

Private School Choice Programs Fiscal Management Training

Schedules 11, 12 & Final Review: Counts, Questionnaire, Contingency Funding, Low Budget, & Final Review

School Finance Auditors
Parental Education Options
2022-23 School Year



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

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

This section of the training will explain how to enter historical counts and provide answers to general questions in Schedules 11-1 and 11-2. It will then describe how the low budget is completed and the contingency funding requirements. These are included in Schedule 12-1 and 12-2. Finally, the training will end by explaining the final review the school should complete for the budget and cash flow report and how the budget and cash flow report, with required attachments, must be submitted to the department.

Completion of Budget Excel Document



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



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



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



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



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

As a reminder, in order to receive credit for having participated in this training, you will be required to upload the completed budget Excel document in the quiz you complete after all the trainings are done. Completion of this training is required for all Choice administrators of new schools to the Choice program.

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

Schedule 11-1

- Based on the answers in previous schedules, the school may be required to provide additional explanations for specific items listed.

SCHEDULE 3-1 EXPLANATIONS		
1a) If the school is exempt from Department of Workforce Development (DWD) unemployment insurance indicate why they are exempt. Additionally, if the school is using the reimbursement financing option with the DWD, indicate this here.	Required	NO RESPONSE
1b) No explanation related to a DWD exemption required.	Not Required	
2) The unemployment taxes amount is less than the expected amount. The expected federal amount is calculated as the number of		



Based on the answers in previous schedules, the school may be required to provide additional explanations for specific items listed in Schedule 11-1. The school must review this schedule and ensure that it has responded to any questions that have “Required” on the right. If there is no response when one is required, the schedule will indicate “No Response”. Please note that some of these questions will change based on the information entered in Schedule 3-1. Additionally, the identification of whether a response is required will be based on information entered in Schedules 3-1, 4-1, and 6, so the school should complete those schedules prior to answering the questions in Schedule 11-1.

Schedule 11-2

- Insert the actual pupil counts and average tuition collected per pupil for the past three years.
- The average tuition collected may not include tuition that was covered by scholarships the school provides or discounts.

HISTORICAL PUPIL COUNTS					
Insert the actual enrollment for your school for the past three years. If your school was not in operation, leave the cells blank or insert 0. If you had K4 students in the previous 3 years, include them in Line 1 if the school has the K4 students in Schedule 2-1, Line 1 or Line 2 if the school included the K4 students in Schedule 2-1, Line 2.					
Line	A Item Description	B 2019-20 School Year	C 2020-21 School Year	D 2021-22 School Year	E Lowest Count
1	4-Year-Old K/437 Hours				-
2	4-Year-Old K/437 Hours + 87.5 Hrs. Outreach				-
3	5-Year-Old K/ 5 Day				-
4	5-Year-Old K/3 Day				-
5	5-Year-Old K/4 Day				-
6	5-Year-Old K/Full Day				-
7	Grades 1-8				-
8	Grades 9-12				-
9	TOTAL ALL PUPIL COUNT	-	-	-	-
HISTORICAL AVERAGE TUITION					
Insert the average tuition received, after any scholarships or tuition discounts, in the last three years. If the school was not in operation for any of the last three years, do not complete the related year's tuition.					
Line	A Item Description	B 2019-20 School Year	C 2020-21 School Year	D 2021-22 School Year	E Lowest Tuition Received
10	Average Tuition Received Per Pupil				0
CHOICE PUPIL COUNT					
11	What are the school's plans to reach the number of Choice/SNSP students included in the budget?				REQUIRED
TUITION PAYING PUPILS					
12	If the school did not operate in the 2021-22 school year, what are the school's plans for obtaining tuition paying pupils.				REQUIRED



On the top of Schedule 11-2, the school must insert the actual pupil counts and average tuition collected per pupil for the past three years. If the school did not have any pupils or collect any tuition, the school should insert 0.

The average tuition collected may not include tuition that was covered by scholarships the school provides or discounts. The amount must be the amount actually received during the year. Also, this amount is the average per pupil, not the total tuition revenue for the entire school.

