


Private School Choice Programs Fiscal Management Training

Schedule 3-3: Expenses & Expense Finalization

School Finance Auditors
Parental Education Options
2024-25 School Year



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

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

This section of the training will explain how to complete Schedule 3-3 and do a final review of the expense schedules.

Completion of Budget Excel Document



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



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



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



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

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

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

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

Schedule 3-3: General Expenses

EXPENSES

Include the total costs and education expenses that the legal entity of the school will incur for the school year. Column C may only include eligible education expenses. If a cost partially relates to K-12 educational programming, the school must use an allocation method to determine the cost in Column C. If applicable, the school must include the provider name in Lines 1-3 and 5-7.

Line	A Item Description	B Total Cost	C Education Expenses	D Provider Name <i>If not known, insert TBD</i>
1	Accounting Services			
2	Independent Auditing Services			
3	Consultant, Legal & Other Services			
4	TOTAL SERVICES COSTS	-	-	
5	Contractor Provided Pupil Transportation			
6	Student Information System			
7	Contractor Provided Food Service	-	-	
8	TOTAL CONTRACTOR COSTS	-	-	
9	DPI Auditor Fee	-	-	
10	Field Trips & Extracurricular Activities			
11	Marketing & Continuing Ed			
12	Primarily SNSP Expenses			
13	Non-Administrative Fundraising Expenses			
14	Other Expenses			
15	TOTAL OTHER EXPENSES	-	-	

Name Missing
ERROR

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The last expense schedule is Schedule 3-3. Schedule 3-3 include services costs, contractor costs, and other expenses.

Schedule 3-3: General Expenses

Line	A Item Description	B Total Cost	C Education Expenses	D Provider Name <i>If not known, insert TBD</i>
1	Accounting Services			
2	Independent Auditing Services			
3	Consultant, Legal & Other Services			
4	TOTAL SERVICES COSTS	-	-	
5	Contractor Provided Pupil Transportation			
6	Student Information System			
7	Contractor Provided Food Service	-	-	
8	TOTAL CONTRACTOR COSTS	-	-	

Name Missing

ERROR

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- Include the provider's name for any line items with dollar amounts in column B. If the provider is not yet known, then insert TBD.
 - Contractor transportation costs on Line 5 may be required based on the answers on Schedule 1.
 - Food service on Line 7 automatically fills in based on the information entered in Schedule 1.
 - All schools must have costs for independent auditing services (Line 2).
- *You will receive an error if the provided name or TBD is not entered in column D .**



The school must include the provider name in Column D for any lines with expenses on Schedule 3-3, Lines 1-7. If the contractor is not known at the time of the budget's preparation, then the school should enter To Be Determined, or TBD.

If the school does not enter a contractor name or TBD, an error will show on the right hand side of this schedule and also on the Error page in the budget.

As a reminder, all schools must have an independent external auditor that they hire to complete the September and January Enrollment Audit, the Fiscal & Internal Control Practices Report and the Financial Audit. The cost the school will pay the auditor to complete these audits and agreed upon procedures reports must be included on Line 2.

Line 7 is prefilled with the food costs entered in Schedule 1.

Schedule 3-3 : Student Information System

Line	A Item Description	B Total Cost	C Education Expenses	D Provider Name <i>If not known, insert TBD</i>
1	Accounting Services			
2	Independent Auditing Services			
3	Consultant, Legal & Other Services			
4	TOTAL SERVICES COSTS	-	-	
5	Contractor Provided Pupil Transportation			
6	Student Information System			

- Private schools participating in Choice programs must have a commercially available Student Information System (SIS) capable of exchanging data with the state's data system.
- Schools are required to submit secure, student-level assessment, attendance, graduation and demographic data, which will be used to create the annual school report cards mandated by the state legislature.
- You must include the costs for a SIS vendor in your budget or you will receive an error.

*For more information on the SIS, see Training 4-1. Information on this training is listed at the end of this presentation.



All schools participating in the Private School Choice Programs must have a Student Information System, or SIS, that is capable of exchanging data with the state's data system. Since having a SIS is required for Choice program participants, the school must include a cost in the SIS budget line. See Training 4-1 on the On Demand Training webpage for more information on Student Information System requirements.

