

Private School Choice Programs & Special Needs Scholarship Program Payment Process, Financial & Enrollment Audits Training

The handouts are available at:
<https://dpi.wi.gov/parental-education-options/special-needs-scholarship/school-training>

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School Finance Auditor
July 2023



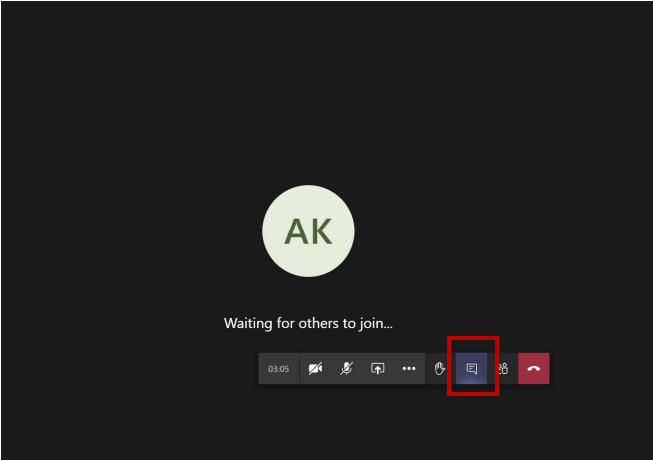
WISCONSIN DEPARTMENT OF

Public Instruction

Jill K. Underly, PhD, State Superintendent

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Technical Assistance



Meeting chat

Kratz, Andrea M. DPI joined the meeting.

Kratz, Andrea M. DPI renamed the meeting to .

Neuman, Kendra M. DPI and Monroe, Robert E. DPI joined the meeting.

Type a new message

- All participants have been muted.
- If you need technical assistance, use the chat by pressing the speech bubble icon and typing in your question.
- The menu bar may be at the top of your screen or in the middle as shown on the slide. If you cannot see the menu bar, move your mouse to the bottom of the page and it should appear.
- This session is **not** being recorded.

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Today's Agenda



- Audit Process Overview
- Payment Process, Statement of Actual Cost, & Summer School
- Enrollment/Count Reports & Virtual Instruction
- Criminal Background Checks
- Financial Audit:
 - Financial Audit Overview
 - Eligible Education Expenses
 - Fixed Assets
 - Reserve Balance Overview

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Private School Choice Programs (PSCP or Choice)

MPCP

- Milwaukee Parental Choice Program
- Students residing in the City of Milwaukee

RPCP

- Racine Parental Choice Program
- Students residing in the Racine Unified School District

WPCP

- Wisconsin Parental Choice Program
- Students residing in Wisconsin outside the City of Milwaukee and the Racine Unified School District

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What is the SNSP?

The Special Needs Scholarship Program (SNSP) allows a student with a disability, who meets certain eligibility requirements, to receive a state-funded scholarship to attend a participating private school.



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Law & Statute

- PSCP is based on Wis. Stats. 118.60 and 119.23 and Wis. Admin. Codes PI 35 and 48.
- SNSP is based on Wis. Stat. 115.7915 and Wis. Admin. Code PI 49.
- This presentation is based on current law and is subject to change based on statute or rule changes. This presentation provides information on certain requirements but is not a complete presentation of all requirements. Additional information on the requirements is available on the SNSP and Choice websites.
- If there are changes to statute or rule, the department will provide guidance as soon as we are able.

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Audit Process Overview

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Audit Process Overview

- School retains and pays independent audit firm.
- DPI provides agreed upon procedure reports to the auditing firms.
- DPI generally relies on auditor work but has oversight authority.

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Auditor Selection

- Auditor Authorization Form must be submitted before DPI can disclose any school or student information to the school's audit firm.
- The Program administrator, auditor, and head of the governing board (or owner for the Choice form) must sign and date the form.
- This form can be submitted electronically to the email in the instructions and does not require original signatures.

I. SCHOOL INFORMATION			
Name of School			
School Street Address No PO box. Not billing/Church address		City	WI ZIP
Name of SNSP Administrator	SNSP Administrator Signature	Date Signed Mo./Day/Yr.	
II. AUDITOR AGREEMENT			
The auditor, by providing an authorized signature below, agrees to comply with all requirements of Wis. Stat. 115.7915 and Wis. Admin. Code PI 49 and acknowledges being aware that the Department of Public Instruction will rely on the auditor's work in making payments to the school. The auditor further acknowledges a duty not to provide individual pupil information to or discuss such information with anyone except school staff and the Department of Public Instruction.			
Name of Certified Public Accounting Firm "Auditor"		CPA Firm Credential Number	Phone Area/No.
Accounting Firm Mailing Address		City	State ZIP
Name of Individual at Firm Authorized to Accept Engagement		CPA Credential Number	E-mail Address of Authorized Individual
Signature of Individual Authorized to Accept Engagement		Date Signed Mo./Day/Yr.	
III. SCHOOL INFORMATION RELEASE AUTHORIZATION			
WE HEREBY CONFIRM that the above identified Certified Public Accounting Firm has been engaged to provide reports to the Wisconsin Department of Public Instruction as required by Wis. Stat. 115.7915 and Wis. Admin. Code PI 49. The Wisconsin Department of Public Instruction is hereby authorized to release information regarding the school and its pupils directly to the above named auditor. The management of the operating organization, if applicable, and the school recognize that no SNSP payments can be made to the school if the auditor is not eligible to practice public accounting in the State of Wisconsin at the time of report issuance, and that failure to provide required reports may result in termination from the SNSP.			
Name of Head of Governing Board		Phone Area/No.	
Signature of Head of Governing Board		Date Signed Mo./Day/Yr.	

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Auditor Selection (cont)

- A separate Auditor Authorization form is required for SNSP and Choice.
- The SNSP Auditor Authorization Form and a list of schools that complete SNSP and Choice Audits are available at <https://dpi.wi.gov/parental-education-options/special-needs-scholarship/auditor>.
- The forms should be submitted to snsp@dpi.wi.gov (for SNSP) and dpichcoiceauditreports@dpi.wi.gov (for Choice) by August 15, 2023 for new SNSP/Choice schools.
- Schools continuing in the program they are participating in only need to provide this form if they change auditors.

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Independence Requirements

- No compilation or review services may be provided by the school's auditor unless the school makes available a trial balance, based on the school's general ledger established as part of the financial accounting system, for the compilation or review services.

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Independence Requirements

- Auditors must comply with all American Institute of Certified Public Accountants (AICPA) independence standards.
- An auditor that performs the audit, compilation, or review services **may not** post or prepare for posting typical reoccurring financial transactions to the school's general ledger except as permitted by the AICPA independence standards.
- If subcontracting Choice/SNSP work to another CPA for a school, that individual/firm must remain independent in relation to that school.

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Independence Requirements (cont)

- In order to prepare and post adjusting, correcting, and closing journal entries to the private school's general ledger the auditor and school must meet the following requirements:
 - School's management must provide written approval of the entries
 - The auditor's workpapers must document evidence of management approval for all adjusting entries

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Independence Requirements (cont)

- If an auditor assists in the preparation of the budget, they must meet the following requirements:
 - Identify if any assistance was provided as required by DPI
 - Comply with Wisconsin Administrative Code § Accy 1.201 (1)

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School Responsibility

- An auditor's failure to completely or properly perform the responsibilities in Wisconsin statutes and administrative rule is not a defense a school can use against DPI determinations.

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Written Engagement Letter

The school must have a written engagement letter with the auditor that includes all of the following:

- A statement that the auditor will comply with generally accepted auditing standards (GAAS) and the requirements in Wisconsin administrative rule.
- A statement that the auditor will comply with generally accepted governmental auditing standards (GAGAS), if governmental agencies providing funds to the school requires it.
- The responsibilities of the school and the auditor in meeting the requirements in Wisconsin administrative rule.

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Written Engagement Letter (cont)

The school must have a written engagement letter with the auditor that includes all of the following (cont):

- The services the auditor provides to the school that are in addition to those audit and attestation services required in Wisconsin administrative rule.
- The auditor’s acknowledgement that the DPI will rely on the auditor’s work to fulfill the DPI’s responsibilities in Wisconsin statutes and administrative rule.
- The auditor’s compensation for the services the auditor provides to the school.

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Choice Audit & Agreed Upon Procedures Reports



September Enrollment Audit due December 15th



Fiscal & Internal Control Practices Report due December 15th



January Enrollment Audit due by the first weekday in May for RPCP/WPCP participants and June 30th for MPCP only participants




Financial Audit due October 15th

Includes the determination of the school’s eligible education expenses.


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SNSP Audit & Agreed Upon Procedures Reports



September Enrollment Audit due December 15th



January Enrollment Audit due by the first weekday in May



Financial Audit due October 15th

Includes the determination of the school's eligible education expenses.

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Financial and Pupil Records

The school must:

- Provide all financial and pupil records the auditor considers necessary to provide the audit opinion or agreed upon procedure reports.
- Upon the request of the DPI, provide access and copies to the records referenced in the auditor's working papers.
- Retain all records related to the financial audit and agreed upon procedure reports for at least 5 years from the due date of the related financial audit unless requested longer by the DPI or a law enforcement agency.

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Knowledge Check

Which of the following report or audit is **not** required for schools participating in the SNSP?

- a. September Enrollment Audit
- b. Fiscal & Internal Control Practices Report
- c. January Enrollment Audit
- d. Financial Audit

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Knowledge Check

Which of the following schools must provide a new Auditor Authorization form (there may be multiple answers)?

- a. The school has participated in the Choice programs for 10 years and previously provided a Choice Auditor Authorization Form. The school joins the SNSP in the 2023-24 school year.
- b. The school's Choice administrator and head of governing board change.
- c. The school selects a different audit partner to complete the Choice & SNSP audits and reports for the school.

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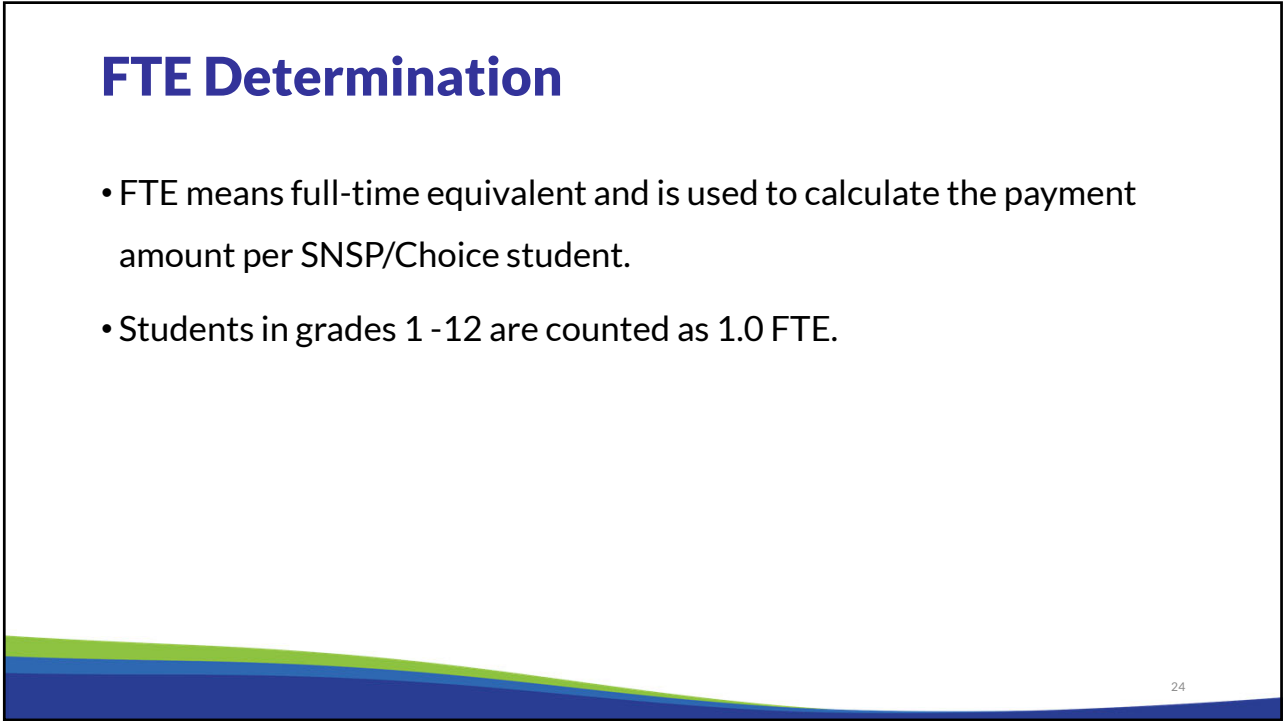
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Payment Process, Statement of Actual Cost, & Summer School

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FTE Determination

- FTE means full-time equivalent and is used to calculate the payment amount per SNSP/Choice student.
- Students in grades 1 -12 are counted as 1.0 FTE.

