

Private School Choice Programs Fiscal Management Training

Schedule 4-2, 4-3 & 4-4: Other Revenues & Review

School Finance Auditors
Parental Education Options
2024-25 School Year



Welcome to the Wisconsin Department of Public Instruction's training module for the Private School Choice Programs. We will refer to the Private School Choice Programs as "Choice" or "Choice program" throughout this training.

The Choice program is governed by Wis. Stat. §§ 119.23 and 118.60, as well as Wis. Admin. Codes ch. PI 35 and 48. This training is based on the requirements in these statutes and rules. Provisions of this training module are subject to statutory and rule changes.

This section of the training will explain the non-Choice revenues included in Schedules 4-2, 4-3, and 4-4. It will also explain how the school should complete the final review of the revenue schedules and the receivables lines in Schedule 7-1.

Completion of Budget Excel Document



This training will explain how to input information into the budget and cash flow report (budget) Excel document.



You must enter this information into your Excel document unless otherwise noted.



Please pause the training if you need additional time to review the example or check your Excel document.



In order to receive credit for having participated in this training, which is required for all Choice administrators, you will be required to upload the completed budget Excel document into the training quiz.



This training will explain how to input information into the budget and cash flow report Excel document. We will refer to the budget and cash flow report as the budget throughout this training. You must enter this information into your Excel document unless otherwise noted. Please pause the training if you need additional time to review the example or check your Excel document.

As a reminder, in order to receive credit for having participated in this training, you will be required to upload the completed budget Excel document in the quiz you complete after all the trainings are done. The budget that is uploaded into the quiz must include all of the examples for Holy Love that are provided in each of the trainings. **Completion of this training is required for all Choice administrators of new schools to the Choice program.**

If you have any questions as you complete this training, please note them. The department will be providing live virtual Q&A sessions. The webpage where this presentation was available has information on these sessions and a copy of the PowerPoint slides with the notes. You can ask questions on any of the trainings by emailing us at dpichoicedata@dpi.wi.gov.

Fundraising Revenue

- Offsetting fundraising revenue is the lesser of the following:
 - Fundraising revenue
 - Non-administrative fundraising expenses included in eligible education expenses. Administrative expenses include expenses for personnel, mailings, copying, and fixed assets used for other school purposes.

The budget file makes this determination on Schedule 10, line 7.



In Schedule 4-1, we discussed the different types of offsetting fundraising revenue. On Schedule 4-2, we will identify which revenues were received through fundraising. This information will be used to determine what is offsetting fundraising revenue.

Offsetting fundraising revenue is the lesser of the fundraising revenue received or the amount of non-administrative fundraising expenses included in eligible education expenses. Non-administrative fundraising expenses are identified in Schedule 3-3, Line 13, Column C. As previously explained, the budget file automatically calculates the lower of the non-administrative fundraising expenses included in eligible education expenses and the fundraising revenue and inserts it in Schedule 10, Line 17. For further information on what is an administrative and non-administrative expense, please refer to the training on Schedule 3-3.

Offsetting Revenue - Fundraising

• The amount that is considered offsetting fundraising revenue is the **lesser of:**

- Fundraising revenue, **or**
- The amount of non-administrative fundraising expenses included in eligible education expenses. Administrative expenses include expenses for: school personnel, mailings, copying, and fixed assets used for other school purposes.

	Example 1	Example 2
Fundraising Revenue	\$15,000	\$25,000
Non Administrative Fundraising Expenses	25,000	10,000
Administrative Fundraising Expenses	40,000	30,000
Offsetting Fundraising Revenue		

4



This slide includes two examples of determining the amount of offsetting fundraising revenue. As a reminder, the amount that is offsetting is the lesser of the fundraising revenue or the non-administrative fundraising expenses.

Example 1 on this slide is a situation in which the non-administrative fundraising expenditures of \$25,000 exceed the fundraising revenue of \$15,000.

{click} Therefore, \$15,000 is considered offsetting fundraising revenue.

Example 2 on this slide is a situation where fundraising revenue of \$25,000 exceeds the amount of non-administrative fundraising expenditures of \$10,000.

{click} Therefore, the \$10,000 of non-administrative fundraising expenses is offsetting revenue.

Schedule 4-2 Revenues

- Include the following revenue in Schedule 4-2, if received by the school's legal entity:
 - External contributions
 - Non government grants
 - Fundraising
 - Church offerings
- Do not include part of the school's legal entity as a revenue source.



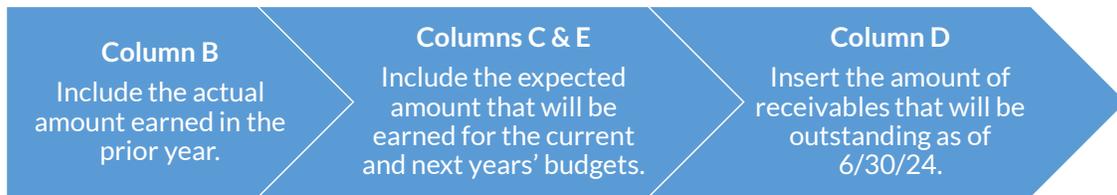
In Schedule 4-2, the school must identify any revenue received from external contributions, non government grants, fundraising, or offerings. As a reminder, the budget must be completed at the legal entity level, so any revenue received by any part of the legal entity must be included. For example, if a church has the same Federal Tax ID number as a school, revenue received by the church, such as external contributions and offerings, must be included as revenue.

If the church and school are the same legal entity, the church cannot be identified as a separate revenue source in Schedule 4-2 or any of the other revenue schedules. Instead, all of the church's expenses, revenues, and balances must be included in the budget.

Schedule 4-2: Revenue from Contributions, Non-Govt Grants, Fundraising & Offerings

- On the top of Schedule 4-2, insert any external contributions from individuals or unrelated organizations, non government grants, or fundraising if the school had:
 - Revenue in the past two years,
 - Has an outstanding receivable as of 6/30/24, or
 - Is budgeting for revenue in the 2024-25 school year.

EXTERNAL CONTRIBUTIONS, NON GOVERNMENT GRANTS, & FUNDRAISING							
Line	A	B	C	D	E	F	G
	Name of Source or Description of Fundraising	6/30/23 Actual	6/30/24 Actual/Budget	Receivable as of 6/30/24	6/30/25 Budget	Written	Fund-raising
1							
2							
3							



On the top of Schedule 4-2, you will need to include any external contributions from individuals or unrelated organizations, non government grants, or fundraising. Revenue sources should be included at the top of Schedule 4-2 if the school had:

- Revenue in the past two years,
- Has an outstanding receivable as of 6/30/24, or
- Is budgeting for revenue in the 2024-25 school year.

For each source included, the school will need to identify the actual amount earned for the year ended June 30, 2023 in Column B. In Column C, the school must identify the actual/budgeted amount expected to be earned for the year ended June 30, 2024. Then, in Column E, the school must input the amount the school anticipates earning for the 2024-25 school year.

If a school receives a written agreement by June 30, 2024 indicating the school will receive an amount and the only thing that is needed for the school to receive the amount is the passage of time, that amount should be identified as a receivable in Column D if it is not received by June 30, 2024.

If an amount is included as a receivable in Column D, it cannot also be included in Column E. Column E is the revenue the school will earn in the 2024-25 school year. If the school already earned the amount by June 30, 2024, but had not received it, it would be included as a receivable in Column D and not be included in Column E.

