Account Number	Short-term (ST) or Long-term (LT)	Governmental Activities	Business-Type Activities	Total	Governmental Activities -	Governmental Activities -	Governmental Activities -	Governmental Activities -
			Total Balance [1]	Total Balance [1]		Debt Principal Payments	Principal Due Within One Year	Debt Interest Payments	Interest Due Within One Year
			June 30, 2021	June 30, 2021		2020-21	2020-21	2020-21	2020-21
Notes Payable	2310				0.00				
Obligations Under Capital Leases	2315				0.00				
Bonds Payable	2320				0.00				
Liability for Compensated Absences	2330				0.00				
Lease-Purchase Agreements Payable	2340				0.00				
Estimated Liability for Long-Term Claims	2350				0.00				
Net Other Postemployment Benefits Obligation	2360				0.00				
Net Pension Liability	2365				0.00				
Other Long-Term Liabilities	2380				0.00				
Recoverable Grants	23XX				0.00				
Total Long-term Liabilities			0.00	0.00	0.00	0.00	0.00	0.00	0.00

[1] Report carrying amount of total liability due within one year and due after one year on June 30, 2021, including discounts and premiums.



Schedule of Categorical Programs Exhibit K-12

DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
 SCHEDULE OF CATEGORICAL PROGRAMS
 REPORT OF EXPENDITURES AND AVAILABLE FUNDS
 For the Fiscal Year Ended June 30, 2021

Exhibit K-12
 FDOE Page 17

CATEGORICAL PROGRAMS (Revenue Number) [Footnote]	Grant Number	Unexpended June 30, 2020	Returned To FDOE	Revenues [1] 2020-21	Expenditures 2020-21	Flexibility [2] 2020-21	Unexpended June 30, 2021
Class Size Reduction Operating Funds (3355)	94740						0.00
Excellent Teaching Program (3363)	90570						0.00
Florida Digital Classrooms (FEFP Earmark)	98250						0.00
Florida School Recognition Funds (3361)	92040						0.00
Instructional Materials (FEFP Earmark) [3]	90880						0.00
Library Media (FEFP Earmark) [3]	90881						0.00
Preschool Projects (3372)	97950						0.00
Research-Based Reading Instruction (FEFP Earmark) [4]	90800						0.00
Safe Schools (FEFP Earmark) [5]	90803						0.00
Mental Health Assistance (FEFP Earmark)							0.00
Salary Bonus Outstanding Teachers in D and F Schools	94030						0.00
Student Transportation (FEFP Earmark)	90830						0.00
Supplemental Academic Instruction (FEFP Earmark) [4]	91280						0.00
Teachers Classroom Supply Assistance (FEFP Earmark)	97580						0.00
Teachers Salary Increase Allocation – TSIA (FEFP Earmark)							0.00
Voluntary Prekindergarten - School Year Program (3371)	96440						0.00
Voluntary Prekindergarten - Summer Program (3371)	96441						0.00

[1] Include both state and local revenue sources.

[2] Report the amount of funds transferred from each program to maintain board-specified academic classroom instruction.

[3] Report the Library Media portion of the Instructional Materials allocation on the line "Library Media."

[4] Expenditures for designated low-performing elementary schools should be included in expenditures.

[5] Combine all programs funded from the Safe Schools allocation on one line, "Safe Schools."



Distributions to Management Companies

DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY

DISTRUBUTIONS TO MANAGEMENT COMPANIES

For the Fiscal Year Ended June 30, 2021

DISTRIBUTIONS TO MANAGEMENT CO	Fund Number	Direct Payment to Management Company	Budgeted Management Fee	If amount paid to management company is higher or lower than amount budgeted please provide an explanation	Basis of Fee (% of FEFP Revenue, Per Student, Flat Fee etc.)	Fee Charged (4%, \$450, etc.)
<i>Expenditures:</i>						
General Fund	100					
Special Revenue Funds - Food Service	410					
Special Revenue Funds - Other Federal Programs	420					
Capital Projects Funds	3XX					
Total Charter School Distributions			0.00	0.00		