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Schedule 12-1

LOWEST REGULAR SCHOOL YEAR PUPIL COUNTS									
Line	A Item Description	ALL PUPIL COUNT		CHOICE PUPIL COUNT					
		B Average FTE	C FTE Change	D Average PCP Count	E Average WPCP Count	F Average RPCP Count	G Average FTE	H Sch 2-1 Average FTE	I FTE Change
1	4-Year-Old K-No Outreach	-	-				-	-	-
2	4-Year-Old K + Outreach	-	-				-	-	-
3	5-Year-Old K/5 Day	-	-				-	-	-
4	5-Year-Old K/3 Day	-	-				-	-	-
5	5-Year-Old K/4 Day	-	-				-	-	-
6	5-Year-Old K/Full Day	-	-				-	-	-
7	Grades 1-8	-	-				-	-	-
8	Grades 9-12	-	-				-	-	-
9	TOTAL	-	-	-	-	-	-	-	-
10	Average SNSP Students FTE								

LOWEST SUMMER SCHOOL PUPIL COUNTS				
Line	A Item Description	B Choice	C SNSP Full Scholarship	D SNSP Partial Scholarship
11	2022 Summer School Grades K-8 Headcount			
12	2022 Summer School Grades 9-12 Headcount			

- Lowest All Pupil Count
- The lowest pupil count from the prior school year (on Schedule 11-2).
- OR-
- 5% of non-Choice pupils in Schedule 2-1 plus the Choice pupils in the low budget.



We will now go through Schedule 12-1. Schedule 12-1 and 12-2 provide information on the lowest budget at which the school will operate. In these schedules, the school must show how it would adjust the budget with a lower pupil count so that it could still meet the financial requirements. On Schedule 12-1, the school must also identify what sources of contingency funding it will use.

Schedule 12-1, Columns B and C, Lines 1-8 calculate the lowest all pupil count that must be used for the low budget. If a school has had pupils for the past three years, this will be based on the lowest pupil count for the last 3 school years the school entered into Schedule 11-2. If the school did not have any pupils for the past three years, the lowest all pupil count will be calculated as 5% of the non-Choice pupils in Schedule 2-1 plus the Choice pupils in the low budget, Columns D-F.

Schedule 12-1 (cont)

LOWEST REGULAR SCHOOL YEAR PUPIL COUNTS									
Line	A Item Description	ALL PUPIL COUNT		CHOICE PUPIL COUNT					
		B Average FTE	C FTE Change	D Average MPCP Count	E Average WPCP Count	F Average RPCP Count	G Average FTE	H Sch 2-1 Average FTE	I FTE Change
1	4-Year-Old K-No Outreach	-	-				-	-	-
2	4-Year-Old K + Outreach	-	-				-	-	-
3	5-Year-Old K/5 Day	-	-				-	-	-
4	5-Year-Old K/3 Day	-	-				-	-	-
5	5-Year-Old K/4 Day	-	-				-	-	-
6	5-Year-Old K/Full Day	-	-				-	-	-
7	Grades 1-8	-	-				-	-	-
8	Grades 9-12	-	-				-	-	-
9	TOTAL	-	-	-	-	-	-	-	-
10	Average SNSP Students FTE								
LOWEST SUMMER SCHOOL PUPIL COUNTS									
Line	A Item Description	B Choice	C SNSP Full Scholarship	D SNSP Partial Scholarship					
11	2022 Summer School Grades K-8 Headcount								
12	2022 Summer School Grades 9-12 Headcount								

- Choice Pupil Count, SNSP Pupil Count, and Summer School Choice Pupil Counts: The pupil counts should be the lowest count at which:
 - The school would participate in the program; and
 - The school can operate at a breakeven point.
- This count cannot be lower than the all pupil count in Schedule 2 or the school will receive an error.



Next, the Choice pupil count for the low budget must be inserted by the school in Columns D-F. This must be the average of the 3rd Friday in September and 2nd Friday in January pupil count. This should be the lowest Choice pupil count at which the school would still participate in the program and be able to breakeven. Since the all pupil count must include the Choice pupil count, the Choice pupil count cannot be higher than the all pupil count or the school will receive an error message.

Schedule 12-1 (cont)

EXPLANATION OF CHANGES	
13	Will any positions be eliminated if the school has the lower pupil count identified above?
If the answer to 13 is yes, what positions will be eliminated? Who will complete the duties of the eliminated positions?	
14	
Describe any changes in the timing of cash receipts and cash payments.	
15	

- Explain what, if any, positions will be removed in the low budget and how their responsibilities will be covered.
- Describe any changes in the timing of cash receipt and payments.



In the next section of Schedule 12-1, the school must explain what changes it will make to the budget if the pupil counts are lower than expected. First, the school must explain what, if any, positions will be removed in the low budget and how their responsibilities will be covered. Then, the school must describe any changes in the timing of cash receipt and payments that will be made with the lower budget.