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5-Year Old Kindergarten FTE

- Five year-old kindergarten (K5) pupils are counted as:
 - 0.5 FTE if attending less than full-time but at least 437 hours a school year.
 - 0.6 FTE if attending 3 full days of instruction each week.
 - 0.8 FTE if attending 4 full days of instruction each week.
 - 1.0 FTE if they attend school five full-days a week.

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FTE Determination (cont)

- Four year-old kindergarten students are generally counted as 0.5 FTE.
- If the school provides an additional 87.5 hours of parental outreach activities for the parents of four year-old kindergarten students, the school may count the students as 0.6 FTE.
- See the K4 Parental Outreach Activities Bulletin on the Bulletin webpage and the training on the training webpage for more information.

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Payment Process

- The September payment is 25% of the annual FTE SNSP/Choice payment amount for each eligible pupil on the Preliminary Enrollment Report.
- The November payment is 50% of the annual FTE SNSP/Choice payment for each eligible pupil on the 3rd Friday in September Pupil Count Report and class list less the September payment for each pupil on the Preliminary Enrollment Report.
- The February & May payments are each 25% of the annual FTE SNSP/Choice payment amount for each eligible pupil on the 2nd Friday in January Count Report and class list.

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Overview of SNSP/Choice Program Funding



The schools receive a payment for eligible SNSP/Choice pupils.



At the end of the year, the total payments received for eligible SNSP/Choice pupils are compared to the school's actual net eligible education expenses for the SNSP/Choice program.



The difference between the SNSP/Choice payments received and the school's actual net eligible education expenses is the SNSP/Choice Reserve balance.



The school must maintain a cash and investment balance that is at least as much as this amount for future SNSP/Choice eligible education expenses.

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Choice 2023-24 Expected Payment Amounts per Full-Time Equivalent (FTE)

- The 2023-24 payment amounts are:
 - \$9,893 per FTE for students in K-8
 - \$12,387 for students in 9-12

This information is available on our Payments webpage: <https://dpi.wi.gov/parental-education-options/choice-programs/payment-amounts-frequently-asked-questions>.

The payment amount is subject to statutory changes.



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SNSP 2023-24 Expected Payment Amounts per Full-Time Equivalent (FTE)

- The 2023-24 payment amounts are:
 - \$15,065 per FTE for full scholarship students
 - \$9,893 per FTE for partial scholarship students in K-8
 - \$12,387 for partial scholarship students in 9-12

This information is available on our Payments webpage: <https://dpi.wi.gov/parental-education-options/special-needs-scholarship/payments>. The payment amount is subject to statutory changes.



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SNSP Only: Actual Costs Incurred Pupil Payment Option

- A school participating in the SNSP has the **option** to receive a SNSP payment for a pupil based on the cost to provide **special education** for that SNSP pupil in the previous school year. The school may choose to use this option for none, some or all of its SNSP pupils.
- A school that would like a payment for a pupil in the 2023-24 school year using this option must provide a Statement of Actual Cost that indicates the actual special education costs incurred for the pupil for the 2022-23 school year while the pupil was participating in the SNSP. The school must provide supporting documentation for the costs. This statement is due by the 3rd Friday in July.

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Actual Costs Incurred Pupil Payment Option (cont)

- If the school submits a 2022-23 Statement of Actual Cost, the 2023-24 scholarship amount will be the amount on the statement of actual costs up to 150% of the regular student payment amount plus 90% of the amount on the 2022-23 Statement of Actual Cost over 150% of the regular student payment.

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Actual Costs Incurred Pupil Payment Option Example

- Amount included in voucher amount at 100%:

Description	Amount
Full Scholarship Amount	15,000
Times: 150% of Full Scholarship Amount	x 1.5
Amount Paid at 100% <i>If a student's cost in the Statement of Actual Cost is less than this amount, the full amount is paid at 100%</i>	22,500

- For any amount above \$22,500, 90% will be included in the student's per pupil amount.

Assumes voucher amount of \$15,000 annually for example purposes only.

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Actual Costs Incurred Pupil Payment Option Example (cont)

	1 st Year	2 nd Year	3 rd Year
Voucher Amount	\$15,000	\$24,750	\$18,000
Amount on the Statement of Actual Cost up to 150% of voucher amount		\$22,500	\$18,000
90% of costs on the Statement of Actual Cost over 150% of voucher amount		\$2,500*90% = \$2,250	\$0
Current Year Actual Costs Included on the Statement of Actual Cost	\$25,000	\$18,000	\$22,000

Assumes voucher amount of \$15,000 annually for example purposes only.

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Special Education Expenses in a SNSP Statement of Actual Cost

- The following are costs that may be included in a Statement of Actual Cost if they meet the eligible education expense requirements.
 - The service is specified in the IEP or Services Plan.
 - The cost was incurred to provide specially designed instruction, regardless of where the instruction is conducted, that is provided to meet the unique needs of a child with a disability, including instruction in physical education.
 - The cost was incurred to provide aids, services and other supports that are provided in regular education classes or other education-related settings to enable a child with a disability to be educated with nondisabled children to the maximum extent appropriate.

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Special Education Expenses in a SNSP/Choice Statement of Actual Cost (cont)

- The following are costs that may be included in the Statement of Actual Cost if they meet the eligible education expense requirements (cont).
 - The cost was incurred to provide transportation or such developmental, corrective, and other supportive services as may be required to assist a child with a disability to benefit from special education.
 - The cost was incurred to provide services or activities for school personnel to meet the unique needs of a child with a disability.

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Expenses for Pupils in a Statement of Actual Cost

- The allocation for the expenses in the Statement of Actual Cost must be specific to the particular expense rather than a general allocation.
- The expenses must meet all requirements for eligible education expenses we will discuss later.
- The expenses in the 2022-23 Statement of Actual Cost must be for expenses incurred between July 1, 2022 and June 30, 2023.

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Cover Page

III. PUPIL ACTUAL COST			
	Cost Type	Schedule Reference	Amount
4	Cost from Invoices	Sch 1 Ln 15	-
5	Allocated Salary and Benefits Cost	Sch 2 Ln 15	-
6	Less: Offsetting Government Assistance Revenue		
7	Total Cost for Pupil		-
8	2023-24 Expected SNSP Payment <i>Expected payment amount is based on the 2022-23 full scholarship payment amount because the 2023-24 payment amount is not yet known. It will be established through the state budget process.</i>		-

- Indicate any offsetting revenue.
- The form will indicate the expected SNSP payment based on the 22-23 SNSP payment rate.
 - As a reminder, the 2023-24 full scholarship payment rate per FTE is \$15,065. As a result, if a school does not submit a statement for a full scholarship SNSP pupil, the payment rate for the pupil would default to \$15,065 per FTE.
 - The DPI will update the payment rate based on the 23-24 payment amount for any submitted Statement of Actual Cost. The increase in the payment rate will increase the amount that is covered at 100% rather than 90%.

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Schedule 1 Statement of Actual Cost

SCHEDULE 1 INVOICED COST
YEAR ENDING JUNE 30, 2023

Identify invoices/payment requests (hereafter "invoice") in this schedule if the school used the item in the invoice to provide one or more special education items identified in Column G-K for the pupil in this statement from 7/1/22-6/30/23. Generally, the item must have been purchased and received by the school between 7/1/22 - 6/30/23. The item must meet all of the requirements described in the Cost Instructions tab.

Invoice Information (Column A-C): Insert the information from the invoice or payment request in Columns A-C.

Invoice Amount (Column D): Identify the amount from the invoice for the item(s) used for one or more of the special education items in Columns G-K. If the invoice is for more than one item and all of the items were not used for a special education type, in whole or part, only identify the cost for the item(s) used to provide special education items. The total amount of any item used in full or in part to provide special education items to the pupil in the statement must be identified in Column D. The amount in this column must be **before** applying any allocation percentage. The amount in this column must equal an amount on the invoice. If adding multiple items is required, identify the items included in this schedule by writing "Schedule 1" next to each item on the invoice that is included in Column D.

Percent Education for Pupil (Col E): The percentage must be based on the **actual amount of time** the student in this statement used the item(s) included in Column D for special education purposes in Columns G-K from 7/1/22-6/30/23. Estimates are not permitted.

Special Education Cost Category (Cols G-K): See the Cost Instructions tab for information on how to determine the special education cost category. The item(s) in the invoice must provide at least one type of special education.

Required Attachment(s): The school must provide an invoice or payment request for each of the costs identified below. The invoiced amount in Column D must match the amount in the supporting documentation.

INVOICED COSTS													
Line	Invoice/Payment Request Information				Special Education Costs		Special Education Cost Category <i>See the Cost Instructions tab for additional information</i>						L
	A Vendor/Provider Name	B Invoice or Payment Request Date	C Invoice or Payment Request Number	D Invoiced Amount	E Percent Special Education for Pupil	F Special Education Cost for Pupil	G In IEP or Services Plan	H Specially Designed Instruction	I Supplementary Aids and Services	J Related Services	K School Personnel Services or Activities		
1						-						OK	
2						-						OK	

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Schedule 2 Statement of Actual Cost

SCHEDULE 2 STAFF COSTS
YEAR ENDING JUNE 30, 2023

Total Salaries & Wages from 7/1/22 - 6/30/23 (Col B): Insert the **total** salaries and wages the individual earned from 7/1/22-6/30/23, even if the amount was paid after 6/30/23. The salaries and wages must match the attached documentation. The amount in this column must be **before** applying any allocation percentage. The amounts must meet the requirements in the Cost instructions tab.

FICA (Col C): If the school pays FICA to the Federal government for the individual, insert Yes in Column C. FICA will then be calculated in Column G. If the individual is considered self employed (such as called workers for the entity), insert No. If the school pays a self employed individual additional compensation to cover a portion of the FICA cost, but FICA is not directly paid to the Federal government, insert No in this column and include the amount paid to the individual in salaries and wages. If the school only pays FICA for a portion of the individual's time, contact DPI for proper reporting.

Benefits (Col D): Insert the amount of benefits provided for the individual from 7/1/22-6/30/23. The amount in this column must match the attached documentation and must be **before** applying any allocation percentage. The amounts must meet the requirements in the Cost instructions tab.

Percent Education for Pupil (Col E): The percentage must be based on the actual amount of time the individual provided the special education services in Columns I-M from 7/1/22-6/30/23. Estimates are not permitted.

Special Education Cost Category (Cols I-M): See the Cost Instructions tab for information on how to determine the special education cost category. The individual must provide at least one type.

Required Attachment(s): The school must provide payroll records or compensation agreements supporting each of the staff costs listed below. The salaries and wages in Column B and the benefits in Column D must match the amounts in the supporting documentation.

STAFF COSTS															
Line	Staff Information				Special Education Costs for Pupil				Special Education Cost Category <i>See the Cost Instructions tab for additional information</i>						N
	A Staff Name	B Total Salaries & Wages from 7/1/22 to 6/30/23	C Does the school pay FICA for this individual?	D Benefits	E Percent Special Education for Pupil	F Salaries & Wages	G FICA	H Benefits	I In IEP or Services Plan	J Specially Designed Instruction	K Supplementary Aids and Services	L Related Services	M School Personnel Services or Activities		
1														OK	
2														OK	

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Statements of Actual Cost Section in the SNSP Reserve Balance Schedule

- Changes to the statements are sometimes made during DPI's review of the statements. Make sure to give the final statement to your auditor.
- If your auditor identifies any changes from those final statements, the following must be completed:
 - The financial audit must include a Pupil Schedule with the SNSP Statements of Actual Cost information based on the audit.
 - By October 15th, the school must submit:
 - A revised SNSP Statement of Actual Cost reflecting the changes.
 - Support for any amounts that changed in the SNSP Statement of Actual Cost.

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Statement of Actual Cost Reminder

- 2022-23 Statement of Actual Cost Reports are due by next Friday if a school is completing one for any of the school's SNSP students.

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SNSP Pupil Payment Lists

- SNSP Pupil payment lists are made available in Kiteworks to the SNSP administrators twice a year:
 - As part of the September Enrollment Audit certification.
 - After the end of the school year, with a summary of the payments made for the year.
- During the year, the school can use the count reports to determine who received a payment. Unless the DPI notifies the school a student is not eligible, the school will receive a SNSP payment based on the submitted pupil count reports.

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Choice Pupil Payment Lists

- The Choice pupil payment lists are available in the Online Application System (OAS).
- See Training 9-1 on the On Demand Training webpage for additional information on the Pupil Payment listings.