Voluntary Pre-Kindergarten (VPK) Program Exhibit K-14

DISTRICT SCHOOL BOARD OF PALM BEACH COUNTY
VOLUNTARY PREKINDERGARTEN (VPK) PROGRAM

Exhibit K-14
FDOE Page 22
Supplemental Schedule -
Fund 100

For the Fiscal Year Ended June 30, 2021

VOLUNTARY PREKINDERGARTEN PROGRAM [1] GENERAL FUND EXPENDITURES	Account Number	100	200	300	400	500	600	700	Totals
		Salaries	Employee Benefits	Purchased Services	Energy Services	Materials and Supplies	Capital Outlay	Other	
<i>Current:</i>									
Prekindergarten	5500								0.00
Student Support Services	6100								0.00
Instructional Media Services	6200								0.00
Instruction and Curriculum Development Services	6300								0.00
Instructional Staff Training Services	6400								0.00
Instruction-Related Technology	6500								0.00
Board	7100								0.00
General Administration	7200								0.00
School Administration	7300								0.00
Facilities Acquisition and Construction	7410								0.00
Fiscal Services	7500								0.00
Food Services	7600								0.00
Central Services	7700								0.00
Student Transportation Services	7800								0.00
Operation of Plant	7900								0.00
Maintenance of Plant	8100								0.00
Administrative Technology Services	8200								0.00
Community Services	9100								0.00
<i>Capital Outlay:</i>									
Facilities Acquisition and Construction	7420								0.00
Other Capital Outlay	9300								0.00
<i>Debt Service: (Function 9200)</i>									
Redemption of Principal	710								0.00
Interest	720								0.00
Total Expenditures		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

[1] Include expenditures for the summer program (section 1002.61, F.S.) and the school-year program (section 1002.63, F.S.).



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FY2020-21 Safe Schools Expenditures Survey

Florida Department of Education
 Division of Finance and Operation
 Office of Funding and Financial Reporting

 2020-21 Safe Schools Expenditures Survey

Charter School Name:

EXPENDITURES: Please enter the amount of Safe Schools Appropriations used to fund the activities listed below.

SAFE SCHOOLS ACTIVITIES	AMOUNT OF SAFE SCHOOLS APPROPRIATIONS SPENT IN THIS CATEGORY 2020-21
School Resource Officers, School Campus Police Officers, Safety and Security Guards and other School Law Enforcement Officers	
After-School Programs for Middle School Students	
Middle and High School Programs for Correction of Specific Discipline Problems	
Other Improvements to Enhance the Learning Environment, including implementation of conflict resolution strategies	
Behavior-Driven Intervention Programs, including anger and aggression management strategies	



FY2020-21 Safe Schools Expenditures Survey Continued

<p>Alternative School Programs for Adjudicated Youth that may include a web-based virtual system that results in mastery and certification, competency or credentials in the following inter-related counseling disciplines necessary for success in education and the work environment, including adjustment, educational, employment and optimal mental health areas that will include, but are not limited to, anger and impulse control, depression and anxiety, self-esteem, respect for authority, personal behavior, goal setting, time and stress management, social and workplace adjustment, substance use and abuse, workplace soft skills, communication skills, work ethic, the importance of timeliness, attendance and the self-marketing skills for future educational and/or employment opportunities</p>	
<p>Suicide Prevention Programs</p>	
<p>Bullying Prevention and Intervention</p>	
<p>Detection Dogs</p>	
<p>Flexibility Provision for Classroom Instruction (Please note that only one district, Franklin School District, is eligible to report expenditures here.)</p>	
<p style="text-align: right;">TOTAL EXPENDITURES</p>	<p>\$0</p>
<p style="text-align: center;"><i>Total expenditures should equal the Safe Schools Allocation Revenue amount in the June 2021 Charter School Payment Sheet (#7 Col. I).</i></p>	



FY2020-21 Safe Schools Expenditures Survey Continued

SCHOOL RESOURCE OFFICERS:

Enter the number of School Resource Officers, School Campus Police Officers, Safety and Security Guards and other School Law Enforcement Officers assigned to schools in your district in each category below. If one officer serves at more than one school, that officer should be counted only once and the total number of schools served should be included. Officers **may or may not** be funded with Safe Schools Allocation funds.

TYPE OF SCHOOL		NUMBER OF OFFICERS		
Elementary Schools				
Middle Schools				
High Schools				
Alternative Schools				
Combination Schools				
	Does the officer serve more than one school (i.e. Do two or more separate Charter Schools share the same campus)?	<table border="0"> <tr> <td style="text-align: center;">Yes</td> <td style="text-align: center;">No</td> </tr> </table>	Yes	No
Yes	No			



FY2020-21 Safe Schools Expenditures Survey Continued

FUNDING SOURCES FOR SCHOOL RESOURCE OFFICERS:	
Enter the percentage of all School Resource Officer, School Campus Police Officers, Safety and Security Guards and other school law enforcement officers' salaries funded from each of the following funding sources. All of the percentages must add up to 100 percent.	
FUNDING SOURCE FOR SCHOOL RESOURCE OFFICERS	PERCENT OF SALARIES
Safe Schools Funds (Safe School Allocation)	
City Police Department	
County Sheriff's Office	
Federal Grants	
General District Funds - (FEFP)	
Other (describe here):	
TOTAL PERCENTAGE	0%
	<i>(The number calculated above should equal 100 percent)</i>