Schedule 12-2: Low Budget

Line	A Item Description	COST CHANGES			E Explanation of Difference <i>If additional space is needed, attach an additional sheet</i>	
		B Low Budget	C Current Budget	D Difference		
1	Salaries <i>Sch 3-1</i>	-	-	-		
2	FICA, Medicare, & Unemployment Taxes <i>Sch 3-1</i>	-	-	-		OK
3	Employer Paid Benefits <i>Sch 3-1</i>	-	-	-		
4	Utilities & Supplies <i>Sch 3-2</i>	-	-	-		OK
5	Non Eligible Expenses <i>Sch 3-2</i>	-	-	-		OK
6	Insurance <i>Sch 3-2</i>	-	-	-		OK
7	Services, Contractor & Other Expenses <i>Sch 3-3</i>	-	-	-		OK
8	Fixed Asset Purchases & Lease Payments <i>Sch 5-1 & 5-3</i>	-	-	-		OK
9	TOTAL COSTS	-	-	-		
FINANCING SOURCES REDUCTIONS						
10	Choice Revenue <i>Sch 2 & D-1</i>	-	-	-		
11	SNSP Revenue <i>Sch 2 & D-1</i>	-	-	-		OK
12	Tuition & Fees <i>Sch 4-1</i>	-	-	-		OK
13	Government Assistance <i>Sch 4-1</i>	-	-	-		OK
14	Contributions, Non-Svmt Grants, Fundraising, & Church Offerings <i>Sch 4-2</i>	-	-	-		OK
15	Related Party Organization Contributions & Investment Income <i>Sch 4-3</i>	-	-	-		OK
16	Other Revenues <i>Sch 4-4</i>	-	-	-		OK
17	TOTAL FINANCING SOURCES	-	-	-		
DEBT CHANGES						
18	Principal Incurred <i>Sch 6, Col D, Line 13</i>	-	-	-		
19	Principal Paid <i>Sch 6, Col E, Line 13</i>	-	-	-		OK
20	Interest Owed <i>Sch 6, Col D, Line 20</i>	-	-	-		
21	TOTAL DEBT	-	-	-		
22	CURRENT BUDGET BALANCE	-	-	-		

- The low budget defaults to the current budget except for tuition & fees and government assistance. These must be completed, or the school will receive an error.
- If any changes will be made, include the adjusted amount in Column B and an explanation of the difference in Column E.



Schedule 12-2 is the low budget. Up to this point, the school has provided its budget based on what it expects the pupil counts, revenues and expenses to be for the upcoming school year. In Schedule 12-2, the school must identify what changes it will make if the pupil counts are lower than expected. The low budget defaults to the current budget except for tuition and fees and government assistance. The tuition and fees and government assistance cells must be completed or the school will receive an error message. These cells are not automatically completed because if the school has a lower enrollment, it will generally impact the tuition and fees and government assistance revenues since these are usually paid on a per pupil basis.

If the school changes any amounts it must provide an explanation for the difference in Column E. If the school does not include an explanation for a line that changed, it will receive an error in the far right column.

Low Budget Changes to Consider

Expenses

- Not hire certain individuals. If so, decrease related payroll taxes and benefits.
- Reduction in classroom supplies.
- Reduce anticipated fixed asset purchases.

Revenues

- Reduction in tuition and fees.
- Reduction in government assistance (USDA food program revenue).
- Increases in revenues cannot be included in Schedule 12-2, they must be included as contingency funding in Schedule 12-1.

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Some changes schools could consider making in a low budget are listed on this screen. The school can consider lowering certain expenses. For example, the school could not hire certain individuals. In this case, the school would also decrease the related payroll taxes and benefits. If the number of teachers or teacher aids will be reduced, the school must make sure that there are a sufficient number of teachers and teacher aids for the number of pupils. The school may choose to reduce classroom supplies or may decide not to purchase fixed assets it was budgeting for. If the organization will first operate as a school in the 22-23 school year, it must ensure it has a sufficient amount of classroom supplies and fixed assets for the school.

On the revenue side, the school needs to consider what the tuition and fees and government assistance will be based on the lowered pupil count.

The school cannot directly include any increases in revenues on Schedule 12-2. Instead, increases in revenue must be included as contingency funding in Schedule 12-1 and support for those contingency funds must be provided with the budget.

Contingency Funding

- The school must have contingency funds identified.
- These funds must be available if the number of pupils that attend the school are less than anticipated. They must be funds not already being used in the budget.
- The contingency funds should be at least as much as the operating deficit in the low budget on Schedule 12-2 plus the greater of 5% of the expected Choice revenue in the low budget or \$20,000.
- The contingency funding must be available in every month and not used elsewhere in the budget.
- The contingency funds must be available beyond 12 months.

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All schools participating in the program are required to have contingency funding identified in their annual budget that is required for the Choice program. Contingency funds are funds that are available if the number of pupils that attend the school are less than anticipated. They must be funds not already being used in the budget. So, for example, if the school has a line of credit for \$100,000 and that line of credit is fully used in one month in the budget, the school would not be able to use the line of credit for contingency funding.

The contingency funds should be at least as much as the operating deficit in the low budget on Schedule 12-2 plus the greater of 5% of the expected Choice revenue in the low budget or \$20,000.