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Aids Register

- Schools can use the Aids Register to identify the program each payment is related to.
- The link for the Aids Register is available on the SNSP and Choice homepages under “Related Links”.

Related Links

[District & Charter Special Education Leadership Directory](#)

[Seclusion and Physical Restraint Information](#)

[Background Check Information Sources](#)

[Aids Register](#)

[Transportation Information](#)

[Private Schools in Wisconsin](#)

[Private School Directory](#)

[School Management Services Homepage](#)

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Aids Register

Welcome to STAR AIDS Register

Fiscal Year:

Agency Id:

Agency Name:

Submit

Reset

- The “Fiscal Year” is the end of the school year for which the payment is made. The payments are not included in the Aids Register based on the period they relate to.
- In order to obtain the payments for your school, begin typing in the school name and the Agency ID will automatically fill in.

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Summer School

- SNSP/Choice school requirements:
 - Offer a minimum of 19 days of pupil instruction during their summer school term;
 - Provide a minimum of 270 minutes of non-Title I pupil instruction per summer school day.
- See the Summer School Bulletin for information on the requirements.

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Summer School Course List Reports

- Due by first weekday in May.
- Lists the summer school courses for the school year.
- Submission:
 - Choice: Submitted through the Online Application System (OAS).
 - SNSP: Completed using a Google form provided by the DPI SNSP team.

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Summer School Count Reports

- The Summer School Count Report is due by September 15.
- SNSP: A student may be included on the report if the student was a SNSP student in the previous year on one of the count dates.
- Choice: A student may be included on the report if the student meets either of the following:
 - Was a Choice student in the same program on the 2nd Friday in January count date in the previous year at any school.
 - Has an accepted Choice application for the school year after summer school at the same school.

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Summer School Payments to Schools

- The summer school payment amount is based on the number of pupils that meet the attendance requirements for summer school.
- The payment amount is 5% of the maximum prior year per student state aid amount.
 - If a student attends at least 15 days they will receive the maximum payment.
 - If a student attends less than 15 days, they will receive a prorated amount.
- Eligible schools will receive the summer school payment via ACH by the end of November.

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Knowledge Check

How can a school determine which pupils it received a SNSP and Choice payment for during the school year? **The answer is different for each program.**

- a. The school cannot determine who it received a program payment for during the school year.
- b. The school must use the submitted enrollment/pupil count reports, adjusted for any changes identified by DPI. Additionally, the DPI will provide a list of program pupils to the school in conjunction with the September Enrollment Audit certification and after year end.
- c. The school can use the Payment Listing available in the Online Application System (OAS).

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Knowledge Check

A program pupil in 1st grade is determined eligible for the program on September 3rd. The student was not counted as an eligible program pupil on the Preliminary Enrollment Report, but was included on the 3rd Friday in September and 2nd Friday in January Count Reports. The pupil went to the school for the full school year and meet all program requirements after September 3rd. How much of the annual program payment is the student eligible for?

- a. The total annual per pupil payment amount for the pupil's program.
- b. Three quarters of the annual per pupil payment amount for the pupil's program because the student was not counted on the Preliminary Enrollment Report.
- c. The student is not eligible for any program payments.

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Knowledge Check

Which students does the school need to submit a Statement of Actual Cost for?

- a. All students at the school.
- b. The students who participated in the SNSP in the 2022-23 school year.
- c. The students who participated in Choice in the 2022-23 school year.
- d. The school is not required to submit a Statement of Actual Cost for any SNSP students at the school.

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Question?

If you have a question,
please use the chat.

Questions after the training
may be emailed to DPI



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Enrollment/Count Reports & Virtual Instruction

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Preliminary Enrollment Report

- Due by the last weekday in August.
- Schools provide a list of the SNSP/Choice pupils enrolled at the school as of the last weekday in August.
- SNSP Only: If the school has pupils that are continuing SNSP pupils from the previous school year, the school must identify if the pupils were determined to no longer to have a disability in the prior school year.

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3rd Friday in September and 2nd Friday in January Pupil Count Reports

- Provide the total number of all pupils and SNSP/Choice pupils at the school that meet the attendance requirements.
- The 3rd Friday in September Pupil Count Report is due the last weekday in September and the 2nd Friday in January Pupil Count Report is due the last weekday in January.
- 3rd Friday in September Pupil Count Report Only:
 - SNSP: Report current addresses for continuing SNSP pupils. School must obtain residency documentation for all continuing SNSP pupils.
 - Choice: Report address changes for incoming WPCP pupils, if any. Schools only need to obtain residency documentation for incoming WPCP pupils who moved.

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3rd Friday in September and 2nd Friday in January Pupil Count Reports (cont)

- A pupil should be included on these reports if one of the following apply:
 - Pupil was in attendance for instruction on the count date; or
 - Absent on the count date, but in attendance on at least one day before *and* one day after the count date *and* was not enrolled in another school or homeschooled during his or her absence.

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Determining Attendance For Virtual Instruction

- If a school is providing virtual instruction, in whole or in part, it should create a policy indicating how it is determining a pupil is in attendance for a day.
- Examples of how a school may determine a pupil is in attendance for a day of virtual instruction include a pupil logging into online instruction provided by a teacher or a pupil submitting one of the day's activities to the teacher. Please note that instruction must include more than dropping off homework. The teacher must be working with the child on the materials such as grading the materials and providing the graded materials to the student.
- The policy of how the school determined a pupil is in attendance for a day must be provided to the auditor as part of the Enrollment Audits.

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Dual Enrollment

- A pupil is not eligible for a SNSP/Choice payment if the pupil is also enrolled, in or out of Wisconsin, in another private school, a home-based private educational program, a charter school under s. 118.40 (2r) or (2x), Stats., or a public school district.
- As a result, if a school is providing virtual instruction to a pupil or if a pupil is not in attendance at the physical location of the school on the count date, the school should verify that the pupil was not also in attendance at a different school or homeschooled.

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Required Records

- Official Attendance Records: A listing of all pupils in attendance at the school on the count date or before and after by grade level.
 - Schools in the Choice programs must have the official attendance records in the Student Information System (SIS). Schools only in SNSP are not required to have a SIS.
 - The records must identify who is a SNSP/Choice pupil unless the records are in the SIS. If the records are in the SIS, a different report in the SIS may identify who is a SNSP/Choice pupil.
- Original Classroom Records: Classroom grade books or other records maintained by teachers identifying daily attendance or absences, grades or other indications of instruction such as progress reports. *These cannot be the same as the Official Attendance Records.*

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Blended/Virtual Instruction

- In order to determine the hours of instruction for schools using blended or virtual instruction, the school should develop a schedule that specifies the actual or estimated number of minutes required for each activity that makes up the class.
- Activities within the schedule may be real-time, asynchronous, or a combination of the two. For asynchronous activities, the teacher should use their knowledge and expertise to determine the estimated time for each activity.
 - Asynchronous activities are those in which a student is working independently under their teacher's direction using an online program, learning management system, or printed materials.

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Choice & SNSP Pupils

- Pupils can apply for the Choice program and SNSP, if eligible, but cannot be included on the count report for both programs.
- If a pupil applies for both programs, the school should obtain a letter from the parent/guardian indicating which program the pupil will participate in. The school should then notify the DPI which program the pupil will not be participating in if they choose not to participate in the SNSP or the Wisconsin Parental Choice Program.
- See the SNSP Initial Student Eligibility Bulletin for additional information.

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All Pupil Count

- Include ALL pupils at your school in grades K4-12, even if a particular grade is not offered to SNSP/Choice students.
- If the school holds any grade, such as K4, for the public school district do not include:
 - The pupils in the all pupil count,
 - The costs for the pupils in the eligible education expenses (the costs will still be in total costs), or
 - The revenue as offsetting revenue.

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All Pupil Count (cont)

- If K4 or K5 are available grades for the Choice program or SNSP, they must be identified as educational programming.
- If the school has kindergarten age students enrolled in day care, they are not included in the all pupil count.
- If the school is providing educational programming, meets the required number of hours of instruction, and the pupils are age eligible, pupils in K4 and K5 should generally be included in the all pupil count.
- The all pupil count for the SNSP and the Choice programs must be the same.

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Review Question

Which of the following students should be included in the all pupil count?

a. Pupils participating in the SNSP/Choice program	
b. Tuition paying pupils	
c. Pupils in day care	
d. Pupils on scholarship	
e. Pupils in second grade if the school does not provide second grade as an option for the SNSP/Choice	
f. Pupils that are attending K4 in the private school and enrolled in the public school district K4 program	

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Knowledge Check

A student applies to the Choice program or SNSP at your school. The student is found eligible for the program and counted as a program pupil on the 3rd Friday in September. The student attends the public school in October and returns to your school in November. Which of the following is true?

- a. The student is no longer eligible for the program at your school because they had a break in enrollment.
- b. The school would receive a program payment for the pupil for the first half of the year if the pupil otherwise meets program requirements.
- c. The school would receive 9/10s of the program payment for the pupil since they were not at the school for one month.
- d. The student can reapply to the Choice program if the school has a remaining open application period for the program the student is eligible for.
- e. If the student is a SNSP student, the student would need to submit a new SNSP application and be found to meet program requirements to be eligible at the school.

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Which of the following may be used as classroom records?

- a. Report from the SIS which summarizes the attendance entered by the classroom teachers. The administrator has the ability to modify the attendance submitted by the teachers.
- b. Grade books the teachers maintain with the grades for the students.
- c. Progress reports that are compiled and sent out by the office staff.


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Question?

If you have a question,
please use the chat.

Questions after the
training
may be emailed to DPI



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Enrollment Audits

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Enrollment Audits

- A separate Choice & SNSP Enrollment Audit is completed.
- An auditor must complete an audit of the 3rd Friday in September count and the 2nd Friday in January count. The auditor will:
 - Determine if the applications and transfer requests are eligible. Transfer requests only apply to the SNSP.
 - Determine if the pupils meet the attendance requirements.
 - Ensure the pupil data provided to DPI is correct.

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SNSP Enrollment Audits

As part of the SNSP Enrollment Audit, the auditor will also:

- Ensure that the IEP reevaluation data was properly reported to the DPI (completed as part of the September Enrollment Audit). Any IEP reevaluations that occurred in a prior school year must be reported if they were not previously reported.
- Determine that the address and resident school district for continuing pupils are correct (completed as part of the September Enrollment Audit).
- Determine that the background check was completed as required.

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Choice Enrollment Audits

As part of the Choice Enrollment Audit, the auditor will also:

- Determine that any address changes reported in the September Pupil Count Report are correct.

Schedule 2 - Choice Ineligible Pupils

As a result of your review, does the school have any ineligible pupils? If yes, complete the schedule below.							
Source is data per DPI Pupil Information Report or Waiting List Report							
Line	Grade	Wait	App #	Pupil First Name	Pupil Last Name	Reason(s) for Ineligibility	Program
1							
2							
3							



Waiting List pupils are identified with a “W” in the “Wait” list column.

Schedule 3 - SNSP Ineligible Pupils

Schedule 2: Ineligible Pupils							
As a result of your review, does the school have any ineligible pupils? If yes, complete the schedule below.							
Line	Grade	App #	Pupil First Name	Pupil Last Name	Scholarship Type	Reason(s) for Ineligibility	
1							

Schedule 3 – Choice Applications Requiring Corrections

As a result of your review, does the school have any pupils that require corrections who were already counted or on the waiting list? If yes, complete the schedule below.									
Source is data per DPI Pupil Information Report or Waiting List Report							Audited <small>ONLY required if grade and/or pupil name changed</small>		Required DPI Application Information Correction(s) <small>Indicate what must be corrected and the correct information. Grade and pupil name changes must be specified in the Audit columns for Grade, Pupil First Name, and Pupil Last Name.</small>
Line	Grade	Wait	App #	Pupil First Name	Pupil Last Name	Program	Corrected Grade	Corrected Pupil First Name	Corrected Pupil Last Name
1									



Waiting List pupils are identified with a “W” in the “Wait” list column.