FY2020-21 MHAA Outcomes and Expenditures Survey

MENTAL HEALTH ASSISTANCE ALLOCATION PLAN OUTCOME AND EXPENDITURES REPORT

Fiscal Year 2020-2021

Section A. School and Community-based Mental Health Services Provided		Number
Number of students who received mental health screenings or assessments:		
Number of students referred to school-based mental health services providers:		
Number of students referred to community-based mental health services providers:		
Number of students who received school-based interventions, services or assistance:		
Number of students who received community-based interventions, services or assistance:		
TOTAL Mental Health Services Provided		Total
TOTAL number of students who received mental health screenings or assessments:		
TOTAL number of students referred for mental health interventions, services or assistance:		0
TOTAL number of students who received mental health interventions, services or assistance:		0



FY2020-21 MHAA Outcomes and Expenditures Survey

Section B. School and Community-based Mental Health Services Providers Funded by the Allocation

Number of licensed school-based mental health providers funded by the allocation:	
Number of certified school-based mental health providers funded by the allocation:	
Number of licensed community-based mental health providers funded by the allocation:	

Section C. Contract-based Collaborative Efforts and Partnerships

List names of contract-based collaborative efforts and partnerships with community-based mental health programs or agencies:

1.	
2.	
3.	
4.	



FY2020-21 MHAA Outcomes and Expenditures Survey

Section D. Allocation Expenditure Summary	\$ Amount
Mental Health Assistance Allocation provided in the 2020-21 Florida Education Finance Program:	
School district expenditures for services provided by staff who are employees of the school district (Section B):	
School district expenditures for services provided by contract-based collaborative efforts or partnerships with community-based mental health program agencies or providers (Section C):	
Other expenditures (specify type and amount):	
Total Mental Health Assistance Allocation expenditures:	\$ 0.00
Unexpended Mental Health Assistance Allocation funds carried forward to next fiscal year:	\$ 0.00



Comprehensive Evidence Based Reading Plans (CERP) Survey

School District of Palm Beach County
 Research-Based Reading Instruction Allocation Survey
 (Enter Charter School Name Here)

For the year ending June 30, 2021

Expenditure	Dollar Amount	%	Description
Salaries & Benefits:			
Full-time Reading Coach Positions Funded by FEFP	# of Positions		
Elementary School			
Middle School			
High School			
Reading Intervention Teacher Positions Funded by FEFP	# of Positions		
Elementary School			
Middle School			
High School			
Detailed Breakdown of Other Salaries			Description
Detailed Breakdown of Other Salaries			



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CRRP Survey, Continued

Detailed Breakdown of Other Salaries	Description
Detailed Breakdown of Other Salaries	

Professional Development	Dollar Amount	Description
Grades K-3 Amount		
Grades 4-5 Amount		
Grades 6-8 Intensive Reading Amount		
Grades 6-8 Content Area Amount		
Grades 9-12 Intensive Reading Amount		
Grades 9-12 Content Amount		
Total Professional Development		



CRRP Survey, Continued

Assessment Costs	Dollar Amount	%	Description
Assessment Costs:			
Detailed Breakdown of Elementary Assessment Category			
Detailed Breakdown of Middle School Assessment Category			
Detailed Breakdown of High School Assessment Category			

Programs/Materials Costs	Dollar Amount	%	Description
Program/Materials Costs:			
Detailed Breakdown of Elementary Program/Materials Category (Breakdown by CCRP, CIRP, SIRP, Ed Tech)			
Detailed Breakdown of Middle School Program/Materials Category (Breakdown by CCRP, CIRP, SIRP, Ed Tech)			
Detailed Breakdown of High School Program/Materials Category (Breakdown by CCRP, CIRP, SIRP, Ed Tech)			



CRRP Survey, Continued

Summer Reading Camps	Dollar Amount	%	Description
Summer Reading Camp Costs:			
Detailed Breakdown of Summer Reading Camps Category			

Totals	Dollar Amount	%	Description
Total Reading Funds Available for Current Year(2020):			
Total Expenditures - FEFP Reading Earmarked Fund Source			
Carryforward to 2020-2021*:			*The expectation is the carryforward included within the corresponding annual financial report must agree with the amount included within the survey
Total Remaining Funds Not Expended or Carried Forward (This Amount Should be Equal to Zero):			

Comments



Important Reminder for Annual Audit Reports

❖ Annual Audit

- Audit reports will be rejected if charter schools are identified as component units of the School District of Palm Beach.
- Auditors that are not members of the American Institute of CPAs (AICPA) Governmental Audit Quality Center (GAQC) will be reported to the Audit Committee



Benchmark Reminders

- ❖ Whenever financial reports are uploaded – change status to **“ready for review”**
- ❖ For benchmarks that you believe do not relate to your school – change status to **“exemption requested”**
 - For example high performing schools only need to report quarterly
- ❖ If a benchmark is “locked” send an email to Sharon Kovner to “unlock” the benchmark.
- ❖ **Remember to respond to notes** and change status to **“ready for review”** if any new documents are added.