The contingency funding must be available in every month and it cannot already be used in the budget. For example, if an individual indicates they will provide \$25,000 to the school and the \$25,000 is included as revenue in Schedule 4-2, that \$25,000 could not also be identified as contingency funding from a related party individual on Schedule 12-1.

The contingency funds must be available beyond 12 months. So, for example, if the school will use a line of credit as the contingency funding source, the maturity date must go beyond June 30, 2023 for the 2022-23 budget.

Contingency Funding (cont)

CONTINGENCY FUNDING

What are the school's source(s) of contingency funds?
 The school is required to have contingency funding sources. These must be additional funds, other than Choice and SNSP funds (including the reserve fund) not already used in this budget, that are available to the school. The contingency funding must be available for the school year in the budget and the subsequent school year. Contingency funding that must be repaid at the end of the school year in the budget is not sufficient. The contingency funding should be sufficient to cover any budget deficit on Schedule 12-2 PLUS a minimum of 5% of the expected Choice revenue for the low budget or \$20,000, whichever is greater. Complete the Source Type in Column B as follows: *"Individual"* if a person is providing the funds. *"Related Party Organization"* if the provider is an organization related to the school. See the instructions in Schedule 6 for additional information on who is a related party. If the operating organization is providing the contingency funds, this should be selected only if the operating organization is a separate legal entity from the school. *"Bank or Other Financial Institution Debt"* if the funds are debt from a bank or other financial institution. If contingency funding is to be from a line of credit, it must be renewable and the School must demonstrate a history of renewing the line of credit. *"Endowment Fund"* if the school will use an endowment fund. The name of the endowment fund must be indicated below and match the name on the bank statement provided as support. *"Available Cash"* if the school has cash available each month as identified on Schedule 8-1 and 8-2, Line 31. The name of source should be the school name. *"Unrelated Organization"* for all other organizations.

	A Name of Source General descriptions such as "bank account" are insufficient.	B Source Type	C Amount Available for Contingency Funds
16			
17			
18			
19			
20			
21	TOTAL		-

- Identify the specific source name & type of contingency funding on the bottom of Schedule 12-1.



The school must identify what contingency funding it will use in the bottom of Schedule 12-1. In the first column, the school must identify the source of the funds. Generally, this must be the name of the individual, organization, or bank providing the funds. If the school identifies available cash as the contingency funding source, the name of the source should be the school name.

Source type should be where the school is getting the funds. This is a drop down field. The school should identify individual if an individual is providing the funds; related party organization if the provider is an organization related to the school; Bank or other financial institution debt if the funds are from a bank or other financial institution; endowment fund if the funds are from an endowment fund; available cash if the school has cash available in each month that is sufficient to cover the contingency funding; or unrelated organization for all other organizations.

The definition of who is a related party for purposes of identifying a related party organization is explained in the training on Schedule 6.

Schedule 12-1 Contingency Funds

<i>Fund Source</i>	<i>Bank Statement</i>	<i>Financial Statements</i>	<i>Written Agreement</i>	<i>Other</i>
Individual	*		*	
Related Party Organization	*	*	*	
Endowment Fund	*			Documents establishing fund
Unrelated Organization			*	
Bank or Other Financial Institution				See slide



Bank Statement: Must be a statement dated no earlier than 2 months before the budget due date that shows the individual or organization has at least as much money available as identified in the contingency funding section.

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We will now go through each source of contingency funding and what documentation must be provided with the budget to support the amounts being available.

If an individual, related party organization, or endowment fund is providing the contingency funding, the school must provide a statement dated no earlier than 2 months before the budget due date that shows the individual or organization has at least as much money available as identified in the contingency funding section.

Schedule 12-1 Contingency Funds (cont)

<i>Fund Source</i>	<i>Bank Statement</i>	<i>Financial Statements</i>	<i>Written Agreement</i>	<i>Other</i>
Individual	*		*	
Related Party Organization	*	*	*	
Endowment Fund	*			Documents establishing fund
Unrelated Organization			*	
Bank or Other Financial Institution				See slide



Financial Statements: Current balance sheet and year to date income statement dated no earlier than 2 months before the budget due date.



If a related party organization is providing the funding, the related party organization must provide a balance sheet and income statement dated no earlier than 2 months before the budget due date that shows the organization has at least as much money available as identified in the contingency funding section.

Schedule 12-1 Contingency Funds (cont)

<i>Fund Source</i>	<i>Bank Statement</i>	<i>Financial Statements</i>	<i>Written Agreement</i>	<i>Other</i>
Individual	*		*	
Related Party Organization	*	*	*	
Endowment Fund	*			Documents establishing fund
Unrelated Organization			*	
Bank or Other Financial Institution				See slide



Written Agreement: An agreement specifying who will provide the funds, that it will be provided to the school, the amount that will be provided, when it will be provided, if the amount needs to be paid back and, if so, when it needs to be paid back.