Schedule 4-2: Revenue from Contributions, Non-Govt Grants, Fundraising & Offerings (cont)

EXTERNAL CONTRIBUTIONS, NON GOVERNMENT GRANTS, & FUNDRAISING							
Line	A	B	C	D	E	F	G
	Name of Source or Description of Fundraising	6/30/23 Actual	6/30/24 Actual/Budget	Receivable as of 6/30/24	6/30/25 Budget	Written	Fund-raising
1							
2							
3							

- If the organization has a written agreement, indicate “Yes” in Column F.
- If the amount is from fundraising, including money raised through fundraising drives, indicate “Yes” in column G.
- *Columns F and G must be answered or an error will be triggered.



If a school has a written agreement for any amounts identified in Columns D or E, the school should indicate Yes in Column F.

The school will also need to identify if the amounts are expected to be raised through fundraising. For example, if the school sends out a mailing asking for donations or if it has a benefit dinner to raise funds, the expected amounts from those fundraisers would need to have a Yes in Column G.

Columns F and G must be answered for each line with amounts included or the school will receive an error on the error report.

Sch 4-2: External contributions, non govt grants or fundraising

• New private school based on Wis. Stat. 118.60 or 119.23 or schools in their first year of operation:

- The school must have a written agreement to support any amount over \$1,000.
- The individual or organization providing each amount must be identified on a separate line.
- General fundraisers or events cannot be identified as a source.

• Existing Schools:

- Any amount above the lesser of \$10,000 or 10% of the school's non-Choice and non-SNSP revenue must be included on a separate line.
- The total below this threshold may be included on one line.
- The school must be able to support amounts included based on the actual amounts for the past 2 years or based on written agreements.

*Any written agreements for amounts above the threshold must be provided with the budget.



A school that is a new private school as defined in the law or schools in their first year of operation, must provide a written agreement to support any amount over \$1,000 in Schedule 4-2. Further, the individual or organization providing each amount must be identified on a separate line. New private schools cannot identify general fundraisers or events as a source of funds.

If a school is not a new private school, as defined under Wis. Stat. 118.60 and 119.23, and is not in its first year of operation, it must follow the information identified on the screen for existing schools. These schools must identify each contribution, non government grant, or fundraiser on a separate line if the school expects to receive the lesser of \$10,000 or 10% of the school's non-Choice revenue and non-SNSP revenue from that source. If the school has revenue from different sources that are below this amount, the total can be included on one line. So, for example, if the school's threshold is \$10,000 and five individuals are providing \$5,000 each, the school could put "Individuals providing amounts below threshold" on one line and put the total revenue of \$25,000 on that line.

Existing schools must be able to support the revenue on this schedule with the amounts received in the past 2 years or based on a written agreement.

Sch 4-2: External contributions, non govt grants or fundraising (cont)

Required Written Agreement Components

- Who will provide the funds
- That the funds will be provided to the school
- The amount that will be provided
- When the funds will be provided
- An indication that the amounts do not need to be paid back



The written agreement that is provided to support the revenue in Schedule 4-2 must specify who is providing the funds, that the funds are being provided to the school, the amount that will be provided, when the funds will be provided, and an indication that the amounts do not need to be paid back.

Schedule 4-2: Revenues & Church Offerings

Line	A Line Description	B Revenue From Above	C Church Offerings
20	Total 2024-25 Revenues	-	
21	June 30, 2024 Deferred Revenue		
22	June 30, 2024 Accounts Receivable	-	
23	TOTAL AMOUNT TO BE RECEIVED	-	-
24	July 2024 Cash Receipts		
25	August 2024 Cash Receipts		
26	September 2024 Cash Receipts		
27	October 2024 Cash Receipts		
28	November 2024 Cash Receipts		
29	December 2024 Cash Receipts		
30	January 2025 Cash Receipts		
31	February 2025 Cash Receipts		
32	March 2025 Cash Receipts		
33	April 2025 Cash Receipts		
34	May 2025 Cash Receipts		
35	June 2025 Cash Receipts		
36	TOTAL CASH RECEIPTS	-	-
37	JUNE 30, 2025 Deferred Revenue		
38	JUNE 30, 2025 ACCOUNTS RECEIVABLE	-	-

- The amount in Column B of Line 20 will flow from the first part of Schedule 4-2.

- Church Offerings should be included in Column C, if any.



Similar to Schedule 4-1, the sum of the revenue entered in the top portion of the schedule will automatically flow to Line 20, Column B. If the school’s legal entity includes a church, the anticipated church offerings for the year must be directly input in Column C of Line 20. Church offerings should not be included in the first section of this schedule.

Knowledge Check

EXTERNAL CONTRIBUTIONS, NON GOVERNMENT GRANTS, & FUNDRAISING							
Line	A	B	C	D	E	F	G
	Name of Source or Description of Fundraising	6/30/23 Actual	6/30/24 Actual/Budget	Receivable as of 6/30/24	6/30/25 Budget	Written	Fund-raising
1							

The school receives a written pledge for \$25,000 in February 2024. The written pledge indicates the individual will receive the \$25,000 in August 2024. The pledge does not indicate the school needs to do anything in order to receive the \$25,000. Which of the following is true?

- The \$25,000 should only be included in the 6/30/25 budget column, Column E.
- The \$25,000 should be included in the 6/30/24 Actual/Budget column (Column C), the Receivable as of 6/30/24 column (Column D), and the 6/30/25 Budget column (Column E).
- The \$25,000 should be included in the 6/30/24 Actual/Budget column (Column C) and the Receivable as of 6/30/24 column (Column D).



Please take a few minutes to read through this knowledge check and determine which answer you think is correct.

{click}The correct answer is c. Since the pledge was received during the 2023-24 school year and the only thing remaining for the school to receive the amount is the passage of time, the revenue must be included in Column C. Additionally, the amount must be included as a receivable in Column D because the revenue was earned during the 2023-24 school year but the amount will not actually be received until after June 30, 2024. No amount would be included in the 6/30/25 Budget column, which is Column E, because the amount was earned in a previous school year and included as revenue for that prior year. If the amount was also included in Column E, the school would be incorrectly including the amount as revenue twice.

Schedule 4-2: Revenues Received Example

EXTERNAL CONTRIBUTIONS, NON GOVERNMENT GRANTS, & FUNDRAISING							
Line	A	B	C	D	E	F	G
	Name of Source or Description of Fundraising	6/30/23 Actual	6/30/24 Actual/Budget	Receivable as of 6/30/24	6/30/25 Budget	Written	Fund-raising
1							

The school anticipates receiving the following:

- \$40,000 written pledge received from Matthew Gibbs in July 2023. This was raised through a fundraising drive. The amount will be paid to the school in annual installments of \$10,000 beginning December 2024.
- The school does not have any requirements they must meet to receive the pledge.



Let's return to our budget example.

Holy Love receives a \$40,000 written pledge, raised through a fundraising drive. This pledge is received from Matthew Gibbs in July 2023. The amount will be paid to the school in annual installments of \$10,000 beginning December 2024. The school does not have any requirements they must meet to receive the pledge other than the passage of time.

{click} We will put Matthew Gibbs on Line 1. Since Holy Love received the written pledge during the 2023-24 school year, the full \$40,000 will be included in Column C as revenue for the 2023-24 school year. In Column D, we must input the amount that was pledged but not received by June 30, 2024. In this case, we anticipate the full \$40,000 will not be received as of June 30, 2024, so the full amount is identified as a receivable in Column D. We do expect to receive a written agreement and this is the result of fundraising, so Yes should be inserted in both Columns F and G.

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Schedule 4-2: Revenues Received Example

EXTERNAL CONTRIBUTIONS, NON GOVERNMENT GRANTS, & FUNDRAISING							
Line	A	B	C	D	E	F	G
	Name of Source or Description of Fundraising	6/30/23 Actual	6/30/24 Actual/Budget	Receivable as of 6/30/24	6/30/25 Budget	Written	Fund-raising
1							
2							
3							

The school anticipates receiving the following:

- \$10,000 through a benefit dinner on 10/1/24. The school did a benefit dinner in the 2023-24 school year that raised \$9,500.
- \$2,000 in Scrip Income for the 2023-24 school year. The school expects to receive \$2,000 for the 2024-25 school year as well, received quarterly (\$500 in September, December, March, and June).