Schedule 3 – SNSP Applications Requiring Corrections

Schedule 3: Applications Requiring Corrections										
Line	Source is data per DPI Pupil Information Report					Audited <small>ONLY required if grade, pupil name, and/or scholarship type changed</small>				Required Correction(s) to DPI's Data <small>Indicate what must be corrected and the correct information. If no changes are required indicate "None" below. Note: Only corrections for pupils being added should be included on this schedule.</small>
	Grade	App #	Pupil First Name	Pupil Last Name	Scholarship Type	Corrected Grade	Corrected Pupil First Name	Corrected Pupil Last Name	Corrected Scholarship Type	
1										
2										

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Schedule 4 – Choice Pupil Additions

As a result of your review, does the school have any pupil applications to be added to the count or waiting list? If yes, complete the schedule below.								
Line	Audited Grade	App #	Audited Pupil First Name	Audited Pupil Last Name	Program	Insert "X" if Pupil Added to Count	Insert "X" if Pupil Added to Waiting List	Required DPI Application Information Correction(s) <i>Indicate what must be corrected and the correct information. If no changes are required indicate "None" below. Note: Only corrections for pupils being added should be included on this schedule.</i>
1								

Schedule 4 – SNSP Pupil Additions

As a result of your review, does the school have any pupils to be added to the count? If yes, complete the schedule below.						
Line	Audited Grade	App #	Audited Pupil First Name	Audited Pupil Last Name	Scholarship Type	Required Correction(s) to DPI's Data <small>Indicate what must be corrected and the correct information. If no changes are required indicate "None" below. Note: Only corrections for pupils being added should be included on this schedule.</small>
1						

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PI-1207 vs All Pupil Count (September Only)

- The All Pupil count must match the PI-1207.
- The count requirements used in the PI-1207 are the same as those used for the Choice/SNSP 3rd Friday in September count report.
- If the numbers do not match, the school must revise the numbers and the auditor will need to verify the change was made.

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Summer School – Schedule 6

As a result of your review , does the summer school program have at least 19 days that have at least 270 minutes of non-Title I instruction? <i>Select N/A if the school doesn't offer summer school.</i>	
As a result of your review , are there changes to the summer school counts? <i>Select N/A if the school doesn't offer summer school. If Yes is selected, complete the Summer School Pupil Changes schedule below.</i>	

- Indicates whether the school met the requirements for summer school.
- Indicates whether there are changes to the summer school counts.
- If there are changes to the summer school counts, the auditor will report them on Schedule 6.

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Choice Schedule 5 – Tentative Payment Eligibility Calculation

K-8 GRADE PAYMENT ELIGIBILITY									
Ln	Choice Pupil Count Categories	MPCP		RPCP		WPCP		Total	
		Pupil Count	FTE	Pupil Count	FTE	Pupil Count	FTE	Pupil Count	FTE
1	4 Year-Old K/437 Hrs (.5 FTE)	0	0.0	0	0.0	0	0.0	0	0.0
2	4 Year-Old K/437 Hrs + 87.5 Hrs Outreach (.6 FTE)	0	0.0	0	0.0	0	0.0	0	0.0
3	5 Year-Old K/5 Day (.5 FTE)	0	0.0	0	0.0	0	0.0	0	0.0
4	5 Year-Old K/3 Day (.6 FTE)	0	0.0	0	0.0	0	0.0	0	0.0
5	5 Year-Old K/4 Day (.8 FTE)	0	0.0	0	0.0	0	0.0	0	0.0
6	5 Year-Old K/5 Day (1.0 FTE)	0	0.0	0	0.0	0	0.0	0	0.0
7	Grades 1-8 (1.0 FTE)	0	0.0	0	0.0	0	0.0	0	0.0
8	Total Pupil Count and FTE Sum Lines 1-7	0	0.0	0	0.0	0	0.0	0	0.0
9	K4-8 Payment Rate (50% of \$8336)		\$ 4,168.00		\$ 4,168.00		\$ 4,168.00		\$ 4,168.00
10	K4-8 Payment Eligibility Ln 8 x Ln 9		\$ -		\$ -		\$ -		\$ -
9-12 GRADE PAYMENT ELIGIBILITY									
11	Grades 9-12 (1.0 FTE)	0	0.0	0	0.0	0	0.0	0	0.0
12	9-12 Payment Rate (50% of \$8982)		\$ 4,491.00		\$ 4,491.00		\$ 4,491.00		\$ 4,491.00
13	9-12 Payment Eligibility Ln 11 x Ln 12		\$ -		\$ -		\$ -		\$ -
TOTAL HEADCOUNT AND FTE									
14	Total Headcount and FTE Sum Lines 8 and 11	0	0.0	0	0.0	0	0.0	0	0.0
TENTATIVE AMOUNT DUE FROM (TO) STATE									
15	Payment Eligibility - Excluding Summer School Sum Lines 10 and 13		\$ -		\$ -		\$ -		\$ -
16	Total Sept & Nov Choice Payments Issued Excluding Summer School		\$ -		\$ -		\$ -		\$ -
17	Amount Due From (To) State Excluding Summer School Ln 15 Less Ln 16		\$ -		\$ -		\$ -		\$ -
18	Total Summer School Payment Eligibility		\$ -		\$ -		\$ -		\$ -
19	Summer School Payment Issued		\$ -		\$ -		\$ -		\$ -
20	Amount Due From (To) State for Summer School Ln 18 Less Ln 19		\$ -		\$ -		\$ -		\$ -
21	Amount Due From (To) State Lines 17 and 20		\$ -		\$ -		\$ -		\$ -

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SNSP Schedule 5 – Headcount and FTE Per Examination

Schedule 5: Headcount and FTE Per Examination							
TOTAL HEADCOUNT AND FTE							
Ln	Line Description	Full Scholarship		Partial Scholarship		Total	
		Pupil Count	FTE	Pupil Count	FTE	Pupil Count	FTE
1	4 Year-Old K/437 Hours (.5 FTE)	0	0.0	0	0.0	0	0.0
2	4 Year-Old K/437 Hours + 87.5 Hours Outreach (.6 FTE)	0	0.0	0	0.0	0	0.0
3	5 Year-Old K/5 Day (.5 FTE)	0	0.0	0	0.0	0	0.0
4	5 Year-Old K/3 Day (.6 FTE)	0	0.0	0	0.0	0	0.0
5	5 Year-Old K/4 Day (.8 FTE)	0	0.0	0	0.0	0	0.0
6	5 Year-Old K/5 Day (1.0 FTE)	0	0.0	0	0.0	0	0.0
7	Grades 1-8 (1.0 FTE)	0	0.0	0	0.0	0	0.0
8	Grades 9-12 (1.0 FTE)	0	0.0	0	0.0	0	0.0
9	Total Headcount and FTE Sum Lines 1 to 8	0	0.0	0	0.0	0	0.0

The total headcount and FTE shown is subject to final determination by the DPI and may be changed upon the DPI's review of the report.

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Choice Report Cover Page – Summary of Results

IV. SUMMARY OF RESULTS		
1) Change in all pupil count	No	
2) K4 parental outreach result	No K4 Parental Outreach Change	
	Counted	Waiting List
3) Schedule 2: Ineligible Pupils		
4) Schedule 3: Applications Requiring Corrections		
5) Schedule 4: Pupil Additions		
6) Applications with auditor identified corrections that had correct information in OAS	0	N/A
7) Number of family applications with instances of income and/or residency related errors	0	N/A
8) Schedule 6: Summer school result	No Summer School Change	

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Choice Report Cover Page

I. GENERAL INFORMATION

School Name

School City

Name of Choice Administrator of Record Typed

Program Name(s)

Milwaukee Parental Choice Program (MPCP)

Racine Parental Choice Program (RPCP)

Wisconsin Parental Choice Program (WPCP)

II. REPORT CONTACT PERSON

Name of Contact Person at School Regarding Report

Email address

III. SIGNATURE

I HEREBY CERTIFY, as the Choice administrator, that I have reviewed and accepted the enrollment information contained in this report on behalf of the school's operating organization, except as discussed in my attached letter. I have provided the auditor with all application related documentation for students on Schedule 2 (ineligible pupils), Schedule 3 (applications requiring corrections) and Schedule 4 (pupil additions).

Choice Administrator Original Signature *Designee not Permitted*

Date Signed Mo./Day/Yr.

Choice administrator to manually check ☐ here if letter attached from the school indicating anything in the Enrollment Audit that the school does not agree with.

Requires signature of Choice Administrator

Choice Administrator can indicate if they disagree with the findings.

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Certification Letters

- Once the DPI has reviewed and made any necessary changes to the enrollment audits, certification letters are sent.
- Certification letters are sent for each enrollment audit.
- The DPI will pay any amounts owed to the school via ACH. If the school owes the DPI, the DPI will either net any amounts owed to the DPI with future SNSP/Choice payments or require payment of the amount owed via check in certain cases.

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September Enrollment Audit Activity

Which schedule would the following pupils be reported on in the September Enrollment Audit-Schedule 2, Schedule 3, or Schedule 4?

Pupil Description	Schedule?
An eligible program pupil attends the school on September 1st. The pupil is in the hospital from September 2 nd through October 15 th . The student did not attend another school while they were in the hospital and was not homeschooled. On October 16, the pupil returns to the school. The school did not report the pupil on the 3 rd Friday in September Count Report because the pupil did not meet the attendance requirements at the time the report was submitted.	
A pupil was included in the 3 rd Friday in September Pupil Count Report by the school. The student's name needs to be corrected.	
A pupil included on the 3 rd Friday in September Pupil Count Report is determined ineligible for the program because they reside outside of Wisconsin.	
A pupil included on the 3 rd Friday in September Pupil Count Report begins attending a different school in December.	

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Knowledge Check

Who is required to sign the Choice Enrollment Audit cover page?

- a. The head of the board for the school.
- b. The pastor for the school.
- c. The Choice administrator.
- d. The Choice designee.
- e. The SNSP administrator.
- f. The Choice administrator or Choice designee.

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Question?

If you have a question,
please use the chat.

Questions after the
training
may be emailed to DPI



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Criminal Background Checks

Reviewed as part of Enrollment Audits for
SNSP & as part of the Fiscal & Internal Control
Practices Report for Choice

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Individuals Requiring a Background Check

- In order to determine which individuals require a background check, the school should begin by generating a list of all individuals who perform services for their legal entity.
- SNSP and Choice program schools must conduct a criminal background check for any individual at the school's legal entity who meets both of the following:
 - The individual is an employee of the legal entity under Wis. Stat. § 108.02 (12); and
 - The individual is directly or indirectly related to the school's educational programming.

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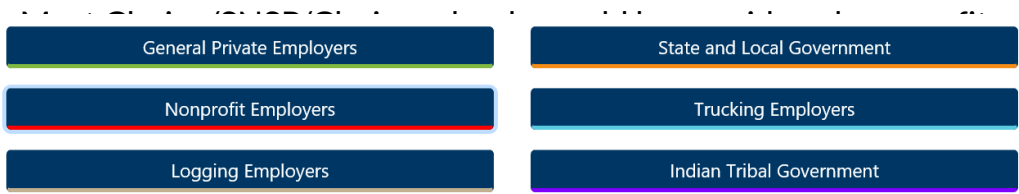
Who is an employee?

- The determination of who is an employee of the legal entity is based on Wis. Stat. § 108.02 (12).
- Individuals who perform services for a school may be considered employees regardless of whether the individuals are paid directly by the school.
- Since volunteers do not receive any compensation for the services they perform, they are not considered employees and background checks are not required.

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DWD Worker Classification Resource

- DWD has a worker classification resource available at <https://dwd.wisconsin.gov/worker-classification/ui/> that can be used to determine who is an employee.



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DWD Worker Classification Resource (cont)

- Part 1: Direction and Control - The worker must be free of the employer's direction and control to be considered an independent contractor.
 - If the worker is found to be under the direction and control of the employer, the worker is an employee.
 - If the worker is free from the direction and control of the employer, the second part of the test is applied to the worker.
- Part 2: Independent Business - Five Factors

Information from DWD worker classification resource

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DWD Worker Classification Resource (cont)

- Part 2: Independent Business - Five Factors
 - Services relate to other school/entity activities
 - Advertising or holding out
 - Entrepreneurial risk
 - Perform similar services for others
 - Proprietary interest

Information from DWD worker classification resource

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Who is directly or indirectly related to educational programming?

- Individuals are considered directly or indirectly related to educational programming if they met any one of the following:
 - The individual has any compensation included as an eligible education expense in the Choice or SNSP financial audit.
 - The individual interacts with students.
 - The individual's job relates to the financial, administrative, or academic sectors of the school.

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Criminal Background Check Requirements

SNSP and Choice program schools cannot employ:

- Any individual who is not eligible for a teaching license as the result of an offense; and
- Any individual who might reasonably be believed to pose a threat to the safety of others, which includes individuals who have engaged in immoral conduct.

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Teaching License Eligibility

An individual is ineligible for a teaching license if the individual has been convicted of any Class A, B, C, D, E, F, G, or H felony under Wis. Stat. chs. 940 or 948, except §§ 940.08 and 940.205, within six (6) years of the individual applying for a license to teach.

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Immoral Conduct

- Wisconsin law defines immoral conduct as “conduct or behavior that is contrary to commonly accepted moral or ethical standards and that endangers the health, safety, welfare or education of any pupil.”
- Immoral conduct includes, but is not limited to, the intentional use of an educational agency’s equipment to download, view, solicit, seek, display or distribute pornographic material.
- Schools should have a policy or other written document indicating what they consider to be immoral conduct.