Financial Monitoring

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District Responsibility for Assessing Financial Condition

SBE Rule 6A-1.0081, FAC

- ❖ Timely notification to the Charter School Board of a financial concern that needs to be addressed, otherwise the schools risk closure.
- ❖ What are the conditions:
 - Actual enrollment (FTE) is less than 70% of budgeted/projected enrollment (FTE).
 - Expenses exceed budgeted expenses for three (3) consecutive months.
 - YTD budget = Annual budget/12 x months elapsed
 - Expenses exceed revenues for a period of three (3) consecutive months.
 - Unbudgeted financial events for which the school has insufficient reserves to compensate.
- ❖ If any of these occur provide an explanation to possibly avoid a financial Corrective Action Plan (CAP).
- ❖ If a CAP is not received within 30 business days from the date of the letter the Commissioner of Education will determine the components of the plan as required in statute.



Financial Checklist

Charter School Monthly/Quarterly Financial Checklist (rev. 11/2/18)

Common Errors

	Yes	No
1. Transfers in (positive) and transfers out (negative) match and supporting documentation is provided as noted in item 8.		
2. Fund balance for the month/quarter is the same on the Balance Sheet and Statement of Revenue, Expenditures and Fund Balance.		
3. Ending fund balance for the month/quarter and year to date are the same on the Statement of Revenue, Expenditures and Fund Balance.		
4. Assets = liabilities + fund balance.		
5. The October beginning fund balance equals the Audited Financial Statement balance.		
6. Actual Oct/Feb FTE is greater than or equal to 95% of projected/budgeted FTE the school is required to submit a board approved amended (adopted) budget adjustments.		
7. Provided explanation for significant variations such as budget to actual, actual to budget, etc.		
8. Attached supporting documentation for any and all loans or transfers (including July 1, 2017): formal board approved agreement, repayment terms, signed by the governing board, proof that any loan or transfer is in compliance with charter schools within Palm Beach County, etc.		

I certify that the above items on the checklist have been completed. If financial statements have to be returned for any item(s) above, the school will receive a reduction of a minimum of 50 points even if financial statements were submitted timely.

Assessment of Financial Condition*

*If the answer to 9, 10, 11, or 12 is "No" and adequate documentation or an expedited financial review and the school will be required to prepare

9. The actual enrollment (FTE) is 70% or greater than the budgeted/projected enrollment. If no, provide explanation.
10. Expenses do not exceed budgeted expenses for three (3) consecutive months: explanation. (YTD budget = Annual budget/12 x months elapsed)
11. Expenses do not exceed revenues for a period of three (3) consecutive months: explanation.
12. There were no unbudgeted financial events for which the school has insufficient funds to compensate.

Financial Statements and Checklist Prepared by:

Print name and title (required)

Signature/date (required)

Board Chair signature/date
(required if the answer to 9, 10, 11 or 12 is no)

Financial Statements and Checklist Reviewed by:

Print name and title (required)

Signature/date (required)

Principal signature/date (recommended)

Monthly Financial Statements – Common Mistakes

- ❖ Transfers in and transfers out do not match, with no explanation
- ❖ Fund balance does not agree between statements
- ❖ Beginning fund balance is not updated to match the final audited financial statements (starting with October financial statements)
- ❖ Balance sheet does not balance
 - Assets = liabilities + fund balance
- ❖ Financial statements do not reflect actual FTE
 - Amend budget if more than a 5% variance
- ❖ Explanations are not provided for significant variations
- ❖ Loans and transfers made to schools outside Palm Beach County
 - Supporting documentation for loans is not provided (i.e. board approved agreement, repayment terms, signed board minutes evidencing approval to governing board)
- ❖ Not reporting grants in a separate fund, timely
- ❖ Not reporting capital projects in a separate fund



Monthly Financial Statements – Common Mistakes Special Revenue

- ❖ Grants (IDEA, Title I, Implementation, Food Service, ESSERs, etc.) should be reported in a special revenue fund.
 - Refer to FLDOE Financial and Program Cost Accounting and Reporting for Florida Schools (2020 Red Book)
 - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects
 - Special revenue funds should be budgeted appropriately at the beginning of the school year and not commingled in the general fund