Schedule 3-3: DPI Auditor Fee

Line	A Item Description	B Total Cost	C Education Expenses	D Provider Name <i>If not known, insert TBD</i>
9	DPI Auditor Fee	275	275	
10	Field Trips & Extracurricular Activities			
11	Marketing & Continuing Ed			
12	Primarily SNSP Expenses			
13	Non-Administrative Fundraising Expenses			
14	Other Expenses			
15	TOTAL OTHER EXPENSES	275	275	

The Choice DPI auditor fee is automatically included in the Total Cost and in the Education Expenses columns if the school is participating in the Choice program.



The DPI auditor fee is automatically included as a cost on Schedule 3-3, Line 9, Columns B and C when an X is placed next to one or more of the Choice programs on the cover page. This is automatically included because payment of the auditor fee is required in order to participate in the Choice programs. The DPI Auditor fee covers the cost of one auditor at the Department of Public Instruction. This auditor fee is separate from the fee you will need to pay your external auditors to complete the Enrollment Audits, Fiscal & Internal Control Practices Report, and the Financial Audit.

In addition, you must include the auditor fee for the next school year in the cash flow section of Schedule 3-3 on or before January 2025. The fee is due by January 10th in advance of each school year. Since this fee is paid in advance of each school year, the budget must also show the amount as a prepaid expense in lines 18 and 34 of the cash flow section.

Schedule 3-3 General Expenses

Line	A Item Description	B Total Cost	C Education Expenses
9	DPI Auditor Fee	-	-
10	Field Trips & Extracurricular Activities		
11	Marketing & Continuing Ed		
12	Primarily SNSP Expenses		
13	Non-Administrative Fundraising Expenses		
14	Other Expenses		
15	TOTAL OTHER EXPENSES	-	-

- Non-administrative fundraising expenses are included on Line 13, columns B and C. The non-administrative fundraising expenses related to K4-12th grade educational programming should go in the Education Expenses column.
 - Examples of non-administrative fundraising expenses would include the cost of Scrip cards or cost of food for a benefit dinner.
 - Administrative expenses would include costs for school personnel, mailings, copying, and fixed assets used for other school purposes.

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The school must include the non-administrative fundraising expenses on Line 13. This amount is specifically identified in the budget because the eligible education expenses are reduced by the lesser of fundraising revenue or the non-administrative fundraising expenses that are related to K4-12th grade educational programming in Column C.

The school should consider if the costs to do fundraising are administrative or non administrative expenses. Administrative expenses include the cost for school personnel, general mailings, copying and fixed assets that are used for other school purposes. Non-administrative fundraising expenses are the direct costs of providing the fundraising if the item is not also used for another school purpose. Examples of a non-administrative fundraising expense would include the cost of scrip cards, the cost of food for a benefit dinner, or renting a room at a hotel for a fundraising dinner.

Administrative expenses for fundraising should **not** go on Line 13. Instead, the expenses should go on whatever line they are related to.

Knowledge Check

Are the following items Non-Administrative or Administrative fundraising expenses?

Type of Expense	Non-Administrative or Administrative Fundraising Expense?
Development director salary & benefits	
Cost for Scrip gift cards	
Allocated mailings and copying	
Cost for food for benefit dinner	
Allocated cost for school gym for benefit dinner	
Allocated costs for school personnel who help with benefit dinner	

As a reminder, if they are non-administrative, they must be included on Schedule 3-3, Line 13.

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Now, let's do a knowledge check. Please take a few minutes to determine if each expense is an administrative or non-administrative fundraising expense. Please pause the training until you are ready to continue.

The first item is a development director's salary and benefits. School personnel costs are considered administrative costs.

The next item is the cost for Scrip gift cards. This is a non-administrative cost because it is a direct cost to raise the funds.

The next item is allocated mailings and copying. These are considered administrative costs since these are general costs being incurred by the entity that are being allocated to the fundraiser.

The next item is the cost for food for a benefit dinner. This is a non-administrative cost because it is a cost specifically for the fundraising event.

Next, we have the allocated cost for the school gym for a benefit dinner. This is an administrative cost because the school gym is an existing school asset. If we changed this slightly and used a room at a hotel, the cost of that hotel would be a non-administrative cost because it is specific to that fundraiser.