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Background Check Options

- Schools have 2 options for completing the background check for employees who are directly or indirectly related to educational programming:
 - DPI Issued License Background Check Option
 - Non DPI Issued License Background Check Option

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Current DPI Issued License Background Check Option

- The background check requirement can be met by determining that an individual has a current, DPI issued license.
- To complete the background check using this option the school must complete all of the following for the individual:
 - Obtain and retain a copy of the DPI issued license.
 - Annually determine that the individual has a current DPI issued license in advance of the employee working for the school term. If the individual no longer has a license, the school must use an alternative source to determine that the employee meets the requirements and maintain the documentation showing the background check was completed.

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Non DPI Issued License Background Check Option

- The background check must be completed prior to employing any individual who meets the specified criteria and every five (5) years thereafter.
- If the school is new to the Choice program/SNSP and has not previously completed background checks on existing employees, the school must complete a background check on each employee before he or she works at the school for the school year.

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Background Check Resources

- There is a Background Check bulletin and a Background Check Training online with additional information.

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Knowledge Check

Which of the following employees are **considered directly or indirectly related to educational programming** (there may be multiple answers)?

- a) The church secretary. The church and school are the same legal entity and in the same building. The church secretary does not work on school related items or interact with students.
- b) The individual responsible for soliciting donations for the school. The individual works from home.
- c) The accountant for the school. The accountant has an office in an administrative building not on the school premise.

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Which of the following individuals require a background check?

Individual/Company Description	Background Check Required?
a. Substitute teachers from a third party service agency.	
b. The school contracts with a 3 rd party lunch provider. The contract requires that the lunch provider provide nutritional meals on school days that meet the USDA food program requirements.	
c. One of the parents comes in and volunteers in the classroom. The parent does not receive any compensation from the school.	


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Question?

If you have a question,
please use the chat.

Questions after the
training
may be emailed to DPI



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Financial Audit Overview

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Financial Accounting System

The school must:

- Use a double entry financial accounting system.
- Balance the financial accounting system and provide the auditor with a trial balance.
- If adjusting entries are required to be made to the general ledger based on the auditor's recommendation, management must approve the adjustments in writing.

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Financial Audit

- Prepared in accordance with Generally Accepted Accounting Principles (GAAP).
- The financial audit is audited by an independent auditor.
- The fiscal year for the financial audit must be the school year from July 1 to June 30.
- Schools that receive less than \$100,000 annually in all of the Choice programs plus the SNSP in all previous school years and the school year being audited, may submit a modified financial audit to the DPI.

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Modified Financial Audit – Required Statements

Required Financial Statements:

- Statement of Financial Position-includes assets and liabilities

Required Years:

- Current year audited only

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Standard Financial Audit – Required Statements

Required Financial Statements:

- Statement of Financial Position-includes assets and liabilities
- Statement of Activities-includes revenue and expenses
- Statement of Cash Flows-shows how the cash was used during the year

Required Years:

- All of the statements must include an audited current and prior year.
- The only exception is the first financial audit. The Statement of Activities and Statement of Cash Flows may only include current year audited financial statements.

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Financial Audit Required Level

- The financial audit may either:
 - Include the school only financial information
 - If a school is part of a larger organization, the financial audit may be prepared at the consolidated organizational level as permitted by Generally Accepted Accounting Principles or at the school only level.

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Accrual Basis of Accounting

The annually required financial audit must be prepared using the accrual basis of accounting which requires that:

- Revenues are included when they are earned.
- Expenses are included when they occur.
- Revenues and expenses are **not** necessarily included when the cash is received or paid.

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Private School Choice Programs (PSCP) Reserve Balances for Standard Financial Audit
Year Ending June 30, 2023

NET ELIGIBLE EDUCATION EXPENSES FOR ALL PUPILS		
Line	A Line Description	B Amount
1	Expenses on Statement of Activities	
2	Ineligible Depreciation Expense	
3	Contributed Expenses Other Than Fixed Assets	
4	Bad Debt Expense	
5	Scholarship Awards & Other Financial Support for Pupils	
6	Daycare/Preschool Expenses	
7	School District Partnership Expenses	
8	Church Expenses	
9	Eligible Education Expenses Primarily for SNSP Pupils	-
10	Eligible Education Expenses on SNSP Statements of Actual Cost	-
11	Other Non-Eligible Expenses	
12	Less: Total Non-Eligible Expenses	\$ -
13	Add: Eligible Education Expenses for Land	
14	Eligible Education Expenses	\$ -
15	Government Assistance Excluding Forgivable PPP Loans	
16	Fundraising Revenues	
17	Insurance Proceeds	
18	Less: Total Offsetting Revenue	\$ -
19	Adjustments to Prior Year Net Eligible Education Expenses	
20	Net Eligible Education Expenses for All Pupils	\$ -
PERCENTAGE OF PUPILS PARTICIPATING IN PSCP		
21	PSCP Pupil Average Full-Time Equivalent - 1st Friday Sept & 2nd Friday Jan Average FTE	-
22	All Pupil Average Full-Time Equivalent - 1st Friday Sept & 2nd Friday Jan Average FTE	-
23	Percentage of Pupils Participating in PSCP	0.00%
PSCP RESERVE BALANCE		
24	2022-23 PSCP Revenues	-
25	2022 Summer School PSCP Revenues	-
26	Total 2022-23 PSCP Revenue	\$ -
27	Less: Net Eligible Education Expenses for PSCP Pupils - Line 20 times Line 23	-
28	Add: June 30, 2022 PSCP Reserve Balance	-
29	Less: Repayment of June 30, 2022 PSCP Reserve Balance	-
30	June 30, 2023 PSCP Reserve Balance	\$ -
31	Plus for PSCP Reserve Required	Not Required
REQUIRED CASH AND INVESTMENT BALANCE		
32	June 30, 2023 PSCP Reserve Balance Line 30	-
33	June 30, 2023 SNSP Reserve Balance	-
34	Less: Remaining Depreciation on Fixed Assets	-
35	Less: Land Purchases that have not been included so Eligible	-
36	Required Cash and Investment Balance	\$ -

Financial Audit Reserve Balance Schedules

- The financial audit includes a reserve balance schedule to calculate the school's program reserve balance. DPI provides the reserve balance schedules to the auditors.
- The reserve balance schedule determines the school's:
 - Eligible education expenses
 - Offsetting revenue
 - Reserve: Remaining balance of SNSP/Choice revenues received that have not yet been used for educational programming for SNSP/Choice students

Example Screen Print is PSCP Standard Schedule 111

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Program Reserve Balance Schedule-Standard

- The reserve balance schedule for the standard financial audit calculates eligible education expenses as the expenses in the Statement of Activities less the ineligible expenses.

NET ELIGIBLE EDUCATION EXPENSES FOR ALL PUPILS		
Line	A Line Description	B Amount
1	Expenses on Statement of Activities	
2	Ineligible Depreciation Expense	
3	Contributed Expenses Other Than Fixed Assets	
4	Bad Debt Expense	
5	Scholarship Awards & Other Financial Support for Pupils	
6	Daycare/Preschool Expenses	
7	School District Partnership Expenses	
8	Church Expenses	
9	Eligible Education Expenses Primarily for SNSP Pupils	-
10	Eligible Education Expenses on SNSP Statements of Actual Cost	-
11	Other Non-Eligible Expenses	
12	Less: Total Non-Eligible Expenses	\$ -
13	Add: Eligible Education Expense for Land	
14	Eligible Education Expenses	\$ -

Example Screen Print is PSCP Standard Schedule 112

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• The reserve balance schedule for the modified financial audit includes the eligible education expenses by category.

NET ELIGIBLE EDUCATION EXPENSES FOR ALL PUPILS		
Line	A Line Description	B Amount
1	Salaries	
2	Payroll Related Taxes and Benefits	
3	Utilities	
4	Supplies	
5	Rental Costs for Buildings or Land	
6	Insurance	
7	Services & Contractor Expenses	
8	Interest Expense	
9	Depreciation Expense	
10	Other Eligible Expenses	
11	Eligible Education Expenses for Land	
12	Less: Eligible Education Expenses Primarily for SNSP Pupils	-
13	Less: Eligible Education Expenses on SNSP Statements of Actual Cost	-
14	Eligible Education Expenses	\$ -

INELIGIBLE EXPENSES IDENTIFICATION		
37	If the legal entity of the school does not have the expense, insert N/A. If the legal entity of the school has the expense and has excluded it from eligible expenses, place a X next to the expense.	
	Contributed items	
	Daycare/Preschool expenses	
	Bad debt expense	
	Church expenses	
	Scholarship awards & other financial support	
	School district partnership expenses	

Example Screen Print is PSCP Standard Schedule113

113

Program Reserve Balance Schedule-Modified (cont)

• Ineligible expenses the legal entity of the school has are identified with an “X” and ineligible expenses it does not have are identified with “N/A” at the bottom of the schedule.

NET ELIGIBLE EDUCATION EXPENSES FOR ALL PUPILS		
Line	A Line Description	B Amount
1	Salaries	
2	Payroll Related Taxes and Benefits	
3	Utilities	
4	Supplies	
5	Rental Costs for Buildings or Land	
6	Insurance	
7	Services & Contractor Expenses	
8	Interest Expense	
9	Depreciation Expense	
10	Other Eligible Expenses	
11	Eligible Education Expenses for Land	
12	Less: Eligible Education Expenses Primarily for SNSP Pupils	-
13	Less: Eligible Education Expenses on SNSP Statements of Actual Cost	-
14	Eligible Education Expenses	\$ -


INELIGIBLE EXPENSES IDENTIFICATION		
37	If the legal entity of the school does not have the expense, insert N/A. If the legal entity of the school has the expense and has excluded it from eligible expenses, place a X next to the expense.	
	Contributed items	
	Daycare/Preschool expenses	
	Bad debt expense	
	Church expenses	
	Scholarship awards & other financial support	
	School district partnership expenses	

Example Screen Print is PSCP Modified Schedule114

114

Reserve Requirements


- The school must maintain the reserve balance, if positive, for future eligible education expenses.
- The school carries forward the reserve balance, whether positive or negative, to the next year.
- If the school ceases to participate or is barred from all Choice Programs or the SNSP, the school will be required to repay the reserve balance, if positive, to the DPI.



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Ending Reserve Balance

Negative Reserve Balance	Positive Reserve Balance
<ul style="list-style-type: none">• The school has spent more for K-12 educational programming for program pupils than the amount received from the program.• The school will need to have funding sources other than program funds to pay for the additional costs.	<ul style="list-style-type: none">• The school has spent less on K-12 educational programming for program pupils than the amount received from the program.• The school has not fully spent the money the department will provide for educational programming for program pupils.



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Required Cash & Investment Balance

REQUIRED CASH AND INVESTMENT BALANCE		
32	June 30, 2023 PSCP Reserve Balance Line 30	-
33	June 30, 2023 SNSP Reserve Balance	-
34	Less: Remaining Depreciation on Fixed Assets	
35	Less: Land Purchases that have not Been Included as Eligible	
36	Required Cash and Investment Balance	\$ -

- The school must have an audited year-end cash and investment balance as reported on the statement of financial position that is at least as much as the required cash and investment balance.
- The required cash and investment balance is based on the total of the Choice and SNSP reserve balances less the remaining depreciation on fixed assets used for educational programming or land purchases that are not yet being used for educational programming purposes.

Example Screen Print is PSCP Standard Schedule 117

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Required Minimum Cash and Investment Balance Calculation Examples

	Example 1	Example 2
PSCP Reserve Balance	(25,000)	70,000
SNSP Reserve Balance	5,000	(10,000)
Total of the Reserve Balances	(20,000)	60,000
Less: Remaining Depreciation on Fixed Assets	N/A	(4,000)
Less: Land that Has Not Been Used for Educational Programming	N/A	(50,000)
Required Cash and Investment Balance	0	6,000

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Reserve Balance Repayment

- If the school does not maintain the required Choice reserve balance, it must repay the reserve balance to the department.
- The financial audit certification will indicate the amount owed and the due date for the amount owed.

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PSCP & SNSP Combined Financial Audit

- A school that participates in both the PSCP and SNSP submits one financial audit that covers both programs.
- The financial statements are the same.
- A reserve balance schedule needs to be included for PSCP and SNSP if the school is participating in both programs.