Monthly Financial Statements – Common Mistakes Capital Outlay

- ❖ Capital revenue should be reported in a capital outlay fund.
 - Refer to 1013.62(4) F.S. - Charter School Capital Outlay Funding - Eligible Uses
 - Transfers must be made to the general fund for those expenditures that do not meet the definition to be reported in a capital outlay fund.
 - Any unspent funds in the general fund must be transferred back to the capital outlay fund
- ❖ FY20 School Hardening Grant (Awaiting approval of FY21 Hardening Grant)
 - Funds will be reported in capital projects funds 391-398, Other Capital Projects, and revenue account 3399, Other Misc. State Revenues.
 - For expenditures not capitalized, grant funds should be transferred to the general fund and expended as current expenditures in function 7410, Facilities Acquisition & Construction – Current Expenditures



Annual Financial Review – Five Areas

1. **Budget Preparation** – policy & procedures and benchmarks
2. **Financial Accounting** – policy & procedures, review of accrued liabilities (prompt payment, AP aging, notes, loans, lines of credit and/or related party), capital assets, expenses exceeding revenue, financial CAPs, CSR, no material weakness or significant deficiencies, and benchmarks
3. **Grants Accounting** – policy & procedures and reported in a separate fund and benchmarks
4. **Transparency** – website includes annual budget, independent audit, and minutes
5. **Financial Viability** – financial indicators, cash flow, fund balance, steady FTE counts



Annual Financial Review – Ratings

- ❖ **Satisfactory** - The processes are generally effective (1) **no more than three** indicators are rated non-complaint, (2) **none** of the indicators are **material** repeat findings, and (3) the school is not in a deteriorating financial condition or there are no issues of material non-compliance identified by the district.
- ❖ **Needs Improvement** - The processes are only partially effective (1) **no more than ten** indicators are rated non-complaint, (2) **no more than three** of the indicators are repeat findings, and (3) the school is not in a deteriorating financial condition or there are no issues of material non-compliance identified by the district.
- ❖ **Unsatisfactory** - Neither of the above (1) **more than ten** indicators are rated non-compliant, or (2) the school meets criteria for deteriorating financial condition or there are issues of material non-compliance identified by the district.



Annual Financial Review – Notification

- ❖ In order to ensure that Annual Financial Reviews with noted issues of non-compliance are received, charter schools are required to submit the Annual Financial Review letter signed by the Governing Board Chair if review is rated **Needs Improvement** or **Unsatisfactory**. (A benchmark will be available in CharterTools for the submission)
- ❖ If a charter school does not submit the signed Annual Financial Review Letter, it will be treated as any other benchmark that is not completed, and will be marked as “Did not Comply” and reported on the following Annual Financial Review.



Annual Financial Review – Highlights

- ❖ Annual Financial Reviews will be performed on every charter school.
- ❖ Changes to Annual Financial Review compliance items/indicators will be reported at the Annual Financial Training.
- ❖ Results of Annual Financial Reviews will continue to be sent to charter school board chair by Budget Department.
- ❖ The FY21 Annual Financial Review to be released no later than December 10, 2021.



Federal and State Grants Resources and Requirements

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Charter Schools must comply with district, state and federal requirements

❖ District

- Award and reimbursement due dates

❖ State

- Greenbook
- <http://www.fl DOE.org/finance/contracts-grants-procurement/grants-management/project-application-amendment-procedur.stml>

❖ Federal

- Uniform Grant Guidance (UGG) was effective December 26, 2014. The UGG creates one document with consistent procedures for all grant programs by consolidating existing grant guidance (such as circulars).
- <https://www2.ed.gov/policy/fund/guid/uniform-guidance/index.html>
- Federal Compliance Supplement
- **District is currently awaiting guidance from FLDOE concerning Federal stimulus funds.**



District Due Dates

- ❖ Entitlement and competitive grants are all reimbursement based.
 - Last date to issue purchase orders is 30 days prior to the grant project ending date.
 - Goods and services must be received/performed by the grant project ending date.
 - Invoices for goods and services received/performed must be paid within 15 days of the grant project ending date. Reimbursement must be requested by the same date.
 - Budget Amendments for projects must be approved by the FLDOE no later than 60 calendar days before the end of the grant project period.
 - **Do not wait until the end to submit a reimbursement request or risk losing the funds!**



Federal Compliance Supplement

- A. Activities Allowed or Unallowed
- B. Allowable Costs/Cost Principles
- C. Cash Management
- D. Reserved Eligibility
- E. Equipment and Real Property Management
- F. Matching, Level of Effort, Earmarking
- G. Period of Performance
- H. Procurement and Suspension and Debarment**
- I. Program Income
- J. Reserved
- K. Reporting
- L. Reserved
- M. Subrecipient Monitoring
- N. Special Tests and Provisions

- For FY22, grant reimbursement requests **may** be selected for additional review.
- Documentation requested **may** include copies of cancelled checks, bid documents, purchase orders, etc.