Holy Love expects to receive \$10,000 through a benefit dinner on October 1st, 2024. The school did a benefit dinner during the 2023-24 school year that raised \$9,500.

{click} We will enter “Benefit Dinner” in Line 2, Column A. We will then insert the amount received during the 2023-24 school year, \$9,500, in Column C and the amount expected to be received during the next school year, \$10,000, in Column E. We do not have a written agreement for this amount, so insert “No” in Column F. This amount was received through fundraising, so Column G should be a “Yes”.

The school sells Scrip gift cards. In training 3-3 we identified the school’s cost for the Scrip gift cards is \$1,500. The school expects to receive \$2,000 for the sale of the Scrip gift cards. All amounts in the budget must be shown gross.

As a result, we will enter the \$2,000 as Scrip income on the top of Schedule 4-2. Please note that we do **not** only insert the profit of \$500 here. We also expect to receive \$2,000 of Scrip income during the 2024-25 school year. The amount is not a written pledge so we insert No in Column F, but it is fundraising so we insert a Yes in Column G.

As a reminder, if the school is a new private school, it must specifically identify each amount and cannot put general fundraisers. As a result, a general fundraiser such as a benefit dinner or Scrip Income should not be identified for a new private school.

Schedule 4-2: Revenues Received Example (cont)

EXTERNAL CONTRIBUTIONS, NON GOVERNMENT GRANTS, & FUNDRAISING							
Line	A	B	C	D	E	F	G
	Name of Source or Description of Fundraising	6/30/23 Actual	6/30/24 Actual/Budget	Receivable as of 6/30/24	6/30/25 Budget	Written	Fund-raising
19	TOTAL	-	51,500	40,000	12,000	2	2

Line	A	B	C	D
	Line Description	Revenue From Above	Church Offerings	Total
20	Total 2024-25 Revenues	12,000		12,000
21	June 30, 2024 Deferred Revenue			-
22	June 30, 2024 Accounts Receivable	40,000		40,000
23	TOTAL AMOUNT TO BE RECEIVED	52,000	-	52,000

- Total revenue and accounts receivable will automatically flow from the top of Schedule 4-2 to Lines 20 and 22 of the cash flow section.



Once these amounts have been entered in the top of Schedule 4-2, the 2024-25 revenues and June 30, 2024 Accounts Receivable will automatically flow to Lines 20 and 22. On this screen, you can see how the information in the top part of the schedule flows through to the bottom part of the schedule.

Schedule 4-2: Revenues Received Example (cont)

Line	A Line Description	B Revenue From Above
20	Total 2024-25 Revenues	12,000
21	June 30, 2024 Deferred Revenue	
22	June 30, 2024 Accounts Receivable	40,000
23	TOTAL AMOUNT TO BE RECEIVED	52,000
24	July 2024 Cash Receipts	
25	August 2024 Cash Receipts	
26	September 2024 Cash Receipts	
27	October 2024 Cash Receipts	
28	November 2024 Cash Receipts	
29	December 2024 Cash Receipts	
30	January 2025 Cash Receipts	
31	February 2025 Cash Receipts	
32	March 2025 Cash Receipts	
33	April 2025 Cash Receipts	
34	May 2025 Cash Receipts	
35	June 2025 Cash Receipts	
36	TOTAL CASH RECEIPTS	-
37	JUNE 30, 2025 Deferred Revenue	
38	JUNE 30, 2025 ACCOUNTS RECEIVABLE	52,000

The school anticipates receiving the following:

- \$10,000 received 10/1/24.
- \$40,000 written pledge raised through a fundraising drive received from Matthew Gibbs in July 2023. The amount will be paid to the school in annual installments of \$10,000 beginning December 2024.
- \$2,000 received in four quarterly installments of \$500 in September, December, March, and June.



Finally, we will complete the bottom portion of Schedule 4-2. Based on our examples, we anticipate receiving \$10,000 in October and \$10,000 in December, so we should insert \$10,000 on Lines 27 and 29. We also anticipate receiving four quarterly installments of \$500 in September, December, March and June.

{click} Once we have entered these amounts, the June 30, 2025 accounts receivable balance will be calculated as \$30,000. This is correct, since we would have \$30,000 remaining from the written pledge from Matthew Gibbs.

Schedule 4-2: In Class Activity-Existing Private School

Revenue Source	6/30/23 Actual Revenue	6/30/24 Actual/Budget Revenue	Expected 6/30/25 Revenue	2024-25 Expected Payments	Written Agreement?
Grantor's Foundation	\$12,000	\$12,000	\$12,000	\$12,000 Expected payment in June 2024	Written grant for 24-25 not yet received. Have written grant from 23-24.
\$2,500 Pledges each from George Johnson, Rita Williams, Valerie Jones, & Marge Brown	\$0	\$10,000	\$0	\$5,000 on Dec 2024 and \$5,000 Dec 2025.	Written pledges received July 2023 that were generated through a fundraising drive.
Church offerings	\$60,000	\$60,000	\$60,000	\$5,000 each month	No



We have an additional three revenue sources that need to be added to Schedule 4-2 in our example budget. Please pause the video and take a few minutes to enter the provided information into Schedule 4-2. Continue the video when you are ready to go over your answers.

Schedule 4-2: In Class Activity

EXTERNAL CONTRIBUTIONS, NON GOVERNMENT GRANTS, & FUNDRAISING							
Line	A	B	C	D	E	F	G
	Name of Source or Description of Fundraising	6/30/23 Actual	6/30/24 Actual/Budget	Receivable as of 6/30/24	6/30/25 Budget	Written	Fund-raising
4							
5							
6							
7							
8							

Revenue Source	6/30/23 Actual Revenue	6/30/24 Actual/Budget Revenue	Expected 6/30/25 Revenue	2024-25 Expected Payments	Written Agreement?
Grantor's Foundation	\$12,000	\$12,000	\$12,000	\$12,000 Expected payment in June 2024	Written grant for 24-25 not yet received. Have written grant from 23-24.
\$2,500 Pledges each from George Johnson, Rita Williams, Valerie Jones, & Marge Brown	\$0	\$10,000	\$0	\$5,000 on Dec 2024 and \$5,000 Dec 2025.	Written pledges received July 2023 that were generated through a fundraising drive.



Enter the funds from the Grantor's Foundation on line 4. The \$12,000 is entered in Columns B, C, and E. Since we don't have a written agreement for the 2024-25 school year, Column F should indicate "No". These amounts were not raised through a fundraiser, so "No" is also inserted in Column G.

As a reminder, new private schools must have a written agreement to support all amounts over \$1,000. As a result, in order to include the amount from the Grantor's Foundation, the school would need to obtain a written agreement that meets all of the requirements we went through earlier. As we discussed earlier, if a written agreement was obtained, the school would need to consider if the amount was revenue for the 2023-24 school year or 2024-25 school year based on the requirements in the agreement to receive the funds.

{click}New private schools must separately list each of the \$2,500 pledges with the individual providing the pledge identified. These pledges are included similar to the pledge from Matthew Gibbs.

If you need additional time to enter this information into your budget Excel document or check the information you have entered, please pause the training until you are ready to proceed.