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SNSP/PSCP Reserve Balance Comparison

NET ELIGIBLE EDUCATION EXPENSES FOR ALL PUPILS			
12	Expenses on Statement of Activities	-	YES
13	Ineligible Depreciation Expense	-	YES
14	Contributed Expenses Other Than Fixed Assets	-	YES
15	Bad Debt Expense	-	YES
16	Scholarship Awards & Other Financial Support for Pupils	-	YES
17	Daycare/Preschool Expenses	-	YES
18	School District Partnership Expenses	-	YES
19	Church Expenses	-	YES
20	Eligible Education Expenses Primarily for SNSP Pupils		
21	Total Actual Cost for Pupils in SNSP Statements of Actual Cost	-	YES
22	Other Non-Eligible Expenses	-	YES
23	Less: Total Non-Eligible Expenses	\$ -	
24	Add: Eligible Education Expense for Land		
25	Eligible Education Expenses	\$ -	
26	Government Assistance for Expenses in Line 25 Excluding Forgiven PPP Loans	-	YES
27	Fundraising Revenue for Expenses in Line 25	-	YES
28	Insurance Proceeds for Expenses in Line 25	-	YES
29	Less: Total Offsetting Revenue for Expenses in Line 25	\$ -	
30	Adjustments to Prior Year Net Eligible Education Expenses		
31	Net Eligible Education Expenses for All Pupils	\$ -	

- The SNSP Reserve Balance Schedule has a column that identifies whether each amount matches the PSCP. It will indicate Yes or No. If the school does not participate in the PSCP, the column will indicate N/A.

Example Screen Print is SNSP Standard Schedule

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Grandfathered WPCP System Schools

- The financial audit for grandfathered Wisconsin Parental Choice Program (WPCP) system schools that participate as one school for the WPCP but as separate schools for the SNSP must include a SNSP reserve balance schedule for each school.
- The financial audit must include a statement that shows the revenues and expenses for each school separately in addition to the consolidated Statement of Activities.


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Knowledge Check

Which of the following schools would be required to provide a standard 2022-23 financial audit rather than having the option to provide the modified financial audit?


- a. The school received \$110,000 from the Milwaukee Parental Choice Program (MPCP) in the 2019-20, \$95,000 in the 2020-21 school year, and \$95,000 in the 2022-23 school year.
- b. The school is a first time participant in the Choice program and SNSP/Choice in the 2022-23 school year. It receives \$30,000 from the MPCP, \$30,000 from the Wisconsin Parental Choice Program, \$30,000 from the Racine Parental Choice Program, and \$25,000 from the SNSP.
- c. Both a and b.
- d. Neither a or b.

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Knowledge Check

True or False: The Department directly reimburses schools for expenses for SNSP & Choice program pupils.

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Eligible Education Expenses	
Choice	SNSP
Eligible education expenses are all direct and indirect costs associated with a school’s educational programming for pupils enrolled in grades kindergarten to 12 that are reasonable for the private school to achieve its educational purposes as determined by the school’s written policy and tested by an independent auditor.	Eligible education expenses are all direct and indirect costs associated with a private school’s educational programming for pupils enrolled in grades kindergarten to 12.

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Choice Eligible Education Expense Policy Requirements

- Written policy that is approved by the school's governing board.
- Describes the school's educational purpose.
- Describes the services related to educational programming that the school provides to pupils enrolled in kindergarten through 12th grade that are reasonable for the private school to achieve its educational purpose.
- Identifies any allocation methods that will be used, if applicable.
- The auditor determines whether the school has the required eligible education expense policy as part of the Fiscal & Internal Control Practices Report.

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Related Services Examples


- Management/administrative
- Extracurricular programming and activities
- Development (fundraising) expenses
- Before and after school care for K-12 pupils
- Transportation
- Food service

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Cost & Revenue Allocation Examples


- If a cost or revenue is partially related to educational programming and partially not related to educational programming, the cost or revenue must be allocated using an allocation method. Schools participating in the Choice programs must specify what allocation method(s) will be used in their eligible education expense policy.
- Examples of when an allocation may be required:
 - Day care & school operations
 - Parish & school operations
 - Central administration for two or more schools
 - Transportation provided to the school's pupils and other schools' pupils
- For the general eligible education expenses, do not allocate for Choice/SNSP versus Non-Choice/SNSP pupil costs.



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Potential Allocation Methods

Pupil full-time equivalency or headcount	Employee full-time equivalency or headcount	Time spent
Number of transactions for allocating items such as accounting costs.	Square footage or square footage used over time for items such as rent.	Miles driven or driver hours for items such as transportation costs.



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Headcount Allocation Example

- The percent of children is as follows:
 - The school has a headcount of 215 and operates for 10 months.
 - The daycare has 30 children and operates for 12 months.

	Number of Children	Months	Total
Daycare	30	12	360
School	215	10	2,150
	Total		2,510

School related percentage: 86%

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Leased Facility Allocation Percentage

The school has a lease that requires rental payments of \$60,000 a year. The location is used for the school and daycare. The school occupies 10,000 square feet for 10 months of the year and the daycare occupies 5,000 square feet for 12 months of the year. The school’s policy indicates square footage used over time will be used for allocating rent. What is the eligible education expense for the lease?

	Square Feet	Months	Total
Daycare	5,000	12	60,000
School	10,000	10	100,000
	Total		160,000

School related percentage: $63\% \times \$60,000 =$
\$37,800 Eligible Education Expense

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PSCP Eligible Education Expenses

- General Eligible Education Expenses: These are the school’s educational programming expenses for *all pupils* enrolled in grades K4 to 12.
 - The general eligible education expenses are multiplied by the percent of the pupils participating in the PSCP to determine what is a PSCP eligible education expense.
 - The percent of pupils participating in the PSCP is based on the average of the 3rd Friday in September and 2nd Friday in January FTE for PSCP pupils and all pupils.

20	Net Eligible Education Expenses for All Pupils	\$ -
PERCENTAGE OF PUPILS PARTICIPATING IN PSCP		
21	PSCP Pupil Average Full-Time Equivalent 3rd Friday Sept & 2nd Friday Jan Average FTE	-
22	All Pupil Average Full-Time Equivalent 3rd Friday Sept & 2nd Friday Jan Average FTE	-
23	Percentage of Pupils Participating in PSCP	0.00%
PSCP RESERVE BALANCE		
24	2022-23 PSCP Revenue	-
25	2022 Summer School PSCP Revenue	-
26	Total 2022-23 PSCP Revenue	\$ -
27	Less: Net Eligible Education Expenses for PSCP Pupils Line 20 times Line 23	-

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SNSP Eligible Education Expenses

- General Eligible Education Expenses: These are the school’s educational programming expenses for *all pupils* enrolled in grades K4 to 12.
- Primarily SNSP Expenses: These are the school’s educational programming expenses that are *primarily related to SNSP students*.
- Expenses for Pupils in a Statement of Actual Cost: These are expenses that are identified as eligible, with supporting documentation, in a Statement of Actual Cost submitted by the school.
- See the SNSP Eligible Education Expense Bulletin for further information.

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SNSP Eligible Education Expenses-General Eligible Education Expenses

- The general eligible education expenses are multiplied by the percent of the students participating in the SNSP to determine what is a SNSP eligible education expense.
- The percent of pupils participating in the SNSP is based on the average of the 3rd Friday in September and 2nd Friday in January FTE for SNSP pupils and all pupils. If the school receives a payment based on a Statement of Actual Cost, the pupil is excluded from the SNSP pupil FTE in the year the scholarship is received.

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Primarily SNSP Eligible Education Expenses

- If the school is participating in the SNSP, it may designate eligible education expenses that are primarily for the SNSP.
- Expenses that are primarily, but not only, related to SNSP students are expenses that were incurred primarily for SNSP students where other pupils at the school are also getting a benefit.
- Since they need to be “primarily” related to the SNSP, the expenses must be used for the SNSP at least 50% of the time.

NET ELIGIBLE EDUCATION EXPENSES PRIMARILY FOR SNSP PUPILS		
Line	A Line Description	B Amount
1	Eligible Education Expenses Primarily for SNSP Pupils	
2	Government Assistance for Expenses in Line 1 Excluding Forgiven Paycheck Protection Program (PPP) Loans	
3	Fundraising Revenue for Expenses in Line 1	
4	Insurance Proceeds for Expenses in Line 1	
5	Less: Total Offsetting Revenue for Expenses in Line 1	\$ -
6	Adjustments to Prior Year Net Eligible Education Expenses Primarily for SNSP Pupils	
7	Net Eligible Education Expenses Primarily for SNSP Pupils	\$ -

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Primarily SNSP Eligible Education Expenses (cont)

- The allocation for these expenses must be specific to the particular expense rather than a general allocation.
- Generally, the cost of teachers and other general costs of the school should be included as a general eligible education expense rather than as a primarily SNSP eligible education expense.

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Primarily SNSP Expenses-Offsetting Revenue

NET ELIGIBLE EDUCATION EXPENSES PRIMARILY FOR SNSP PUPILS		
Line	A Line Description	B Amount
1	Eligible Education Expenses Primarily for SNSP Pupils	
2	Government Assistance for Expenses in Line 1 Excluding Forgiven Paycheck Protection Program (PPP) Loans	
3	Fundraising Revenue for Expenses in Line 1	
4	Insurance Proceeds for Expenses in Line 1	
5	Less: Total Offsetting Revenue for Expenses in Line 1	\$ -
6	Adjustments to Prior Year Net Eligible Education Expenses Primarily for SNSP Pupils	
7	Net Eligible Education Expenses Primarily for SNSP Pupils	\$ -

- Any government assistance, insurance proceeds, or fundraising revenue that are related to these costs must decrease the primarily SNSP eligible education expenses.

Example Screen Print is SNSP Standard Schedule 138

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Primarily SNSP Expenses: SNSP General Eligible Education Expenses Impact

NET ELIGIBLE EDUCATION EXPENSES FOR ALL PUPILS		
12	Expenses on Statement of Activities	-
13	Ineligible Depreciation Expense	-
14	Contributed Expenses Other Than Fixed Assets	-
15	Bad Debt Expense	-
16	Scholarship Awards & Other Financial Support for Pupils	-
17	Daycare/Preschool Expenses	-
18	School District Partnership Expenses	-
19	Church Expenses	-
20	Eligible Education Expenses Primarily for SNSP Pupils	-
21	Total Actual Cost for Pupils in SNSP Statements of Actual Cost	-
22	Other Non-Eligible Expenses	-
23	Less: Total Non-Eligible Expenses	\$ -
24	Add: Eligible Education Expense for Land	-
25	Eligible Education Expenses	\$ -

- Primarily SNSP expenses **before** any allocation must be excluded from the general SNSP eligible education expenses.

Example Screen Print is SNSP Standard Schedule

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Primarily SNSP Expenses: PSCP General Eligible Education Expenses Impact

Line	A Line Description	B Amount
1	Expenses on Statement of Activities	
2	Ineligible Depreciation Expense	
3	Contributed Expenses Other Than Fixed Assets	
4	Bad Debt Expense	
5	Scholarship Awards & Other Financial Support for Pupils	
6	Daycare/Preschool Expenses	
7	School District Partnership Expenses	
8	Church Expenses	
9	Eligible Education Expenses Primarily for SNSP Pupils	-
10	Eligible Education Expenses on SNSP Statements of Actual Cost	-
11	Other Non-Eligible Expenses	
12	Less: Total Non-Eligible Expenses	\$ -
13	Add: Eligible Education Expense for Land	
14	Eligible Education Expenses	\$ -

- Primarily SNSP expenses **after** any allocation must be excluded from the PSCP general eligible education expenses.
- This amount may or may not match the excluded amount on the SNSP schedule.

Example Screen Print is PSCP Standard Schedule

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Knowledge Check

A school participating in the SNSP and Choice program hires a teacher aid to work with an SNSP pupil. The teacher aid is paid \$30,000 per year. The teacher aid sometimes assists other students. The teacher aid spends 90% of her time with the SNSP student. The school designates the teacher aid as a primarily SNSP expense. What are the following amounts?