If the source of the contingency funds are an individual, related party organization, or unrelated organization, the school must provide a written agreement showing the funds are available. The written agreement must specify who will provide the funds, that it will be provided to the school, the amount that will be provided, when it will be provided, if the amount needs to be paid back and, if so, when it needs to be paid back.

Schedule 12-1 Contingency Funds (cont)

- Endowment Funds: Documents establishing the endowment fund.

These documents should indicate:

- How the funds will be managed,
- What funding the endowment fund will provide to the school and the payment frequency (such as the interest on the funds will be provided annually), and
- What the funds may be used for, including any restrictions on the fund's uses.



If the school identifies that endowment funds will be used as a contingency funding source, the school must provide documents establishing the endowment fund. These documents should indicate how the funds will be managed, what funding the endowment fund will provide to the school and the payment frequency (such as the interest on the funds will be provided annually), and what the funds may be used for, including any restrictions on the fund's uses. If the endowment fund was identified in the budget as providing endowment fund income on Schedule 4-3 or an endowment fund of the school on Schedule 7, the school would have already been required to provide these documents.

Schedule 12-1 Contingency Funds (cont)

•Bank or Other Financial Institution:

- If the school currently has the debt, a current statement from the lender showing the principal balance. This includes a statement for a line of credit that currently has \$0 taken out.
- A current debt agreement or evidence the school is obtaining the debt. If the school does not yet have the agreement, the evidence must include:
 - The lender's name,
 - The estimated amount to be provided, and
 - A statement that the lender will provide the funds to the school.



If the school identifies a debt agreement with a bank or other financial institution as a source of contingency funding, the school must provide documentation showing the funds are available. If the debt was identified in the budget, these supporting documents would have already been required.

If the school currently has the debt, the school must provide a current statement from the lender showing the principal balance. This includes a statement for a line of credit that currently has \$0 taken out.

Additionally, the school must provide a current debt agreement or evidence the school is obtaining the debt. If the school does not yet have the agreement, the evidence must include the lender's name, the estimated amount to be provided, and a statement that the lender will provide the funds to the school.

Available Cash

SCHEDULE 8-1: ANTICIPATED CASH FLOWS JULY - DECEMBER

LN		Jul-2022	Aug-2022	Sep-2022	Oct-2022	Nov-2022	Dec-2022	Sub Total
	ENDING CASH BALANCE							
28	ENDING CASH BALANCE WITH RESTRICTED FUNDS	-	-	-	-	-	-	
29	ENDING CASH BALANCE EXCLUDING RESTRICTED FUNDS	-	-	-	-	-	-	
	ENDING CASH BALANCE WITHOUT SNSP							
30	ENDING CASH BALANCE WITHOUT SNSP REVENUE	-	-	-	-	-	-	
	AVAILABLE CASH							
31	AVAILABLE CASH*	-	-	-	-	-	-	

- Review Line 31 on Schedule 8-1 and 8-2.
 - The maximum amount that can be identified as available cash is the lowest amount on Line 31 on Schedule 8-1 and 8-2.
 - If any amounts are negative, available cash cannot be used as a contingency funding source.



The last type of contingency funding is available cash. This type can be identified if every month on Schedule 8-1 and 8-2 indicate the school has at least as much cash on Line 31 that is identified as available cash for contingency funding. If this line includes any negatives, available cash cannot be identified as contingency funding. The available cash line excludes the Choice program and SNSP revenue since contingency funding must be sources of funds that are available if the Choice or SNSP pupil counts are lower than expected. If the school participated in the Choice program or SNSP in the prior school year, the school must also remove the prior year required cash and investment balance that the school is required to retain for future Choice program or SNSP eligible education expenses.

Please note that this line in the cash flow schedule does include restricted cash such as endowment funds. The reason for this is that restricted funds of the school generally can be used for emergency use. Since contingency funding are the funds that will be used if the enrollment is lower than expected, there are no funding sources available and additional funds are needed, these restricted funds are included in the available cash in the cash flow.

Knowledge Check 1

The school has a line of credit for \$200,000. The school plans on taking out \$100,000 in September and another \$100,000 in January. The school plans on repaying the \$200,000 in June. How much of the line of credit may be used as contingency funding?

- a. \$200,000
- b. \$0
- c. \$100,000



I will give you a minute to read through this question and determine what you think the answer is.

The correct answer is \$0. Since the school has taken out the full \$200,000 on the line of credit from January to June, none of the line of credit can be identified as a contingency funding source. As a reminder, the contingency funding must be available in every month in order for it to be identified as contingency funding.

Knowledge Check 2

What is the maximum amount of available cash that can be used as contingency funding in this example?