Schedule 4-2: In Class Activity-Existing Private School

EXTERNAL CONTRIBUTIONS, NON GOVERNMENT GRANTS, & FUNDRAISING							
Line	A	B	C	D	E	F	G
	Name of Source or Description of Fundraising	6/30/23 Actual	6/30/24 Actual/Budget	Receivable as of 6/30/24	6/30/25 Budget	Written	Fund-raising
4							
5							

Revenue Source	6/30/23 Actual Revenue	6/30/24 Actual/Budget Revenue	Expected 6/30/25 Revenue	2024-25 Expected Payments	Written Agreement?
\$2,500 Pledges each from George Johnson, Rita Williams, Valerie Jones, & Marge Brown	\$0	\$10,000	\$0	\$5,000 on Dec 2024 and \$5,000 Dec 2025.	Written pledges received July 2023 that were generated through a fundraising drive.



An existing private school may combine the 4 \$2,500 pledges on a single line if they are below the threshold where the school would need to separately disclose them. If they are below the threshold, the description should explain that they were individually below the threshold. In our example, we wrote, “Written Pledges Under Threshold”. This language may vary but should generally be sufficient for DPI to determine that the amount from each individual donor is below the threshold. \$10,000 should be inserted in Columns C and D. Columns F and G should both say “Yes”.

Schedule 4-2: In Class Activity (cont)

Line	A Line Description	B Revenue From Above
20	Total 2024-25 Revenues	24,000
21	June 30, 2024 Deferred Revenue	
22	June 30, 2024 Accounts Receivable	50,000
23	TOTAL AMOUNT TO BE RECEIVED	74,000
24	July 2024 Cash Receipts	
25	August 2024 Cash Receipts	
26	September 2024 Cash Receipts	500
27	October 2024 Cash Receipts	10,000
28	November 2024 Cash Receipts	
29	December 2024 Cash Receipts	10,500
30	January 2025 Cash Receipts	
31	February 2025 Cash Receipts	
32	March 2025 Cash Receipts	500
33	April 2025 Cash Receipts	
34	May 2025 Cash Receipts	
35	June 2025 Cash Receipts	500
36	TOTAL CASH RECEIPTS	22,000
37	JUNE 30, 2025 Deferred Revenue	
38	JUNE 30, 2025 ACCOUNTS RECEIVABLE	52,000

- The school expects that the Grantor’s Foundation will give \$12,000 in June 2025.
- 4 \$2,500 Pledges from various church members will be received December 2024 and 2025 (\$5,000 in 2024 and \$5,000 in 2025).



At the bottom of Schedule 4-2, the \$12,000 expected from the Grantor’s Foundation should be included on line 35 and the \$5,000 from the 4 \$2,500 pledges should be included in December on line 29.

{click} Since the amounts entered from earlier examples are already included as cash receipts in those months, we will need to increase the existing \$10,500 in December to \$15,500. We will then need to increase the existing \$500 in June to \$12,500.

Schedule 4-2: In Class Activity (cont)

Line	A Line Description	B Revenue From Above	C Church Offerings
20	Total 2024-25 Revenues	24,000	
21	June 30, 2024 Deferred Revenue		
22	June 30, 2024 Accounts Receivable	50,000	
23	TOTAL AMOUNT TO BE RECEIVED	74,000	-
24	July 2024 Cash Receipts		
25	August 2024 Cash Receipts		
26	September 2024 Cash Receipts	500	
27	October 2024 Cash Receipts	10,000	
28	November 2024 Cash Receipts		
29	December 2024 Cash Receipts	15,500	
30	January 2025 Cash Receipts		
31	February 2025 Cash Receipts		
32	March 2025 Cash Receipts	500	
33	April 2025 Cash Receipts		
34	May 2025 Cash Receipts		
35	June 2025 Cash Receipts	12,500	
36	TOTAL CASH RECEIPTS	39,000	-
37	JUNE 30, 2025 Deferred Revenue		
38	JUNE 30, 2025 ACCOUNTS RECEIVABLE	35,000	-

- The organization also receives \$5,000 each month in church offerings, for an annual total of \$60,000 in church offerings.



The school also anticipates receiving church offerings of \$60,000. The total revenue expected to be received should be entered in Line 20, Column C.

{click} The expected \$5,000 of cash receipts per month are then entered in Lines 24-35.

If you need additional time to enter this information into your budget Excel document or check the information you have entered, please pause the training until you are ready to proceed.

Schedule 4-3: Endowments & Investments

ENDOWMENT FUND & OTHER INVESTMENT INCOME					
Line	A Income Type	B Payment Frequency	C 6/30/23 Actual	D 6/30/24 Actual/Budget	E 6/30/25 Budgeted
1	Endowment Fund Income				
2	Other Investment Income				

- Include the amount of endowment fund income and investment income on lines 1 and 2.
- Payment frequency for these payments and the church/school subsidies is based on how often the school expects to receive a payment.
- If the school has endowment fund income or any endowment funds that are held by the legal entity of the school, the school will be required to provide:
 - The documents establishing the endowment fund.
 - Bank statements showing the balance of the endowment fund.



The next schedule we will cover is Schedule 4-3. Schools must include revenue from endowment funds on Line 1 and investment income on Line 2. If schools have this type of revenue, the payment frequency must be identified in Column B by selecting the frequency from the drop down. The payment frequency should be based on how often the school expects to receive payments.

The school would then need to input the actual amount it earned for the year ended 6/30/23 in Column C, the expected/actual amount earned for the year ended 6/30/24 in Column D, and the budgeted amount for the 2024-25 school year in Column E.

If the school has endowment fund income or any endowment funds that are held by the legal entity of the school, the school will be required to provide the documents establishing the endowment fund and the bank statements showing the balance of the endowment fund. The documents establishing the endowment fund need to specify that the endowment fund was established and indicate how the funds may be used.

Schedule 4-3: Endowments & Investments (cont)

- The threshold for what to include on a separate line is the same as Schedule 4-2.
- This part of the schedule may *not* include subsidies from other parts of the legal entity of the school.
- The related party definition is on the second tab of the instructions under Step 6. In addition, the related party definition will be covered during the training on Schedule 6: Debt.

RELATED PARTY ORGANIZATION CONTRIBUTIONS					
Line	A Name of Organization Providing Subsidy	B Payment Frequency	C 6/30/23 Actual	D 6/30/24 Actual/Budget	E 6/30/25 Budgeted
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13	TOTAL RELATED PARTY ORGANIZATION CONTRIBUTIONS		-	-	-



In the next section of Schedule 4-3, schools must identify the name of any related party organizations that are providing funds to the school. This may not include any amounts received from another part of the same legal entity as the school.

This would include any funds received from a related organization. For example, if a high school is supported by several grade schools and churches that are not part of the same legal entity, those grade schools and/or churches would be identified on this schedule.

Another example is if three churches share a school. The school is part of the legal entity of one of the churches. If the other 2 churches provide subsidies to the church with the school, the subsidies from those 2 churches would be listed here.

The threshold for which organizations need to be included on a separate line is the same as the threshold we discussed earlier for Schedule 4-2.

In order to determine who would be included as a related party, schools should refer to the related party definition on the second tab of the instructions under Step 6. In addition, the related party definition will be covered in the training on Schedule 6, which is on Debt.

New Private School Related Party Organization Supporting Documentation

Private schools considered new schools according to Wis. Stat. 118.60 or 119.23, or schools in their first year of operation, must provide the following for any amount above the threshold:

- Related party's current Income Statement
- Related party's current Balance Sheet
- Related party's current bank statements
- Written agreement with related party

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Schools that are a new private school and schools that were not operating as a private school in the previous school year must provide the items on this slide for any related party organizations on Schedule 4-3 providing an amount above the threshold. These items are a current income statement, current balance sheet, and bank statements for each related party organization. Additionally, the school will be required to provide a written agreement for each amount above the threshold.

Existing School Related Party Organization Supporting Documentation

One of the following for any related party organization providing an amount above the threshold:

Current income statement, current balance sheet, and bank statements for each related party organization.