Finally, the allocated costs for school personnel who help with a benefit dinner is also an administrative cost.

As a reminder, non-administrative fundraising expenses must be included on Schedule 3-3, Line 13. The school should not include any amounts, including fundraising costs and revenues, net in the budget. So, for example, if you have \$5,000 of income from Scrip gift cards and the cost of the Scrip gift cards was \$4,500, the \$4,500 must go on Schedule 3-3, Line 13. We will cover where the Scrip income should be included in the non-Choice revenue trainings.

Schedule 3-3 Example

Expense Item Description	Annual Expense	Eligible Portion Allocation Basis	Cash Payments
Accountant- Accountants R Us	\$6,000	Employee FTE = 79%	\$500 per month for services in that month
Auditor- The External Audit Specialists	\$15,000	Employee FTE = 79%	\$5,000 in December 2024, \$5,000 in May 2025, and \$5,000 in October 2025 for the 2024-25 Financial Audit.
Transportation Contractor- Ride With Us!	\$2,000	Only School Related = 100%	\$6,000 in October 2024 and \$6,000 in March 2025
Student Information System- Students Inc.	\$10,000		
Food Service Contractor- Yummy, Yum Foods	Already entered in Schedule	Already Entered in Schedule	\$5,000 in Aug 2024 thru Sept 2024 \$17,000 from Oct 2024 thru July 2025 Payments are made the month after they are incurred
DPI Auditor Fee (Automatically included)	\$275	Only School Related = 100%	\$725 per month for that month
Online Learning Subscription (Other Expense)	\$75		
Field Trip Admission Fees	\$200		
Clubs & Sports Costs	\$1,000		
Marketing	\$3,000		
Staff development	\$2,000		
Non Administrative Fundraising Costs (Cost for Scrip Gift Cards, for 3 rd Party Fundraising Coordinator & Benefit Dinner)	\$2,500		

Take some time to enter the information into Schedule 3-3 based on the examples on this screen. Complete the top and bottom of the schedule.

Pause the slide until you are ready to go through the answers.

Schedule 3-3 Example - Answer (cont)

Line	A Item Description	B Total Cost	C Education Expenses	D Provider Name <i>If not known, insert TBD</i>
1	Accounting Services			
2	Independent Auditing Services			
3	Consultant, Legal & Other Services			
4	TOTAL SERVICES COSTS	-	-	
5	Contractor Provided Pupil Transportation			
6	Student Information System			
7	Contractor Provided Food Service	-	-	
8	TOTAL CONTRACTOR COSTS	-	-	
9	DPI Auditor Fee	-	-	
10	Field Trips & Extracurricular Activities			
11	Marketing & Continuing Ed			
12	Primarily SNSP Expenses			
13	Non-Administrative Fundraising Expenses			
14	Other Expenses			
15	TOTAL OTHER EXPENSES	-	-	

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We will now go through the answers for Schedule 3-3. We entered in the total cost and education expenses in columns B and C as you see on this slide. Column C is calculated as the total cost multiplied by the applicable allocation percentage. The provider name must be identified in Column D for each line that has an expense included.

For Line 10, the \$1,200 is calculated by adding the field trip admission fees of \$200 and the club and sports costs of \$1,000. Line 11, marketing and continuing education, is the total of the the marketing expense of \$3,000 and the staff development of \$2,000.

Line 13 is for non-administrative fundraising expenses and the other expense of \$75 is for an online learning subscription. For our example, these expenses are 100% related to educational programming so the total cost column, which is Column B, equals the education expenses column, which is Column C.

Since this is the last slide with the total cost and education expenses for Schedule 3-3, please take a moment to compare the information on the screen to your Excel budget and ensure they match. When you are ready to proceed, continue the training.