Understanding Title I Comparability

- ❖ General funded staffing at Title I schools must be the same as Non-Title I schools based on dollars or staff ratios.
- ❖ Starting in FY17, DOE required that charter schools be included with district schools.
- ❖ Date certain = Last day of October survey period
- ❖ Currently awaiting guidance from FLDOE concerning how Comparability will be calculated for charter schools



Current Active Federal Grants Related to COVID-19 (CARES, GEER, CRRSA, & ARP)

- ❖ **ESSER I** (Elementary and Secondary School Emergency Relief (ESSER) Fund under the Coronavirus Aid, Relief, and Economic Security (CARES) Act.)
- ❖ **ESSER II** (Elementary and Secondary School Emergency Relief (ESSER II) Fund under the Coronavirus Response and Relief Supplemental Appropriation (CRRSA) Act, 2021)
- ❖ **ESSER III** (Elementary and Secondary School Emergency Relief (ESSER III) Fund under the American Rescue Plan (ARP) Act, 2021)
- ❖ **GEER Building K-12 CTE Infrastructure** (Governor's Emergency Education Relief (GEER) Fund under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Building K-12 CTE Infrastructure)
- ❖ **ESSER B.E.S.T High-Quality Curriculum for Reading** (Elementary and Secondary School Emergency Relief (ESSER) Fund under the Coronavirus Aid, Relief, and Economic Security (CARES) Act.)
- ❖ **GEER K-12 Civic Literacy Booklist** (Governor's Emergency Education Relief (GEER) Fund under the Coronavirus Aid, Relief, and Economic Security (CARES) Act)
- ❖ **Instructional Continuity Plans (ICPs)** (Coronavirus Aid, Relief, and Economic Security (CARES) Act Fund)
- ❖ **Public Charter School Program Grant (CSP) Remote Learning and Access Due to COVID-19** (Title V, Part B, Subpart 1 of the Elementary and Secondary Education Act of 1965, as amended by No Child Left Behind Act of 2001)
- ❖ **More in-depth information for each of these grants is available on the Fiscal Oversight webpage.**



Charter School Revenue Worksheet

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Understanding the Charter School Revenue Worksheet

❖ Section I Base Student Funding

1. 2020-21 FEFP State and Local Funding

Base Student Allocation: \$4,319.49

District Cost Differential: 1.0413

Program	Oct 2019 FTE	Feb 2020 FTE	Total FTE	Program Cost Factor	Weighted FTE (2) x (3)	2020-21 Base Funding (WFTE x BSA x DCD)
(1)			(2)	(3)	(4)	(5)
101 Basic K-3	125.62	122.70	248.32	1.124	278.1184	1,240,907.64
111 Basic K-3 with ESE Services	22.98	25.51	48.49	1.124	54.3088	242,314.80
102 Basic 4-8	206.08	205.57	411.65	1.000	411.6500	1,836,698.44
112 Basic 4-8 with ESE Services	49.11	46.83	95.94	1.000	95.9400	428,064.73
103 Basic 9-12	-	-	-	1.012	0.0000	-
113 Basic 9-12 with ESE Services	-	-	-	1.012	0.0000	-
254 ESE Level 4 (Grade Level PK-3)	-	-	-	3.644	0.0000	-
254 ESE Level 4 (Grade Level 4-8)	-	-	-	3.644	0.0000	-
254 ESE Level 4 (Grade Level 9-12)	-	-	-	3.644	0.0000	-
255 ESE Level 5 (Grade Level PK-3)	-	-	-	5.462	0.0000	-
255 ESE Level 5 (Grade Level 4-8)	-	-	-	5.462	0.0000	-
255 ESE Level 5 (Grade Level 9-12)	-	-	-	5.462	0.0000	-
130 ESOL (Grade Level PK-3)	48.32	47.33	95.65	1.184	112.9627	504,016.55
130 ESOL (Grade Level 4-8)	16.17	15.19	31.36	1.184	37.0362	165,247.98
130 ESOL (Grade Level 9-12)	-	-	-	1.184	0.0000	-
300 Career Education (Grades 9-12)	-	-	-	1.012	0.0000	-
Totals	468.28	463.13	931.41		990.0161	4,417,250.14