Type	Amount
Primarily SNSP/Choice Eligible Education Expenses	
Cost Excluded from SNSP/Choice General Eligible Education Expenses	
Cost Excluded from Choice General Eligible Education Expenses	

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SNSP Eligible Education Expenses Error Report

ERROR REPORT		
49	The school also participated in the PSCP in the 2022-23 school year. This indicates no if the school is a Choice system.	Yes
50	Percent of Primarily SNSP Expenses Included as Eligible	N/A
51	Was an allocation used to determine the Eligible Education Expenses Primarily for SNSP Pupils?	N/A
52	Auditor Confirmation-Allocation Used: The allocated amounts are only for expenses that were primarily related to SNSP pupils and do not include the costs for teachers unless the school has a resource teacher, teacher aide, or additional teacher primarily to assist with the SNSP pupils.	N/A
53	Auditor Confirmation-Allocation Used: The primarily SNSP allocated amount does not use a general allocation (such as percent of the school participating in the SNSP). The allocation percentage is based on the actual amount of SNSP time/use of the resource being allocated.	N/A
54	Auditor Confirmation-Allocation Not Used: The individuals whose salaries were included in primarily SNSP expenses only worked on SNSP for the full year and the expenses included in primarily SNSP expenses were solely used for SNSP primarily expenses. The amount on Line 1 and Line 10 did not require any calculations of the percent of the individual's time or the portion of the item that was used for SNSP students and not SNSP students.	N/A
55	The questions on Line 51-54 must be answered.	OK
56	Primarily SNSP Allocation Used: If Line 51 indicates an allocation was used for eligible education expenses primarily for SNSP pupils, the decrease to the general eligible education expenses on Line 20 must be the amount before the allocation. Further, at least 50% of an expense must be used for SNSP students to be included as a primarily expense.	OK
57	Primarily SNSP Allocation Not Used: If Line 51 indicates an allocation was not used for eligible education expenses primarily for SNSP pupils, the decrease to the general eligible education expenses on Line 20 must match the amount on Line 1. Note: If Line 51 indicates an allocation was not used, Line 1 may only include costs for SNSP pupils. In this case, no allocations may be used to determine the amount on Line 1.	OK
58	If the school is also participating in the PSCP, the eligible education expenses primarily for SNSP pupils on Line 9 of the PSCP Reserve Balance Schedule must match Line 1 of the SNSP Reserve Balance Schedule.	OK

- The SNSP reserve balance schedule includes an error report section.
- The preparer must answer whether or not an allocation was used for the primarily SNSP expenses.
- The preparer must ensure there are no errors in this section.

Example Screen Print is SNSP Standard Schedule

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142

Expenses for Pupils in a Statement of Actual Cost

- If a school submits a Statement of Actual Cost for a pupil, the school will include the eligible education expenses for the pupil from the actual cost report in the Reserve Balance Schedule.
- The allocation for these expenses must be specific to the particular expense rather than a general allocation.

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SNSP Statements of Actual Cost: SNSP General Eligible Education Expenses Impact

NET ELIGIBLE EDUCATION EXPENSES ON SNSP STATEMENTS OF ACTUAL COST		
<i>If any amounts changed from the school's final Statements of Actual Cost, provide the pupil schedule as part of the financial audit. The school must then submit revised Statements of Actual Cost for any pupils with changes and supporting documentation for amounts that changed by 10/15/23.</i>		
8	Cost from Invoices	
9	Allocated Salary & Benefits Costs	
10	Less: Offsetting Government Assistance Revenue Excluding Forgiven PPP Loans	
11	Net Eligible Education Expenses on SNSP Statements of Actual Cost	\$ -
NET ELIGIBLE EDUCATION EXPENSES FOR ALL PUPILS		
12	Expenses on Statement of Activities	-
13	Ineligible Depreciation Expense	-
14	Contributed Expenses Other Than Fixed Assets	-
15	Bad Debt Expense	-
16	Scholarship Awards & Other Financial Support for Pupils	-
17	Daycare/Preschool Expenses	-
18	School District Partnership Expenses	-
19	Church Expenses	-
20	Eligible Education Expenses Primarily for SNSP Pupils	-
21	Total Actual Cost for Pupils in SNSP Statements of Actual Cost	-
22	Other Non-Eligible Expenses	-
23	Less: Total Non-Eligible Expenses	\$ -

- Any costs included in the SNSP Statements of Actual Cost will be excluded from the SNSP general eligible education expenses.

Example Screen Print is SNSP Standard Schedule 144

144

SNSP Statements of Actual Cost: PSCP General Eligible Education Expenses Impact

Line	A Line Description	B Amount
1	Expenses on Statement of Activities	
2	Ineligible Depreciation Expense	
3	Contributed Expenses Other Than Fixed Assets	
4	Bad Debt Expense	
5	Scholarship Awards & Other Financial Support for Pupils	
6	Daycare/Preschool Expenses	
7	School District Partnership Expenses	
8	Church Expenses	
9	Eligible Education Expenses Primarily for SNSP Pupils	-
10	Eligible Education Expenses on SNSP Statements of Actual Cost	-
11	Other Non-Eligible Expenses	
12	Less: Total Non-Eligible Expenses	\$ -
13	Add: Eligible Education Expense for Land	
14	Eligible Education Expenses	\$ -

- Any costs included in the SNSP Statements of Actual Cost will be excluded from the PSCP general eligible education expenses.
- This amount must match the excluded amount on the SNSP schedule.

Example Screen Print is PSCP Standard Schedule 145

145

Eligible Education Expenses

- The amount included as an eligible education expense in the reserve balance schedule, for costs identified as eligible, is the amount that is included in the Statement of Activities for that school year based on generally accepted accounting principles (GAAP), except for the following:
 - The amount that the school paid for land is included in the first year the land is used for educational programming using an allocation method, if applicable.
 - Modified Financial Audit Only: Post retirement benefits may be included based on the actual cost of the benefits in that year.
- In order to include something as an eligible education expense, it must relate to a cash disbursement (either now or projected for the future).

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Non Eligible Education Expenses

NET ELIGIBLE EDUCATION EXPENSES FOR ALL PUPILS		
Line	A Line Description	B Amount
1	Expenses on Statement of Activities	
2	Ineligible Depreciation Expense	
3	Contributed Expenses Other Than Fixed Assets	
4	Bad Debt Expense	
5	Scholarship Awards & Other Financial Support for Pupils	
6	Daycare/Preschool Expenses	
7	School District Partnership Expenses	
8	Church Expenses	
9	Eligible Education Expenses Primarily for SNSP Pupils	-
10	Eligible Education Expenses on SNSP Statements of Actual Cost	-
11	Other Non-Eligible Expenses	
12	Less: Total Non-Eligible Expenses	\$ -
13	Add: Eligible Education Expense for Land	
14	Eligible Education Expenses	\$ -

- Depreciation on contributed capital assets or non educational programming assets goes on the “Ineligible Depreciation Expense” line.
- Any other contributed costs must be included on the “Contributed Expenses Other Than Fixed Assets” line in the financial statements. This can include:
 - The Fair Market Value of rent if the landlord is charging less than the typical rent cost.
 - Contributed services cost.

Example Screen Print is PSCP Standard Schedule 147

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Non Eligible Education Expenses (cont)

NET ELIGIBLE EDUCATION EXPENSES FOR ALL PUPILS		
Line	A Line Description	B Amount
1	Expenses on Statement of Activities	
2	Ineligible Depreciation Expense	
3	Contributed Expenses Other Than Fixed Assets	
4	Bad Debt Expense	
5	Scholarship Awards & Other Financial Support for Pupils	
6	Daycare/Preschool Expenses	
7	School District Partnership Expenses	
8	Church Expenses	
9	Eligible Education Expenses Primarily for SNSP Pupils	-
10	Eligible Education Expenses on SNSP Statements of Actual Cost	-
11	Other Non-Eligible Expenses	
12	Less: Total Non-Eligible Expenses	\$ -
13	Add: Eligible Education Expense for Land	
14	Eligible Education Expenses	\$ -

- Bad debt expense
- Scholarship awards and financial support for pupils
- Church expenses
- Other non-eligible expenses

Example Screen Print is PSCP Standard Schedule 148

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Non Eligible Education Expenses (cont)

NET ELIGIBLE EDUCATION EXPENSES FOR ALL PUPILS		
Line	A Line Description	B Amount
1	Expenses on Statement of Activities	
2	Ineligible Depreciation Expense	
3	Contributed Expenses Other Than Fixed Assets	
4	Bad Debt Expense	
5	Scholarship Awards & Other Financial Support for Pupils	
6	Daycare/Preschool Expenses	
7	School District Partnership Expenses	
8	Church Expenses	
9	Eligible Education Expenses Primarily for SNSP Pupils	-
10	Eligible Education Expenses on SNSP Statements of Actual Cost	-
11	Other Non-Eligible Expenses	
12	Less: Total Non-Eligible Expenses	\$ -
13	Add: Eligible Education Expense for Land	
14	Eligible Education Expenses	\$ -

- If the school holds any grade, such as K4, for the public school district the cost to provide education for pupils at the private school that are enrolled in the public school district should be included in the School District Partnership Expenses line.
- Since the costs are not included as eligible, the school district partnership revenue will not be included as offsetting revenue.
- These pupils are excluded from the all pupil count.

Example Screen Print is PSCP Standard Schedule 149

149

Non Eligible Education Expenses (cont)

NET ELIGIBLE EDUCATION EXPENSES FOR ALL PUPILS		
Line	A Line Description	B Amount
1	Expenses on Statement of Activities	
2	Ineligible Depreciation Expense	
3	Contributed Expenses Other Than Fixed Assets	
4	Bad Debt Expense	
5	Scholarship Awards & Other Financial Support for Pupils	
6	Daycare/Preschool Expenses	
7	School District Partnership Expenses	
8	Church Expenses	
9	Eligible Education Expenses Primarily for SNSP Pupils	-
10	Eligible Education Expenses on SNSP Statements of Actual Cost	-
11	Other Non-Eligible Expenses	
12	Less: Total Non-Eligible Expenses	\$ -
13	Add: Eligible Education Expense for Land	
14	Eligible Education Expenses	\$ -

- Daycare expenses except for before and after school care for K-12th grade pupils enrolled in educational programming at the school.
- This line includes any preschool costs, such as K3 costs.
- If the school is participating in the Choice program, the school would need to identify K-12th grade before and after care as eligible in its policy in order for the expenses to be eligible.

Example Screen Print is PSCP Standard Schedule 150

150

Non Eligible Education Expenses (cont)

- Daycare expenses determination:
 - If the school has kindergarten age students enrolled in day care, they are not included in the all pupil count and the expenses are not included in eligible education expenses.
 - If the school is providing educational programming, meets the required number of hours of instruction, the pupils are age eligible, and the grade is accredited or preaccredited, pupils in K4 and K5 should generally be included in the all pupil count and the expenses should be included as eligible.

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Expenses Charged by Legal Entity

- The school cannot include expenses charged by its own legal entity as an eligible education expense. Instead, the actual expenses incurred by the legal entity can be included as eligible if they meet the eligible education expense requirements. The organizations are not different legal entities if:
 - The organizations have the same tax id number and use it for all activities including payroll.
 - The organizations are NOT separately set up with the Department of Financial Institutions.
- For example, rent may only be included if the school is a separate legal entity from the landlord.

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Adjustments to Prior Year Eligible Education Expenses

Line	A Line Description	B Amount
18	Less: Total Offsetting Revenue	\$ -
19	Adjustments to Prior Year Net Eligible Education Expenses	
20	Net Eligible Education Expenses for All Pupils	\$ -

- If a previously included eligible education expense is forgiven or it is determined it was not an appropriate expense, the current year eligible education expenses are reduced. Include the amount as a negative on the adjustment line.
- If an eligible education expense was missed in a previous year, include the amount as a positive on this line.
- If any amount is included on this line, include a note explaining what is included in the line. See the Financial Audit and PSCP/SNSP Reserve Balance Bulletin for an example note.

Example Screen Print is PSCP Standard Schedule 153

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Adjustments to Prior Year Eligible Education Expenses (cont)

- The amount included in the Adjustments to Prior Year Net Eligible Education Expenses line must be:
 - The amount **before** the percent of pupils participating in the program is applied.
 - Include any prior year increases to net eligible education expenses as positive and decreases as negative.
- Do not include changes in land on the Adjustments to Prior Year Net Eligible Education Expenses line. All land that is included in the GAAP audit and meets the PSCP/SNSP requirements must be included on the Reserve Balance Schedule's land line the first year the land is used for educational programming. If land was missed in a previous year, contact the DPI for proper reporting.

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Net Eligible Education Expenses for All Pupils

14	Eligible Education Expenses	\$	-
15	Government Assistance Excluding Forgiven PPP Loans		
16	Fundraising Revenue		
17	Insurance Proceeds		
18	Less: Total Offsetting Revenue	\$	-
19	Adjustments to Prior Year Net Eligible Education Expenses		
20	Net Eligible Education Expenses for All Pupils	\$	-

- The net eligible education expenses for all pupils are calculated as the eligible education expenses less any offsetting revenue. Offsetting revenue is revenue that decreases the amount that is eligible for the program.

Example Screen Print is PSCP Standard Schedule 155

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Offsetting Revenues

Insurance Proceeds

Government Assistance:

- Any government assistance for expenses that are included in eligible education expenses are offsetting except for Paycheck Protection Program forgiven loans. See the COVID Funding Bulletin for information on how to include other COVID funding.
- Determine the USDA food program revenue using the Aids Register.

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.