Schedule 3-3 Example-Answer (cont)

Line	A Line Description	B Services Costs
16	Total Eligible Education Expenses	16,590
17	Total 2024-25 Expenses	21,000
18	June 30, 2024 Prepaid Expenses	
19	June 30, 2024 Accounts Payable	
20	TOTAL AMOUNT TO BE PAID	21,000
21	July 2024 Cash Payments	
22	August 2024 Cash Payments	
23	September 2024 Cash Payments	
24	October 2024 Cash Payments	
25	November 2024 Cash Payments	
26	December 2024 Cash Payments	
27	January 2025 Cash Payments	
28	February 2025 Cash Payments	
29	March 2025 Cash Payments	
30	April 2025 Cash Payments	
31	May 2025 Cash Payments	
32	June 2025 Cash Payments	
33	TOTAL CASH PAYMENTS	-
34	JUNE 30, 2025 Prepaid Expenses	
35	JUNE 30, 2025 ACCOUNTS PAYABLE	21,000

Expense Item Description	Cash Payments
Accountant-Accountants R Us	\$500 per month for services in that month
Auditor-The External Audit Specialists	\$5,000 in December 2024, \$5,000 in May 2025, and \$5,000 in October 2025 for the 2024-25 Financial Audit.

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Now, let's walk through the cash payment section for Schedule 3-3. The two items in the service costs category are the accountant and auditor. The cash payments for the service costs are entered in column B. The example indicates \$500 is paid every month, so \$500 is included in every month from July 2024 to June 2025. We then need to add in the cost for the external auditor. We must add \$5,000 in December 2024 and \$5,000 in May 2025.

Once these amounts are entered in, you will need to review the June 30, 2025 Accounts Payable amount on Line 35. The amount is \$5,000. Since the school owes the external auditor \$5,000 for the 2024-25 Financial Audit, which is due in October 2025, this ending Accounts Payable is appropriate.

Schedule 3-3 Example-Answer (cont)

Line	A Line Description	B Services Costs	C Contractor Costs
16	Total Eligible Education Expenses	16,590	124,311
17	Total 2024-25 Expenses	21,000	192,000
18	June 30, 2024 Prepaid Expenses		
19	June 30, 2024 Accounts Payable		
20	TOTAL AMOUNT TO BE PAID	21,000	192,000
21	July 2024 Cash Payments		
22	August 2024 Cash Payments		
23	September 2024 Cash Payments		
24	October 2024 Cash Payments		
25	November 2024 Cash Payments		
26	December 2024 Cash Payments		
27	January 2025 Cash Payments		
28	February 2025 Cash Payments		
29	March 2025 Cash Payments		
30	April 2025 Cash Payments		
31	May 2025 Cash Payments		
32	June 2025 Cash Payments		
33	TOTAL CASH PAYMENTS	-	-
34	JUNE 30, 2025 Prepaid Expenses		
35	JUNE 30, 2025 ACCOUNTS PAYABLE	21,000	192,000

Expense Item Description	Cash Payments
Transportation Contractor-Ride With Us!	\$6,000 in October 2024 and \$6,000 in March 2025
Student Information System-Students Inc.	
Food Service Contractor-Yummy, Yum Foods	\$5,000 in Aug 2024 thru Sept 2024 \$17,000 from Oct 2024 thru July 2025 Payments are made the month after they are incurred

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Next, we must include the contractor cost payments. The contractor costs are for the transportation contractor, Student Information System and the food service contractor. We are told that the school will pay \$6,000 in October 2024 and March 2025.

Additionally, the school must pay the food vendor. In August and September, the school is budgeting to pay \$5,000 to the food vendor each month. The school is budgeting to pay \$17,000 from October through July. Our information indicates the payments are made a month after they are incurred. As a result, the \$17,000 June 30, 2025 Accounts Payable is appropriate.

Schedule 3-3 Example-Answer (cont)

Line	A Line Description	B Services Costs	C Contractor Costs	D Other Expenses
16	Total Eligible Education Expenses	16,590	124,311	9,050
17	Total 2024-25 Expenses	21,000	192,000	9,050
18	June 30, 2024 Prepaid Expenses			
19	June 30, 2024 Accounts Payable			
20	TOTAL AMOUNT TO BE PAID	21,000	192,000	9,050
21	July 2024 Cash Payments			
22	August 2024 Cash Payments			
23	September 2024 Cash Payments			
24	October 2024 Cash Payments			
25	November 2024 Cash Payments			
26	December 2024 Cash Payments			
27	January 2025 Cash Payments			
28	February 2025 Cash Payments			
29	March 2025 Cash Payments			
30	April 2025 Cash Payments			
31	May 2025 Cash Payments			
32	June 2025 Cash Payments			
33	TOTAL CASH PAYMENTS	-	-	-
34	JUNE 30, 2025 Prepaid Expenses			
35	JUNE 30, 2025 ACCOUNTS PAYABLE	21,000	192,000	9,050