Alternative option if the 6/30/2025 budgeted amount is equal to or less than the 2023-24 amount: Cancelled checks for all 2023-24 contributions made through one month prior to the due date of the budget and the school's bank statements showing the amounts deposited into the school's account.

Any written agreements the school has for amounts above the threshold

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Existing organizations who are not new private schools as defined under the law or in their first year of operation must provide any written agreements they already have to support amounts above the threshold. These schools are not required to obtain a written agreement to support these amounts if they do not already have one.

The school must provide supporting documentation for any amounts from a related party organization on Schedule 4-3 that are above the threshold. If the budgeted amount is equal to or less than the 2023-24 amount, the school can provide cancelled checks for all 2023-24 contributions made through one month prior to the due date of the budget and the school's bank statements showing the amounts deposited into the school's account.

If the budgeted amount is more than the 2023-24 amount, the school must provide the income statement, balance sheet, and bank statements for each related party organization that is providing an amount above the threshold. The school can also choose to provide the income statement, balance sheet, and bank statements rather than the alternative option for any related party organization in the schedule.

Schedule 4-3: Endowments & Investments (cont)

RELATED PARTY ORGANIZATION CONTRIBUTIONS					
Line	A Name of Organization Providing Subsidy	B Payment Frequency	C 6/30/22 Actual	D 6/30/23 Actual/Budget	E 6/30/24 Budgeted
3					
4					
5					
6					

- If the school would like the DPI to make a selection of organizations that supporting documentation is required from, the school must provide a completed Schedule 4-3, Lines 3-12 to the DPI auditors at least two weeks in advance of the budget due date.
- If a sample is selected by a DPI auditor, the school must submit the email from the DPI Choice auditors indicating the sample selected with the budget.



If the school has more than 5 organizations providing amounts above the threshold, or if the organizations are providing the funds more than quarterly, the school may request that the DPI select a sample of organizations and/or payments for which the school needs to provide supporting documentation. Schools making this request must email a completed Schedule 4-3, Lines 3-12 to dpichoicedauditreports@dpi.wi.gov at least two weeks prior to the budget due date. The email from the DPI Choice auditors identifying the sample selected must be provided with the budget submission if this option is used.

Schedule 4-3: Endowments & Investments (cont)

CASH FLOWS					
Line	A Line Description	B Related Party Organization Contributions	C Endowment Fund Income	D Other Investment Income	E Total
14	Total 2024-25 Revenues	-	-	-	-
15	June 30, 2024 Deferred Revenue				-
16	June 30, 2024 Accounts Receivable				-
17	TOTAL AMOUNT TO BE RECEIVED	-	-	-	-
18	July 2024 Cash Receipts				-
19	August 2024 Cash Receipts				-
20	September 2024 Cash Receipts				-
21	October 2024 Cash Receipts				-
22	November 2024 Cash Receipts				-
23	December 2024 Cash Receipts				-
24	January 2025 Cash Receipts				-
25	February 2025 Cash Receipts				-
26	March 2025 Cash Receipts				-
27	April 2025 Cash Receipts				-
28	May 2025 Cash Receipts				-
29	June 2025 Cash Receipts				-
30	TOTAL CASH RECEIPTS	-	-	-	-
31	JUNE 30, 2025 Deferred Revenue				-
32	JUNE 30, 2025 ACCOUNTS RECEIVABLE	-	-	-	-

Insert the Deferred Revenue and Accounts Receivable balances at the beginning of the year in Lines 15 and 16. Line 17 will then indicate the amount to be received during the school year. Include the amount that will be received for each month in Lines 18-29. Insert any Deferred Revenue balance at the end of the year on line 31. Finally, review the year end Accounts Receivable balance in Line 32 to determine if it is correct.



The bottom of Schedule 4-3 is similar to the bottom of Schedules 4-1 and 4-2. The amount on Line 14 will automatically fill in based on what you input in the top portion of Schedule 4-3. In this section, you will be entering anticipated monthly cash receipts, deferred revenue, and accounts receivable.

Schedule 4-3: Example

Revenue Source	6/30/23 Actual Revenue	6/30/24 Actual/Budget Revenue	Expected 6/30/25 Revenue	2024-25 Expected Payments	Asset Balance as of June 30, 2024	Schedule 4-3 Line?
Holy Love Future Scholars Endowment Fund	\$4,000	\$4,000	\$6,000	January 2025	\$500,000	
Cornerstone Endowment Fund	\$2,500	\$2,500	\$3,000	January 2025	\$1 million	
Other investment interest	\$2,000	\$2,000	\$1,200	\$300 in July, October, January and April	\$25,000	
St. James-related party that is a separate legal entity	\$10,000	\$10,000	\$10,000	\$2,500 in July, October, January, and April	N/A	
St. Mary-related party that is a separate legal entity	\$10,000	\$10,000	\$10,000	\$2,500 in July, October, January, and April	N/A	

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This slide contains the information you will need for Schedule 4-3 of the Holy Love budget example. I will give you a moment to read each revenue source and identify which line of Schedule 4-3 it should be included in. Please pause the slide until you are ready to continue.

{click} The income from the endowment funds on the first two lines should be included on Line 1.

{click} The other investment interest would be included on Line 2.

{click} The amounts received from St. James and St. Mary would be included on Lines 3 and 4 of the schedule.

Now, please take a few moments to complete Schedule 4-3. Pause the presentation until you are ready to go through the answers.

Schedule 4-3 : In Class Activity

ENDOWMENT FUND & OTHER INVESTMENT INCOME					
Line	A Income Type	B Payment Frequency	C 6/30/23 Actual	D 6/30/24 Actual/Budget	E 6/30/25 Budgeted
1	Endowment Fund Income				
2	Other Investment Income				

Revenue Source	6/30/23 Actual Revenue	6/30/24 Actual/Budget Revenue	Expected 6/30/25 Revenue	2024-25 Expected Payments
Holy Love Future Scholars Endowment Fund	\$4,000	\$4,000	\$6,000	January 2025
Cornerstone Endowment Fund	\$2,500	\$2,500	\$3,000	January 2025
Other investment interest	\$2,000	\$2,000	\$1,200	\$300 in July, October, January and April



The payment frequency is based on how often we expect to receive payments, so annually is selected for Line 1 and quarterly is selected on Line 2.

{click} We would then input the information for the endowment funds into Line 1, Columns C through E and the other investment interest into Line 2, Columns C through E. Please note that the endowment fund amounts we put in here are the **income** we expect to earn from the fund during the year rather than the asset balance of the endowment fund. Furthermore, any endowment fund income we expect to earn, whether the endowment fund is part of the legal entity of the school or not, is included here.

If you need additional time to enter this information into your budget document or to check the information you have entered, please pause the training until you are ready to proceed.

Schedule 4-3 : In Class Activity

RELATED PARTY ORGANIZATION CONTRIBUTIONS					
Line	A Name of Organization Providing Subsidy	B Payment Frequency	C 6/30/23 Actual	D 6/30/24 Actual/Budget	E 6/30/25 Budgeted
3					
4					

Revenue Source	6/30/23 Actual Revenue	6/30/24 Actual/Budget Revenue	Expected 6/30/25 Revenue
St. James-related party who is separate legal entity	\$10,000	\$10,000	\$10,000
St. Mary-related party who is separate legal entity	\$10,000	\$10,000	\$10,000



The amounts received from St. Mary and St. James are input as shown on this slide.

{click} These amounts are received quarterly. \$10,000 is inserted on Lines 3 and 4 for Columns C through E since the amounts received in prior years are consistent with the expected amount in the next school year.

If you need additional time to enter this information into your budget Excel document or check the information you have entered, please pause the training until you are ready to proceed.