Understanding the Charter School Revenue Worksheet

❖ Section 2 ESE Guaranteed Allocation

2. ESE Guaranteed Allocation:	Oct 2019 FTE	Feb 2020 FTE	Total FTE	Grade Level	Matrix Level	Guarantee Per Student		
	21.48	23.51	44.99	PK-3	251	\$ 1,047	47,104.53	
	1.50	2.00	3.50	PK-3	252	\$ 3,380	11,830.00	
	-	-	-	PK-3	253	\$ 6,896	-	
Additional Funding from the ESE Guaranteed Allocation. Enter the FTE from 111,112 and 113 by grade and matrix level. Students who do not have a matrix level should be considered 251. This total should equal all FTE from programs 111, 112 and 113 above.	47.61	45.36	92.97	4-8	251	\$ 1,173	109,053.81	
	1.50	1.47	2.97	4-8	252	\$ 3,506	10,412.82	
	-	-	-	4-8	253	\$ 7,023	-	
	-	-	-	9-12	251	\$ 835	-	
	-	-	-	9-12	252	\$ 3,168	-	
	-	-	-	9-12	253	\$ 6,685	-	
	Total FTE with ESE Services			72.09	72.34	144.43	Total ESE Guarantee 178,401.16	



Understanding the Charter School Revenue Worksheet

❖ Section 3 Charter School % of UFTE and WFTE – used to calculate categoricals

3A. Divide school's Unweighted FTE (UFTE) total computed in Section 1, cell E28 above by the district's total UFTE to obtain school's

UFTE share.	Charter School UFTE:	<u>931.41</u>	÷	District's Total UFTE	<u>192,697.69</u>
					= 0.4834%

3B. Divide school's Weighted FTE (WFTE) total computed in Section 1, cell E41 above by the district's total WFTE to obtain school's

WFTE share.	Charter School WFTE:	<u>990.02</u>	÷	District's Total WFTE	<u>215,700.35</u>
					= 0.4590%



Understanding the Charter School Revenue Worksheet

❖ Section 4-16 Categoricals

4. Supplemental Academic Instruction (UFTE share)	(b)	43,553,924	x	0.0592%	25,783.92
5. Discretionary Millage Compression Allocation .748 Mills (UFTE share)	(b)	-	x	0.0592%	-
6. Digital Classrooms Allocation (UFTE share)	(b)(d)	147,769	x	0.0592%	87.48
7. Safe Schools Allocation (UFTE share)	(b)	11,352,050	x	0.0592%	6,720.41
8. Instructional Materials Allocation (UFTE share)	(b)	14,981,605	x	0.0592%	8,869.11
Dual Enrollment Instructional Materials Allocation	(e)				-
ESE Applications Allocation					-
Charter schools should contact their school district sponsor regarding eligibility and distribution of ESE Applications funds.					
9. Mental Health Assistance Allocation (UFTE share)	(b)	6,425,947	x	0.0592%	3,804.16
10. Total Funds Compression Allocation (UFTE share)	(b)	9,493,743	x	0.0592%	5,620.30
11. Sparsity Supplement (WFTE share)	(c)	-	x	0.0563%	-
12. Reading Allocation (WFTE share)	(c)	8,824,578	x	0.0563%	4,968.24
13. Discretionary Local Effort (WFTE share)	(c)	159,365,910	x	0.0563%	89,723.01
14. Proration to Funds Available (WFTE share)	(c)	-	x	0.0563%	-
15. Discretionary Lottery (WFTE share)	(c)	-	x	0.0563%	-
16. Teacher Salary Increase (WFTE share)	(f)	35,844,881	x	0.0563%	20,180.67



Understanding the Charter School Revenue Worksheet

❖ Section 17 CSR Categorical

17. Class Size Reduction Funds:

	Weighted FTE (not including Add-On)	X	DCD	X	Allocation Factors	=	
PK - 3	445.3899		1.0413		1,306.70	=	606,783.80
4-8	544.6262		1.0413		891.30	=	506,104.45
9-12	0.0000		1.0413		893.46	=	-
Total *	990.0161						1,112,888.25

(*Total FTE should equal total in Section 1, column (4) and should not include any additional FTE from Section 1.)



Understanding the Charter School Revenue Worksheet

❖ Section 18-21 Transportation, Teacher Classroom Supply, Food Service

18. Student Transportation

	Oct 2019 FTE	Feb 2020 FTE	(f) Average FTE			
Enter All Adjusted Fundable Riders	384.00	394.00	389.00	x	409	157,934.00
Enter All Adjusted ESE Riders	-	-	-	x	1,459	-

20. Florida Teachers Classroom Supply Assistance Program

(h) -

21. Food Service Allocation

(i) -

Total 6,900,522.11



Understanding the Charter School Revenue Worksheet

❖ Section 22 Administrative Fee and Monthly Payment

22. Funding for the purpose of calculating the administrative fee for ESE charter schools.

(j)

If you have more than a 75% ESE student population, please place a 1 in the following box:

-

Less Administrative Fee (5% for up to 250 students of Un-Weighted FTE)

(92,608.55)