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Offsetting Revenue (cont)

- The amount that is offsetting for fundraising revenue is the lesser of:
 - Fundraising revenue
 - 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	15,000	10,000

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Plan for PSCP Reserve

30	June 30, 2023 PSCP Reserve Balance	\$ -
31	Plan for PSCP Reserve Required	Not Required

- Only PSCP includes an indication of whether the school is required to have a plan for the PSCP reserve balance.
- If the PSCP reserve balance is greater than 50% of the total Choice revenue received by the school in the prior year, the governing body of the private school must approve a plan for how it will use the amount of the reserve balance that exceeds the 50% threshold.
- The school’s auditor will ensure the school has a plan, if required, as part of the Fiscal & Internal Control Practice Report.

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Knowledge Check

What government assistance is included as offsetting revenue (a decrease to the eligible education expenses)?

- a. All government assistance received.
- b. Government assistance received for educational programming.
- c. Government assistance received for educational programming up to the related eligible education expense.

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True or False

1. If a school has a cost that only relates to a SNSP student, they must include it as a primarily SNSP expense.
2. A school must complete a SNSP Statement of Actual Cost for each pupil that participated in the SNSP at its school in the previous school year.

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Knowledge Check

A school has a teacher aide that they designate as primarily SNSP. The teacher aide does not spend all of her time on the SNSP. How must the school determine the portion of the SNSP teacher aide's time spent on the SNSP?

- a. The school can use the percentage of the school participating in the SNSP.
- b. The teacher aide must specifically track the amount of time spent working with SNSP pupils and SNSP required items compared to the amount of time spent on non-SNSP items every day.
- c. The teacher aide can estimate the amount of time spent on SNSP items.
- d. The teacher aide must specifically track the amount of time spent working with SNSP pupils and SNSP required items compared to the amount of time spent on non-SNSP. The teacher aide could select certain weeks to track her time that are representative of her typical time spent on the SNSP compared to non-SNSP items.

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Knowledge Check

Which of the following does **not** need to be specified in the school's eligible education policy for the Choice program?

- a. Any allocations the school will use if the school has any expenses are less than 100% related to K4-12th grade educational program pupils.
- b. The expenses that will be eligible education expenses for the school.
- c. The school's educational purpose.
- d. The expenses that will be excluded from eligible education expenses.

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Knowledge Check

A church and school are one legal entity. The church owns the school building. The church charges the school \$50,000 a year for rent. The church pays \$10,000 for utilities and \$15,000 for interest on the mortgage used to purchase the building. How much can the school include as an eligible education expense?

- a. If the school's eligible education policy identifies building related expenses are eligible education expenses (for the Choice program), an allocation percentage can be used to determine the school's portion of the utility expenses and the interest on the mortgage. Additionally, if the building and/or land meets the fixed asset requirements, the school's portion of the building and land can also be included as eligible.
- b. If the school's eligible education policy identifies rent as an eligible education expense (for the Choice program), the \$50,000 can be included as eligible.
- c. Nothing because the school doesn't own the building and isn't incurring the costs directly.

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Question?

If you have a question,
please use the chat.

Questions after the
training
may be emailed to DPI




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Fixed Assets

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What is a Fixed Asset?



Assets purchased for long term use or over a certain dollar amount.



Capitalized assets-The purchase is included as an expense over the period the asset is expected to be used.

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Fixed Assets General Requirements

- The school should have a written capitalization policy that specifies:
 - The asset categories that will be used and a description of each category.
 - The useful life that will be applied to assets within each category.
 - The monetary threshold that will be used to determine if an asset is capitalized.
 - Information on what asset groups, if any, will be used for capitalization purposes.
- See Appendix 1 in the SNSP/Choice Eligible Education Expenses Bulletin for a sample capitalization policy.

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Fixed Assets Example

- Example fixed assets capitalization category: Equipment purchases that are \$1,000 or more. The useful life is 5 years.
- Which of the following assets are capitalizable?

Asset	Purchase Price	Capitalizable?
a. Teacher desk	\$800	
b. Smartboard	\$1,500	

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Land

- Land is included as an eligible education expense in the first year it is used for educational programming purposes, to the extent it is used for educational programming in that year.
- New schools to the Choice program/SNSP must include the cost of land as an eligible education expense in the school’s first financial audit, if the land is already being used for educational programming in that year.
 - If the school joins the SNSP/Choice program, it must include the land as an SNSP/Choice eligible expense in the first year it is being used for educational programming for the SNSP/Choice program.
- Land not yet being used for educational programming purposes will not be included as an eligible education expense until the year it is used for educational purposes.

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Fixed Assets General Requirements



Only the cost for fixed assets may be included. If an asset is donated, for example, it is not an eligible cost.



The school must be able to provide the auditor with support for the fixed asset cost.

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Depreciation

- Depreciation for fixed assets begins when the asset is placed in service.
- The depreciation is included as an eligible education expense based on the percentage of the asset used for educational programming and related services.
- Accumulated depreciation is the total depreciation for the asset that has been expensed as of a point in time.

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Depreciation Example

- The school purchases a piece of equipment during the year for \$10,000.
- The useful life of the equipment category is 5 years.
- The equipment is used for educational programming by the school 50% of the time and 50% of the time it is used for church activities.

Total Equipment Cost	
Useful Life	
Depreciation Expense Per Year	
Eligible Education Expense per Year	

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First Year Financial Audit

- In the first year a school completes a GAAP financial audit for the Choice program or SNSP, the school must decide what, if any, existing fixed assets owned as of the beginning of the fiscal year (“existing fixed assets”) will be included in the financial audit.
- The school may choose to include all, some, or no existing fixed assets owned in the financial audit as long as the ones that are included meet generally accepted accounting principles (GAAP) including:
 - The original purchase must have met the school’s capitalization policy.
 - The school will need to determine and support the beginning fiscal year book value.
- Any assets purchased after the school starts participating in the program must be included in the financial audit.

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Knowledge Check

A school participated in the Choice program in the 2020-21 and 2022-23 school year. The school included land as an eligible education expense for the Choice program in the 2020-21 school year. The school joins the SNSP in the 2022-23 school year. Which of the following is true:

- a. The school cannot include the land as an eligible education expense for the SNSP in the 2022-23 school year because it already included it for the Choice program.
- b. The school must include the land that is being used for educational programming in the 2022-23 SNSP Reserve Balance Schedule as an eligible expense because it is the first year the school participated in the SNSP.

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Which of the following could be included as an eligible education expense?

For Choice, related services must be included in the policy to be eligible

	Eligible Cost (Yes or No)
Cost for paying a teacher to watch school age pupils in an after school program.	
Cost of providing lunch for the teachers.	
Purchase of a school refrigerator that is paid using USDA food program funds.	
A lawn care service performs work at the school in June 2023. The school receives the bill and pays the bill in July 2023. Is the expense an eligible education expense in the 2023-24 school year?	

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Which of the following could be included as an eligible education expense?

For Choice, related services must be included in the policy to be eligible

	Eligible Cost (Yes or No)
Computer for administrative staff person who works 25% on the school and 75% on the church.	
Legal pro-bono work.	
Cost for extra-curricular football supplies.	
Cost for classroom supplies for a grade that does not have Choice or SNSP/Choice pupils in it.	
Salary costs for a pastor that teaches religious education at the school.	

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Which of the following could be included as an eligible education expense?

For Choice, related services must be included in the policy to be eligible

	Eligible Cost (Yes or No)
Fair market value of supplies that are donated by the administrator.	
Cost for stage materials for a drama club.	
Scholarship awarded to a pupil.	
The school and the church are the same legal entity. The church owns the building. The church charges the school rent.	


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Question?

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training
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Financial Audit Knowledge Checks

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Knowledge Check #1

- A school has total eligible education expenses of \$1,108,000.
- The school receives \$50,000 from the USDA food program, \$500,000 in tuition, and \$10,000 in fees.
- The school has a teacher aid who is paid \$40,000 that spends 75% of her time with SNSP pupils. The school decides to include the teacher as a primary SNSP expense.
- The school submitted a 2022-23 SNSP actual cost report that has \$18,000 of eligible education expenses incurred for the pupil on the report.
- What are the school's general net eligible education expenses for the SNSP and Choice program?

Description	SNSP	Choice
General Eligible Education Expenses		
Less:		
Offsetting Revenue		
Primarily SNSP Expenses (Teacher Aid)		
Costs in 2022-23 Actual Cost Report		
General Net Eligible Education Expenses		

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Knowledge Check #2

- 10% of the school participates in the SNSP.
- 50% participates in Choice.
- The school has a teacher aid who is paid \$40,000 that spends 75% of her time with SNSP pupils. The school decides to include the teacher as a primary SNSP expense.
- The school submitted a 2022-23 SNSP actual cost report that has \$18,000 of eligible education expenses incurred for the pupil on the report.
- What are the school's net eligible education expenses for the SNSP and the Choice program?

Description	SNSP	Choice
General Net Eligible Education Expenses	1,000,000	1,010,000
Times: Percent of School in Program		
General Net Eligible Education Expenses for Program Pupils		
Primarily SNSP Expenses (Teacher Aid)		N/A
Costs in 2022-23 Actual Cost Report		N/A
Total Net Eligible Education Expenses for Program Pupils		

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Knowledge Check #3

Description	SNSP	Choice
Program Revenue		
Less: Net Eligible Education Expenses for Program Pupils		
Program Reserve Balance		

- A school has \$148,000 of net eligible education expenses for SNSP pupils and \$505,000 of net eligible education expenses for Choice pupils. The school received \$198,000 of SNSP revenue and \$500,000 of Choice revenue during the year. What are the school's SNSP and Choice reserve balance at the end of the year?

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Knowledge Check #4

Description	Amount
SNSP Reserve Balance	
Choice Reserve Balance	
Less: Remaining Depreciation on Fixed Assets	
Required Cash and Investment Balance	

The school has a SNSP reserve balance of \$50,000 and a Choice Reserve Balance of negative \$5,000. The school has \$15,000 of remaining depreciation on its fixed assets. What is the required cash and investment balance?

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Knowledge Check #5

A school has a reserve balance of \$20,000. It decides to replace its roof at a cost of \$20,000. 25% of the K-12 FTE at the school participates in the SNSP. Based on the school's capitalization policy, building improvements have a useful life of 10 years. Which of the following is true?

- a) The school can include the full \$20,000 as an eligible education expense for SNSP pupils because the school is reducing the reserve balance.
- b) The school can only include \$5,000 as an eligible education expense for SNSP pupils because the \$20,000 must be multiplied by the percent of the school participating in the program. The amount will be included as eligible each year as the cost to replace the roof is depreciated.

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SNSP Available Resources

On Demand Trainings

- K4 Parental Outreach
- Criminal Background Check
- Payment Process, Pupil Count Report, and Audit Overview
- Preliminary Enrollment Report*
- 3rd Fri Sept and 2nd Fri Jan Count report Training*

*These trainings are updated annually

<https://dpi.wi.gov/parental-education-options/special-needs-scholarship/school-training>

Bulletins

- Other Program Requirements Bulletins:
 - K4 Parental Outreach Activities Bulletin
 - Criminal Background Checks Bulletin
 - SNSP/Choice Summer School Bulletin
- Financial Requirements
 - Financial Audit and PSCP/SNSP/Choice Reserve Balance Bulletin
 - SNSP/Choice Eligible Education Expenses Bulletin
 - COVID Funding Bulletin
- Application Related Bulletins
 - Initial Student Eligibility Bulletin
 - Student Application and Transfer Request Information Bulletin

<https://dpi.wi.gov/parental-education-options/special-needs-scholarship/bulletins>

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Choice Available On Demand Trainings/Resources

- Choice On Demand Trainings available at <https://dpi.wi.gov/parental-education-options/choice-programs/on-demand-training>
 - Training 3-5: Surety Bond and New School Budget & Cash Flow Report
 - Training 5: Financial Audit Trainings
 - Training 6: Fiscal & Internal Control Practices Report
 - Training 9: Payment & Count Reports
- New School Fiscal Management Training (reviews completion of DPI Budget and Cash Flow Report) available at <https://dpi.wi.gov/parental-education-options/choice-programs/new-schools-training>.
- Program Bulletins at <https://dpi.wi.gov/parental-education-options/choice-programs/bulletins>.
- Auditor Webpage: <https://dpi.wi.gov/parental-education-options/choice-programs/auditor>

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Important Dates Documents

- Choice: <https://dpi.wi.gov/parental-education-options/choice-programs/school-information>
- SNSP: <https://dpi.wi.gov/parental-education-options/special-needs-scholarship/school-information>.
- Review the “BY FIRST DAY OF SCHOOL” section for a list of items that should be completed as school begins.

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Questions?

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