Schedule 4-3: In Class Activity

Line	A Line Description	B Related Party Organization Contributions	C Endowment Fund Income	D Other Investment Income
14	Total 2024-25 Revenues	20,000	9,000	1,200
15	June 30, 2024 Deferred Revenue			
16	June 30, 2024 Accounts Receivable			
17	TOTAL AMOUNT TO BE RECEIVED	20,000	9,000	1,200
18	July 2024 Cash Receipts			
19	August 2024 Cash Receipts			
20	September 2024 Cash Receipts			
21	October 2024 Cash Receipts			
22	November 2024 Cash Receipts			
23	December 2024 Cash Receipts			
24	January 2025 Cash Receipts			
25	February 2025 Cash Receipts			
26	March 2025 Cash Receipts			
27	April 2025 Cash Receipts			
28	May 2025 Cash Receipts			
29	June 2025 Cash Receipts			
30	TOTAL CASH RECEIPTS	-	-	-
31	JUNE 30, 2025 Deferred Revenue			
32	JUNE 30, 2025 ACCOUNTS RECEIVABLE	20,000	9,000	1,200

Revenue Source	2024-25 Expected Payments
Holy Love Future Scholars Endowment Fund	January 2025
Cornerstone Endowment Fund	January 2025
Other investment interest	\$300 in July, October, January and April
St. James-related party who is separate legal entity	\$2,500 in July, October, January, and April
St. Mary-related party who is separate legal entity	\$2,500 in July, October, January, and April



Next, we will enter the cash receipts into Lines 18 through 29. The amounts received from St. James and St. Mary are both inserted in Column B, so we have \$5,000 received in July, October, January and April.

{click} The full endowment income is expected to be received in January, so the \$9,000 should be included in Line 24, Column C. Lastly, the other investment income of \$300 is entered for July, October, January and April in Column D.

If you need additional time to enter this information into your budget Excel document or to check the information you have entered, please pause the training until you are ready to proceed.

Schedule 4-4: Other Revenues

OTHER REVENUE EXPLANATION					
Include any other revenues received by the legal entity of the school not in Schedule 4-1, 4-2, or 4-3. Include the revenue type in Column A and the source name and additional detail in Column B. Then insert the actual amount received in the past two years and the budgeted amount. THE SCHOOL MAY NOT INCLUDE REVENUE FROM ITS LEGAL ENTITY IN THIS SCHEDULE.					
Line	A Type of Revenue Explanation <i>e.g. rental revenue</i>	B Name(s) of Source(s) <i>If related to rent or property sales, identify the location being rented or sold</i>	C 6/30/23 Actual	D 6/30/24 Actual/Budget	E 6/30/25 Budgeted
1					

- If the school has any other type of revenue, include it in Schedule 4-4.
- If the school is receiving rental income, include the location being rented.
- If the school sells fixed assets, include the proceeds from the sale of the fixed assets on this schedule.
- The description must be completed and be sufficient for the DPI to understand the source of the revenue. If it is not completed, the school will receive an error.



The last revenue schedule is Schedule 4-4. This is only used if a revenue type doesn't fit in one of the preceding revenue schedules we've discussed. The most common item that would be included on this schedule is if the organization rents out one of their buildings. In this case, identify the location being rented in Column B. If the school sells fixed assets, include the proceeds from the sale of the fixed assets on this schedule.

The description of the revenue item must be sufficient so that DPI understands the source of the revenue. There will be an error to the right if the required columns are not completed.

Schedule 4-4: Other Revenues

Line	A	B	C	D	E	F	G
	LINE DESCRIPTION						TOTAL OTHER REVENUE
6	Total 2024-25 Revenues	-	-	-	-	-	-
7	June 30, 2024 Deferred Revenue						-
8	June 30, 2024 Accounts Receivable						-
9	TOTAL AMOUNT TO BE RECEIVED	-	-	-	-	-	-
10	July 2024 Cash Receipts						-
11	August 2024 Cash Receipts						-
12	September 2024 Cash Receipts						-
13	October 2024 Cash Receipts						-
14	November 2024 Cash Receipts						-
15	December 2024 Cash Receipts						-
16	January 2025 Cash Receipts						-
17	February 2025 Cash Receipts						-
18	March 2025 Cash Receipts						-
19	April 2025 Cash Receipts						-
20	May 2025 Cash Receipts						-
21	June 2025 Cash Receipts						-
22	TOTAL CASH RECEIPTS	-	-	-	-	-	-
23	JUNE 30, 2025 Deferred Revenue						-
24	JUNE 30, 2025 ACCOUNTS RECEIVABLE	-	-	-	-	-	-

- The descriptions and amounts of other revenue will flow to the top lines of the cash flow section once the top section is completed.



The bottom cash flow schedule on Schedule 4-4 is similar to the cash flow sections you have previously seen.

The description for the other revenue will show in the header of the cash flow section and the amounts will flow to line 6 once the top section is completed.

Schedule 4-4: Other Revenues

- The school leases their location to Weight Watchers every month for \$100 per month.
- Weight Watchers pays \$1,200 in July for the whole school year.
- The school received \$1,200 from the Weight Watchers for the last two years.

Line	A Type of Revenue Explanation <i>e.g. rental revenue</i>	B Name(s) of Source(s) <i>If related to rent or property sales, identify the location being rented or sold</i>	C 6/30/23 Actual	D 6/30/24 Actual/Budget	E 6/30/25 Budgeted
1	Rental Revenue	Weight Watchers, 100 E. Main St.	1,200	1,200	1,200

Line	A LINE DESCRIPTION	B Rental Revenue
6	Total 2024-25 Revenues	1,200
7	June 30, 2024 Deferred Revenue	
8	June 30, 2024 Accounts Receivable	
9	TOTAL AMOUNT TO BE RECEIVED	1,200
10	July 2024 Cash Receipts	1,200
11	August 2024 Cash Receipts	
12	September 2024 Cash Receipts	
13	October 2024 Cash Receipts	
14	November 2024 Cash Receipts	
15	December 2024 Cash Receipts	
16	January 2025 Cash Receipts	
17	February 2025 Cash Receipts	
18	March 2025 Cash Receipts	
19	April 2025 Cash Receipts	
20	May 2025 Cash Receipts	
21	June 2025 Cash Receipts	
22	TOTAL CASH RECEIPTS	1,200
23	JUNE 30, 2025 Deferred Revenue	
24	JUNE 30, 2025 ACCOUNTS RECEIVABLE	-



Let us now return to our Holy Love example budget and complete Schedule 4-4. The school leases a building to Weight Watchers every month for \$100 per month. Weight Watchers pays \$1,200 in July for the whole school year. The school received \$1,200 from Weight Watchers for the last two years.

For this example, “Rental Revenue” is identified as the revenue type in Column A. In Column B, the school must identify the source name, which is Weight Watchers, and the address of the location being rented. Columns C through E each have \$1,200 since the school received \$1,200 for the last two years and expects to receive the same in the next year.

Finally, at the bottom of Schedule 4, the full \$1,200 is recorded as a cash receipt in July 2024.

Pause the presentation until you have this information entered in your budget and you are ready to proceed.

Schedule 7-1: Current & Long Term Receivables

Line	A Item	ASSETS		
		B June 30, 2024	C Uncollectable Accounts	D Category Changes (A)
1	Cash			
2	Short-Term Investments (A)			
3	Current Receivables			
4	Prepaid Expenses	-		
5	Total Current Assets	-		
6	Fixed Assets	-		
7	Accumulated Depreciation	-		
8	Operating/Finance Lease Right of Use Assets	-		
9	Long Term Receivables	50,000		
10	Long Term Investments (A)			
11	Other Assets (A)			
12	TOTAL ASSETS	50,000	-	-

- The receivables balance will automatically default to Long Term Receivables on line 9 (meaning the amount will not be received for more than a year).
- If anything is expected to be received within the next year, it should be included in Current Receivables on Line 3. This will automatically update the long term portion on Line 9.
- This must be done as of June 30, 2024, and June 30, 2025.
- All receivables must be entered on Schedules 4-1 through 4-4 in the correct category. They cannot be directly added to Schedule 7-1. If Line 9 is negative, the school will receive an error.