SCHEDULE 8-1: ANTICIPATED CASH FLOWS JULY - DECEMBER								
LN		Jul-2022	Aug-2022	Sep-2022	Oct-2022	Nov-2022	Dec-2022	Sub Total
1	Beginning Cash And Investment Balance	-	55,000	45,000	35,000	150,000	150,000	
CASH RECEIPTS								
2	Choice State Aid				20,190		20,190	40,380
3	Special Needs Scholarship Program				3,110		3,110	6,220
ENDING CASH BALANCE								
28	ENDING CASH BALANCE WITH RESTRICTED FUNDS	55,000	45,000	35,000	150,000	150,000	173,300	
29	ENDING CASH BALANCE EXCLUDING RESTRICTED FUNDS	55,000	20,000	10,000	125,000	125,000	148,300	
ENDING CASH BALANCE WITHOUT SNSP								
30	ENDING CASH BALANCE WITHOUT SNSP REVENUE	55,000	45,000	35,000	146,890	146,890	167,080	
AVAILABLE CASH								
31	AVAILABLE CASH*	55,000	45,000	35,000	126,700	126,700	126,700	

SCHEDULE 8-2: ANTICIPATED CASH FLOWS JANUARY - JUNE									
LN		Jan-2023	Feb-2023	Mar-2023	Apr-2023	May-2023	Jun-2023	Sub Total	Year Total
1	Beginning Cash & Investment Balance	173,300	100,000	80,000	103,300	80,000	80,000		
CASH RECEIPTS									
2	Choice State Aid			20,190			20,190	40,380	80,760
3	Special Needs Scholarship Program			3,110			3,110	6,220	12,440
ENDING CASH BALANCE									
28	ENDING CASH BALANCE WITH RESTRICTED FUNDS	100,000	80,000	103,300	80,000	80,000	95,000		93,200
29	ENDING CASH BALANCE EXCLUDING RESTRICTED FUNDS	75,000	55,000	78,300	55,000	55,000	78,300		
ENDING CASH BALANCE WITHOUT SNSP									
30	ENDING CASH BALANCE WITHOUT SNSP REVENUE	93,780	73,780	93,970	67,560	70,670	82,560		80,760
AVAILABLE CASH									
31	AVAILABLE CASH*	53,400	33,400	33,400	10,100	10,100	1,800		



For the next knowledge check, we will review Schedule 8-1 and 8-2 in the budget. Specifically, we will be looking at the available cash line on these schedules to determine what is the maximum amount of available cash that can be used for contingency funding. Schedule 8-1 is on the top of the screen and 8-2 is on the bottom of the screen. Please take a moment to review the schedules on the screen and determine the maximum amount of available cash that can be used as contingency funding in this example.

The maximum amount that can be record is the lowest amount for any month on Line 31. The lowest amount is \$1,800 in June 2023. So, \$1,800 is the amount you could identify as contingency funding with a source of available cash.

Complete Schedule 12-1

	MPCP Pupil Count	WPCP Pupil Count
4-Year-Old K/437 Hours	5	0
4-Year-Old K/437 Hours + 87.5 Hrs. Outreach		
5-Year-Old K/.5 Day		
5-Year-Old K/5 Day	10	3
Grades 1-8	32	3
Grades 9-12	10	3

LOWEST PUPIL COUNTS									
Line	A Item Description	ALL PUPIL COUNT		CHOICE PUPIL COUNT					
		B Average FTE	C FTE Change	D Average MPCP Count	E Average WPCP Count	F Average RPCP Count	G Average FTE	H Sch 2-1 Average FTE	I FTE Change
1	4-Year-Old K-No Outreach	-	-				-	-	-
2	4-Year-Old K + Outreach	-	-				-	-	-
3	5-Year-Old K/.5 Day	-	-				-	-	-
4	5-Year-Old K/3 Day	-	-				-	-	-
5	5-Year-Old K/4 Day	-	-				-	-	-
6	5-Year-Old K/Full Day	-	-				-	-	-
7	Grades 1-8	-	-				-	-	-
8	Grades 9-12	-	-				-	-	-
9	TOTAL	-	-	-	-	-	-	-	-



We will now go through an example of how to complete the low budget, including Schedule 12-1 and 12-2.

The top of this screen identifies the lowest MPCP and WPCP pupil counts for our example school. These amounts are input in Columns D and E, as you can see on the screen.

Complete Schedule 12-1 & 12-2

- Remove one teacher who was to be paid a salary of \$44,000. The 7th and 8th grade classroom will be combined.
- The school will purchase \$5,000 less of equipment and \$1,000 less of classroom supplies.
- The school will receive \$10,000 less of tuition and fees.
- The school will receive \$5,000 less of government assistance.
- St. Mary's offers to provide \$35,000 of additional funding if required.
- The Holy Love Future Scholars Endowment Fund will provide any remaining required contingency funding.