Expense Item Description	Cash Payments
DPI Auditor Fee	\$350 in January 2024 for 2024-25
Online Learning Subscription	\$350 in January 2025 for 2025-26
Field Trip Admission Fees	\$725 per month for that month
Clubs & Sports Costs	
Marketing	
Staff development	
Non Administrative Fundraising Costs	

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The final column that must be completed is the Other Expenses column. This column includes the payment of the DPI Auditor and the online subscription fees. The cost for each of these fees is paid in January of each year for the upcoming school year. Because we are paying for amounts in advance of the year the fee is for, the \$350 is included as a prepaid expense as of June 30, 2024 and as of June 30, 2025. We are also told that \$725 is paid each month for the remaining costs. As a result, we include \$725 from July 2024 through June 2025. Since the January 2025 payment includes the \$350 for the fees, the total January 2025 payment is \$1,075.

This is the last slide with the cash flow information for Schedule 3-3, so please take a moment to compare the information on the screen to your Excel budget and ensure they match. If they do not, review the earlier slides for information on the applicable example. When you are ready to proceed, continue the training.

Expense Errors from Schedule 3-1, 3-2 & 3-3

[?]	20	The cash payments section in Schedules 3-1, 3-2, and/or 3-3 are not completed	OK
[?]	21	The amount of eligible education expenses must be completed in Schedules 3-1, 3-2, and/or 3-3	OK
[?]	22	The ending accounts payable balance cannot be negative in Schedules 3-1, 3-2, and/or 3-3	OK

- The cash payment section at the bottom of Schedule 3-1, 3-2, and 3-3 must be completed for all expenses. The school will receive an error if the cash payments are **not** completed on any of the schedules.
- The amount that is an eligible education expense must also be completed for each schedule.
- The ending Accounts Payable balance cannot be negative.



There are several expense related errors that will be identified if the Schedule 3 series is not properly completed. The first error will show if the cash payments on Schedule 3-1, 3-2, or 3-3 are not completed. The next error will show if the amount of eligible education expenses is not properly identified.

Finally, the school will receive an error message if the ending Accounts payable on the last line of any of the cash payments sections is negative for any of the expense types. The ending Accounts Payable should never be negative. If the school has a negative ending Accounts Payable, it should review Schedule 3-1, 3-2, and 3-3 to determine what category has a negative accounts payable. Once the negative accounts payables is identified, the school must review the expenses, prepaid expenses, accounts payable, and cash payments for that respective category to determine what was not properly entered and needs to be corrected. If the school is not able to identify how to resolve an error, it should email the Choice auditors a copy of the budget and identify which error the school is trying to resolve.

Reminders for Expense Schedules 3-1, 3-2, & 3-3

- Include all expenses for the entire legal entity.
- Identify the total costs and eligible education expenses for each expense.
- Make sure the cash flows for each month are completed and include all the applicable expenses.
- Recheck the accounts payable and prepaid expenses, especially the June 30, 2025 Accounts Payable line in the cash flow sections.
- All budgets must include the insurance related amounts in Schedule 3-2, Column E.

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As we finish up our discussion of expenses, there are a few final reminders. First, if the school shares a federal tax ID number with a larger organization, ensure that you have included all of the expenses for the entire legal entity, not just the school operations. Next, identify the total costs and the eligible education expenses for each of those costs.

You will also need to make sure you complete the cash flows for each month, the beginning accounts payable, and the beginning and ending prepaid amounts in Schedule 3-1, 3-2, and 3-3. Once these are included, you must ensure the ending accounts payable are correct.

Finally, don't forget to identify the insurance related amounts on Schedule 3-2, Column E.

Available Resources

On Demand Trainings

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

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

Bulletins

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

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



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

The PSCP Eligible Education Expenses Bulletin describes what expenses can be eligible.

Questions?

Budget questions should be sent to:

dpichoiceauditreports@dpi.wi.gov

General program questions should be sent to:

privateschoolchoice@dpi.wi.gov

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

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