Now that we have gone over the input of revenues into the budget, let's turn our attention to accounts receivable.

Receivable balances are included on Schedule 7-1. The receivable balances will automatically default to Long Term Receivables on line 9 (meaning the amount will not be received for more than a year). If anything is expected to be received within the next year, it should be included in Current Receivables on Line 3. This will automatically update the long term portion on Line 9. This must be done for the balances as of June 30, 2024 and 2025.

All receivables must be entered on Schedules 4-1 through 4-4 in the correct category. They cannot be directly added to Schedule 7-1. If Line 9 of Schedule 7-1 is negative, the school will receive an error and should review their entries on Schedules 4-1 through 4-4.

Schedule 7-1: Current & Long Term Receivables Example

- \$40,000 written pledge by Matthew Gibbs in July 2023. The amount will be paid to the school in annual installments of \$10,000 beginning December 2024.

	June 30, 2024	June 30, 2025
Total Remaining Pledge	\$40,000	\$30,000
Current	\$10,000	\$10,000
Long Term	\$30,000	\$20,000



We will need to review our accounts receivable balances for the Holy Love example and determine which portions are current and which are long-term. Current receivables are receivables we expect to receive within one year. This means that the current receivable balance as of June 30, 2024, would be amounts that we expect to receive from July 1, 2024 to June 30, 2025.

The information regarding the pledge receivable from Matthew Gibbs is on this screen. We have a \$40,000 pledge outstanding as of June 30, 2024. The pledge agreement states that we will receive \$10,000 annually in December, beginning December 2024. Therefore, the current portion of the pledge receivable would be \$10,000 as of June 30, 2024 and 2025, because that is what we expect to receive during the 12 months after each June 30th.

The long term portion is the difference between our total receivable and the current portion. As of June 30, 2024, this would be \$30,000, calculated by taking the total pledge of \$40,000 and subtracting the \$10,000 current amount. The long term portion as of June 30, 2025, would be \$20,000, calculated by taking the remaining balance of \$30,000 as of June 30, 2025 and subtracting the \$10,000 current portion.

Schedule 7-1: Current & Long Term Receivables Example

- The school has 4 \$2,500 pledges. The written pledges were received in May 2023. The amount will be paid to the school in two equal installments on December 2024 and December 2025.

	June 30, 2024	June 30, 2025
Total Remaining Pledge	\$10,000	\$5,000
Current		
Long Term		

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Now that we have gone through the pledge from Matthew Gibbs together, take a few minutes to determine the current and long term portions of the \$10,000 of pledges from various individuals as of June 30, 2024 and 2025. Please pause the presentation until you are ready to go through the answer.

For these pledges, we expect to receive half of them in December 2024 and the other half in December 2025.

{click} Since we expect to receive \$5,000 in each of the next school years, the current portion as of the end of each school year will be \$5,000.

{click} The long term portion is then the difference between the total remaining pledge and the current portion, which is \$5,000 for the year ended June 30, 2024, and \$0 as of June 30, 2025.

Schedule 4-1: Current & Long Term Receivables Example

Line	A Line Description	B Tuition & Fees	C Government Assistance
18	Total 2024-25 Revenues	134,500	46,584
19	June 30, 2024 Deferred Revenue	42,000	
20	June 30, 2024 Accounts Receivable		
21	TOTAL AMOUNT TO BE RECEIVED	92,500	46,584
22	July 2024 Cash Receipts	3,500	
23	August 2024 Cash Receipts	43,500	
24	September 2024 Cash Receipts	3,500	
25	October 2024 Cash Receipts	4,550	4,658
26	November 2024 Cash Receipts	4,550	4,658
27	December 2024 Cash Receipts	4,550	4,658
28	January 2025 Cash Receipts	4,550	4,658
29	February 2025 Cash Receipts	4,550	4,658
30	March 2025 Cash Receipts	4,550	4,658
31	April 2025 Cash Receipts	4,550	4,658
32	May 2025 Cash Receipts	39,550	4,658
33	June 2025 Cash Receipts	4,550	4,658
34	TOTAL CASH RECEIPTS	126,450	41,922
35	JUNE 30, 2025 Deferred Revenue	35,000	
36	JUNE 30, 2025 ACCOUNTS RECEIVABLE	1,050	4,662

- The other accounts receivables consists of tuition and fees and government assistance that the school expects to receive during the 2025-26 school year, so these balances are also considered current.



In addition to the pledge receivables, we had other receivables on Schedule 4-1 as of June 30, 2025. Since Holy Love expects to receive the amounts during the 2025-26 school year, these are considered current receivables.

Schedule 7-1: Current & Long Term Receivables Example

Current Portion of Receivables

	June 30, 2024	June 30, 2025
Matthew Gibbs	\$10,000	\$10,000
4 \$2,500 pledges	\$5,000	\$5,000
Tuition & Fees	\$0	\$1,050
Government Assistance	\$0	\$4,662
Total	\$15,000	\$20,712

Long Term Portion of Receivables

	June 30, 2024	June 30, 2025
Matthew Gibbs	\$30,000	\$20,000
4 \$2,500 pledges	\$5,000	\$0
Total	\$35,000	\$20,000



This slide shows how we would calculate the total current and long term portion of the current and long term receivables based on the examples we have gone over in the previous slides.

If we add up all of the current receivables for the years ending June 30, 2024, and June 30, 2025, we have \$15,000 of current receivables as of June 30, 2024, and \$20,712 of current receivables as of June 30, 2025. We will need to input these numbers into Schedule 7-1 as shown on the next slide.

Schedule 7-1: Current & Long Term Receivables Example

	June 30, 2024	June 30, 2025
Total Current	\$15,000	\$20,712
Total Long Term	\$35,000	\$20,000

		ASSETS			
Line	A Item	B June 30, 2024	C Uncollectable Accounts	D Category Changes (A)	E June 30, 2025
1	Cash				369,884
2	Short-Term Investments (A)				-
3	Current Receivables				
4	Prepaid Expenses	3,000			3,000
5	Total Current Assets	3,000			372,884
6	Fixed Assets	-			-
7	Accumulated Depreciation	-			-
8	Operating/Finance Lease Right of Use Assets	-			-
9	Long Term Receivables	50,000			40,712
10	Long Term Investments (A)				-
11	Other Assets (A)				-
12	TOTAL ASSETS	53,000	-	-	413,596

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The top box is a summary of the information determined in the previous slides. On the budget, you will notice that the full receivable balance defaults to being long-term. All receivables are included on Line 9 until we enter the current receivable balances on Line 3.

{click} Once we enter in the current portion on Line 3, the long term portion will automatically be adjusted to be the difference between the total receivables from the other schedules and the long term portion. On Line 3, insert 15,000 in Column B and 20,712 in Column E.

Once you do this, you will see that the long term portion on Line 9 will update. As a double check, you should confirm that the long term portions equal the amounts you expect. In our example, Line 9 equals the total long term receivables we calculated as of June 30, 2024 and 2025. The 35,000 is included on Line 9, Column B and the 20,000 is included on Line 9, Column E.