Total Estimated Revenue

6,807,913.56

Previous Charter School Payments Made

(5,666,656.67)

Remaining Estimated Revenue

1,141,256.89

Number of Remaining Months

2

Current month's payment amount

570,628.45

Excess of Administrative Fees to be Allocated to Capital Expenditures

252,417.56

May Payment = 2 remaining months (May & June)



Resources and Key Takeaways

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Resources Available on District Website

- ❖ Important financial and grant deadlines
- ❖ COVID-19 related grant information
- ❖ Current and historical payments including FEFP and federal grants
 - Provide link to your external auditor
- ❖ Job aid (Tutorial) for charter schools to order from district warehouse
 - Any invoices over 60 days past due will be deducted from the school's FEFP payment
- ❖ ACH forms
 - Required to be submitted annually, must be signed by the board chair
- ❖ Link to FLDOE Charter School Revenue Estimate Worksheet
- ❖ Link to FLDOE Charter School Capital Outlay Allocations
- ❖ Link to Charter Support Unit (CSU)
 - Provides support to charter schools in the first three years of operation
 - Provides useful resources for all charter schools



Authoritative Guidance

- ❖ Florida Statute sections* – 218.503, 1002.33, 1002.345, 1013.62 F.S.
- ❖ Florida Administrative Code SBE Rule* – 6A-1.0081, 69I-73.006
- ❖ Charter School Contract
- ❖ FLDOE Red Book, Green Book, TANs
- ❖ Federal Compliance Supplements
- ❖ Uniform Grant Guidance (UGG aka Super Circular)
- ❖ Generally Accepted Accounting Principles (GAAP)
- ❖ Governmental Accounting Standards
- ❖ Florida Auditor General/Charter Schools
 - Provides rules and guidelines, auditor selection requirements and required electronic submission of audited financial statements
 - Performs FTE audit every two to three years
 - Audits district compliance with monitoring charter school fiscal oversight every two to three years

*Most common



Key takeaways

- ❖ Charter schools receiving an annual financial review rating of “Needs Improvement” or “Unsatisfactory” are required to have their Governing Board Chair sign and return the Annual Financial Review Letter to the District, as evidence of receipt. A benchmark will be created in CharterTools for submission.
- ❖ Audit reports will be rejected if charter schools are identified as component units of the School District of Palm Beach County.
- ❖ Auditors that are not members of the American Institute of CPAs (AICPA) Governmental Audit Quality Center (GAQC) will be reported to the Audit Committee.
- ❖ Random financial policies and procedures compliance reviews will continue.
- ❖ Grant reimbursement request reviews will continue on a case by case basis.



Key takeaways, continued

- ❖ Present annual financial status of charter schools to the SDPBC Audit Committee
- ❖ Reminder to upload FY20 School Hardening Grant & COVID-19 related grant (ESSER, ESSER II, ESSER III, GEER, etc.) reimbursement requests
- ❖ Charter schools must maintain support for the Florida Auditor General, Inspector General and/or District Audits/Reviews.
 - Any audit findings will be deducted from your FEFP.



Key takeaways, continued

- ❖ Using a management company does not eliminate the responsibility of the charter school board or school leadership from the responsibility of fiscal oversight.
- ❖ If you do not understand your financial statements ask your accountant or management company to explain.
 - Remember the governing board and management are responsible for fiscal oversight
- ❖ The more explanations you provide the fewer questions you will have from the district.
- ❖ Use the financial checklist to avoid a FLDOE financial Corrective Action Plan.
 - Recommend monthly/quarterly budget amendments
- ❖ Build up a reserve to address contingencies:
 - To address unexpected decline in enrollment, hurricane damage, audit finding, pandemic, etc.



Contact Information

Heather Knust, Deputy Chief Financial Officer PX 48702
William Dufresne, Senior Financial Analyst PX 45881

Charter School Compliance

Payments

Sharon Kovner

(benchmarks, charter school grant reimbursement, cost report)

Budget Analyst

Direct (561) 434-7315

PX 47315

Rick Oglenski

(charter school payments, i.e. FEFP payments)

Specialist

Direct (561) 434-8766

PX 48766

FAQ and Additional Training Documents

- ❖ Please submit any questions to William Dufresne via email.
- ❖ Questions and answers will be incorporated into a Frequently Asked Questions document which will be uploaded to the Charter School Fiscal Oversight webpage and continuously updated.
- ❖ Additional training/guidance documents covering specific topics are available on the webpage, with more to come. The topics include the following:
 - Federal Grants & Procurement
 - Florida Teacher Classroom Supply Assistance
 - The Annual Property Inventory Form
 - The Unaudited Financial Statements - K Schedules - Expenditure Surveys
 - When to Include Board Minutes with CharterTools Submissions