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The information we will use to complete our low budget is indicated on the slide. The school plans on removing one teacher who was to be paid a salary of \$44,000 in their low budget. The school will then combine the 7th and 8th grade classrooms.

The school plans on purchasing \$5,000 less of equipment and \$1,000 less of classroom supplies.

The school anticipates, for the low budget, that they will receive \$10,000 less of tuition and fees. The school will receive \$5,000 less of government assistance.

In order to make up for any budget shortfall, St. Mary's offers to provide \$35,000 of additional funding if required. The Holy Love Future Scholars Endowment fund will provide any remaining required contingency funding.

Example 12-2

Line	A Item Description	COST CHANGES			E Explanation of Difference <i>If additional space is needed, attach an additional sheet.</i>
		B Low Budget	C Current Budget	D Difference	
1	Salaries <i>Sch 3-1</i>	529,800	529,800	-	
2	FICA, Medicare, & Unemployment Taxes <i>Sch 3-1</i>	-	-	-	OK
3	Employer Paid Benefits <i>Sch 3-1</i>	-	-	-	
4	Utilities & Supplies <i>Sch 3-2</i>	33,900	33,900	-	OK
5	Non Eligible Expenses <i>Sch 3-2</i>	20,000	20,000	-	OK
6	Insurance <i>Sch 3-2</i>	12,000	12,000	-	OK
7	Services, Contractor & Other Expenses <i>Sch 3-3</i>	190,898	190,898	-	OK
8	Fixed Asset Purchases & Lease Payments <i>Sch 5-18, 5-3</i>	74,000	74,000	-	OK
9	TOTAL COSTS	860,598	860,598	-	
FINANCING SOURCES REDUCTIONS					
10	Choice Revenue <i>Sch 2-6, 12-1</i>	535,448	657,090	(121,642)	
11	SNAP Revenue <i>Sch 2-6, 12-1</i>	-	-	-	OK
12	Tuition & Fees <i>Sch 4-1</i>	-	134,000	(134,000)	ERROR
13	Government Assistance <i>Sch 4-1</i>	-	50,040	(50,040)	ERROR
14	Contributions, Non-Govt Grants, Fundraising, & Church Offerings <i>Sch 4-2</i>	82,000	82,000	-	OK
15	Related Party Organization Contributions & Investment Income <i>Sch 4-3</i>	30,200	30,200	-	OK
16	Other Revenues <i>Sch 4-4</i>	1,200	1,200	-	OK
17	TOTAL FINANCING SOURCES	648,848	954,530	(305,682)	
DEBT CHANGES					
18	Principal Incurred <i>Sch 6, Col D, Line 18</i>	106,000	106,000	-	
19	Principal Paid <i>Sch 6, Col E, Line 19</i>	202,000	202,000	-	OK
20	Interest Owed <i>Sch 6, Col D, Line 20</i>	25,300	25,300	-	
21	TOTAL DEBT	(121,300)	(121,300)	-	
22	CURRENT BUDGET BALANCE	(333,050)	(27,368)	(305,682)	2 EXPLANATIONS STILL NEEDED

- When reducing the low budget, an explanation is required in column E.

Schedule 12-2 will look like you see it on the screen before you identify any low budget information. Notice that the low budget number in Column B is defaulting to the current budget for each line except the tuition and fees and government assistance lines. Until the amount is filled in for those lines, an "ERROR" message will show to the right.

We now need to update this based on our example by completing the following:

- 1) Decrease the salaries on Line 1, Column B for the teacher by \$44,000 for the teacher we remove. You would then need to explain you are removing a teacher in Column E.
- 2) Decrease the utilities and supplies on Line 4 by \$1,000 and indicate we will purchase \$1,000 less of classroom supplies in Column E.
- 3) Decrease the fixed asset purchases on Line 8 for the \$5,000 less of equipment the school would purchase. We would then identify that the school is going to purchase \$5,000 less of equipment in Column E.

Next, we need to indicate we expect to receive \$124,000 of tuition and fees, since we anticipate receiving \$10,000 less of tuition and fees. We would then input that we expect to receive \$45,040 of government assistance on Line 13. Finally, for tuition and fees and government assistance, Column E should indicate the amounts were lowered due to the lower enrollment.



Schedule 12-1 Low Budget

- If any positions are being eliminated, line 14 on schedule 12-1 also needs to be completed.

EXPLANATION OF CHANGES	
13	Will any positions be eliminated if the school has the lower pupil count identified above?
If the answer to 13 is yes, what positions will be eliminated? Who will complete the duties of the eliminated positions?	
14	
Describe any changes in the timing of cash receipts and cash payments.	
15	



On Schedule 12-1, we need to complete Lines 13, 14, and 15. On Line 13, the school must indicate Yes since they anticipate removing one teacher with the lower budget. Then, the school should identify on Line 14 that they will remove a teacher and that the 7th and 8th grade classes will be combined. Since there aren't any anticipated changes in the cash receipts or payments, Line 15 should indicate none.