Schedule 7-1: Receivables & Bad Debt Expense

Line	A Item	ASSETS	
		B June 30, 2024	C Uncollectable Accounts
1	Cash		
2	Short-Term Investments (A)		
3	Current Receivables	15,000	
4	Prepaid Expenses	3,000	
5	Total Current Assets	18,000	
6	Fixed Assets	-	
7	Accumulated Depreciation	-	
8	Operating/Finance Lease Right of Use Assets	-	
9	Long Term Receivables	35,000	2,000
10	Long Term Investments (A)		
11	Other Assets (A)		
12	TOTAL ASSETS	53,000	2,000

- If the school included any bad debt expense on Schedule 3-2, the uncollectable amount must also be included in Column C in the respective category.
- If the amount in Schedule 7-1, column C doesn't match the bad debt expense on Schedule 3-2, the school will receive an error.



If the school included bad debt expense on Schedule 3-2, the uncollectable amount must also be included in Column C in the respective category.

If the amount in Schedule 7-1, column C doesn't match the bad debt expense on Schedule 3-2, the school will receive an error.

In our example, we had \$2,000 of bad debt expense that was entered in conjunction with the Schedule 3-3 training, so you should enter \$2,000 on Line 9, Column C.

Knowledge Check

Where in the budget should the school include anticipated Choice revenue?

- a. It should be included in Schedule 4-1, Line 2.
- b. It should be included on Schedule 4-2 in the first section.
- c. The school should not include the anticipated Choice revenue in the budget. The anticipated Choice revenue is automatically calculated based on the number of Choice pupils on Schedule 2-1.



Now that we have gone over the receivables-related portion of Schedule 7-1, let's have a quick knowledge check. I will give you a minute to read through this question and decide your answer.

{click} The correct answer to this is c. The school should **not** include the anticipated Choice revenue in the budget. The anticipated Choice revenue is automatically calculated based on the number of Choice pupils on Schedule 2-1. If you include the revenue from the Choice program in a schedule separately, you will be including the revenue twice.

General Revenue Errors for Sch 4-1 thru 4-4

[?] 30	The cash receipts section in Schedules 4-1, 4-2, and/or 4-3 are not completed	ERROR
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- The cash receipts section at the bottom of Schedules 4-1, 4-2, 4-3 & 4-4 must be completed for all schedules with revenue.
- The school will only receive an error if none of the 4-1, 4-2, 4-3 & 4-4 have any cash receipts.
- The school should ensure that each schedule has the cash receipts included.



To close, let's go over a few error messages related to schedule 4-1 through 4-4.

The first general error we will review is an error that is triggered if you have not completed the cash receipts sections in Schedule 4-1, 4-2, 4-3, **or** 4-4. Please note this error only shows if you have not put cash receipts in any of the Schedule 4 series. So, if you miss entering the cash receipts in **one** of the schedules but another Schedule 4 is correctly completed, this error will not show. As a result, it is important that you review the cash receipts section of each Schedule 4 and ensure you have entered in cash receipts for any type of revenue that you expect to receive cash from.

General Revenue Errors for Sch 4-1 thru 4-4 (cont)

[?] 31 The ending accounts receivable balance cannot be negative in Schedules 4-1, 4-2, 4-3, and/or 4-4

OK

- The ending accounts receivable balance at the bottom of Schedules 4-1, 4-2, 4-3 & 4-4 cannot be negative.
- Adjust the cash flow receipts, deferred revenue or prior year accounts receivable to remove any negative ending accounts receivable balance.

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The other general error we will review is an error that is identified if the ending Accounts Receivable balance is negative in Schedule 4-1, 4-2, 4-3, or 4-4. Remember, one of the last steps you should do as you complete each schedule is to review the ending Accounts Receivable balance and ensure it is correct based on what you anticipate your ending Accounts Receivable balance being. If you have a negative amount as an ending receivable, you will need to adjust the information in the schedule to remove the negative and correct the Accounts Receivable balance. This might include adjusting the cash flow receipts, deferred revenue, or prior year accounts receivable balance.

As a reminder, if you are unsure how to resolve an error, first put your mouse on the question mark next to the error. A comment will show that explains how to resolve the error. If you are still unsure how to resolve the error after reviewing the comment, you can send an email to dpichoicedauditreports@dpi.wi.gov that includes a copy of your budget and identifies which error you have a question on. The Choice auditors will review the error and help you resolve it.

Revenue Reminders for Schedules 4-1 thru 4-4

- Include all revenues for the legal entity.
- State paid Choice revenue is already included based on Choice pupils on Schedule 2-1.
- Read the instructions at the top of each schedule and in the instructions tab.
- Make sure the cash flow by month is completed for each column that includes revenue.
- Identify the Accounts Receivable and Deferred Revenues - check the June 30, 2025 Accounts Receivable balance for each column that includes revenue and make sure the amount is reasonable.
- Provide supporting documentation as required based on the instructions and Required Attachment tab.
- Make sure all errors on the schedules and on the Error tab are OK.



As we conclude the non-Choice revenue section of the budget trainings, let's review a few key items to remember as you complete Schedules 4-1 through 4-4.

First, you must include the full revenue for the entire legal entity of the school. If a church is part of the same legal entity, any revenue the church expects to receive must be included in the budget. Keep in mind that Choice revenue is automatically included as a cash receipt and in revenue, and should not be separately entered in the budget. As you progress through the budget, make sure to carefully read the instructions tab that explains how to complete these schedules and the top of each schedule.

Ensure you complete the cash flow section for each type of revenue the school expects to receive. Also, make sure you include the beginning Accounts Receivable and deferred revenue balances. Make sure the calculated June 30, 2025 Accounts Receivable balance is correct. If it is not, that means you have to correct another number in the schedule.

You will need to provide documentation supporting certain amounts in Schedule 4, such as written agreements for certain revenue sources. Make sure you review the attachments tab of the budget after you have completed Schedule 4-1, 4-2, 4-3 and 4-4. The required attachments are identified based on the information you enter in the schedules. If you modify the information in any of the schedules, you must check the Attachments page to determine if the required attachments changed.

Lastly, make sure you resolve any errors on the error tab for your school's budget. They must all say OK when you finish your school's budget.

Available Resources

On Demand Trainings

- K4 Parental Outreach (Training 1-3)
- Auditor Authorization Form (Training 3-3)
- Financial Audit Requirements (Training 5)
- Fiscal & Internal Control Practices (Training 6)
- Payment Process, Pupil Count Overview, Audit Overview (Training 9-1)
- Count Reports (Training 9-2 & 9-3)

<https://dpi.wi.gov/parental-education-options/choice-programs/on-demand-training>

Bulletins

- Financial Audit and PSCP/SNSP Reserve Balance Bulletin
- PSCP Eligible Education Expenses Bulletin
- K4 Parental Outreach Activities Bulletin
- Student Tuition and Fees Bulletin
- Criminal Background Check Bulletin
- Staff Credentials Bulletin
- Summer School Bulletin
- Accreditation Bulletin
- Insurance & Fidelity Bond Bulletin

<https://dpi.wi.gov/parental-education-options/choice-programs/bulletins>



The department has on demand trainings and bulletins available to help schools understand programmatic requirements. Schools are encouraged to review these trainings and bulletins throughout the year when you have questions on the Choice requirements.

The trainings and bulletins that relate to the revenue section we just discussed include the Financial Audit Requirements training, which includes information on offsetting revenues. The last two trainings describe the payment process and how Choice payments are made.

The Financial Audit and PSCP/SNSP Reserve Balance Bulletin describes offsetting revenue and how it is included in the calculation of the reserve balance.

Questions?

Budget questions should be sent to:

dpichoiceauditreports@dpi.wi.gov

General program questions should be sent to:

privateschoolchoice@dpi.wi.gov

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Questions on this training, including questions on the budget and cash flow report, should be directed to dpichoiceauditreports@dpi.wi.gov, rather than a specific auditor. This mailbox is monitored by all of the Choice program auditors.

If you have general Choice program questions, they should be directed to the Choice program consultants at privateschoolchoice@dpi.wi.gov.