Required Contingency Funding

Line	A Item Description	COST CHANGES		
		B Low Budget	C Current Budget	D Difference
1	Salaries <i>Sch 3-1</i>	485,800	529,800	(44,000)
2	FICA, Medicare, & Unemployment Taxes <i>Sch 3-1</i>	-	-	-
3	Employer Paid Benefits <i>Sch 3-1</i>	-	-	-
4	Utilities & Supplies <i>Sch 3-2</i>	32,900	33,900	(1,000)
5	Non Eligible Expenses <i>Sch 3-2</i>	20,000	20,000	-
6	Insurance <i>Sch 3-2</i>	12,000	12,000	-
7	Services, Contractor & Other Expenses <i>Sch 3-3</i>	190,898	190,898	-
8	Fixed Asset Purchases & Lease Payments <i>Sch 5-18, 5-3</i>	69,000	74,000	(5,000)
9	TOTAL COSTS	810,598	860,598	(50,000)
		FINANCING SOURCES REDUCTIONS		
10	Choice Revenue <i>Sch 2 & 12-1</i>	535,448	657,090	(121,642)
11	SNSP Revenue <i>Sch 2 & 12-1</i>	-	-	-
12	Tuition & Fees <i>Sch 4-1</i>	124,000	134,000	(10,000)
13	Government Assistance <i>Sch 4-1</i>	45,040	50,040	(5,000)
14	Contributions, Non-Gvmt Grants, Fundraising, & Church Offerings <i>Sch 4-2</i>	82,000	82,000	-
15	Related Party Organization Contributions & Investment Income <i>Sch 4-3</i>	30,200	30,200	-
16	Other Revenues <i>Sch 4-4</i>	1,200	1,200	-
17	TOTAL FINANCING SOURCES	817,888	954,530	(136,642)
		DEBT CHANGES		
18	Principal Incurred <i>Sch 6, Col D, Line 18</i>	106,000	106,000	-
19	Principal Paid <i>Sch 6, Col E, Line 19</i>	202,000	202,000	-
20	Interest Owed <i>Sch 6, Col D, Line 20</i>	25,300	25,300	-
21	TOTAL DEBT	(122,300)	(121,300)	-
22	CURRENT BUDGET BALANCE	(114,010)	(27,368)	(86,642)

Low Budget Choice Revenue (Sch 12-2, Ln 10, Col B)	535,448
Required Percentage for Contingency Funding	5%
	26,772
Required Funding to Cover Low Choice Revenue - Greater of \$20,000 or 5% of Expected Choice Payments	26,772
Plus: Any Deficit for Low Budget (Sch 12-2, Ln 22, Col B)	114,010
Total Required Contingency Funding	140,782

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Now that we have completed the low budget, the school needs to determine the required contingency funding. The required contingency funding has 2 components. First, the school must have contingency funding that covers the greater of \$20,000 or 5% of the expected Choice payments in the low budget. The low budget Choice program payments are on Schedule 12-2, Line 10, Column B. As you can see on the screen, we take 5% of the low budget Choice revenue on Line 10, Column B. Since this amount is above \$20,000, the school has to have this calculated amount as available contingency funding for this portion of the calculation.

The second part is that the contingency funding must cover any budget deficit identified in the low budget. This number is on Schedule 12-2, Line 22, Column B.

We add these two amounts together to get the total required contingency funding.

Schedule 12-1 Contingency Funding

- St. Mary's offers to provide \$35,000 of additional funding if required.
- The Holy Love Future Scholars Endowment Fund will provide any remaining required contingency funding.

CONTINGENCY FUNDING		
A Name of Source <i>General descriptions such as "bank account" are insufficient.</i>	B Source Type	C Amount Available for Contingency Funds
16		
17		
18		
19		
20		
21	TOTAL	-

NO RESPONSE

1 | Re

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Until the contingency funding is entered in, "No Response" will be identified at the bottom of the schedule. The school must enter the contingency funding information on at least the first line to remove the error.

St. Mary's indicated they would provide \$35,000 of contingency funding, so we input St. Mary's on Line 16 Column A. St. Mary's was identified earlier as a related party organization, so we identify related party organization in Column B. Finally, we identify the amount available of \$35,000 in Column C.

The Holy Love Future Scholars Endowment Fund will provide any remaining required contingency funding so we put Holy Love Future Scholars Endowment Fund as the source in Column A, Line 17. Then, we identify Endowment Fund in Column B and input the remaining required contingency funding in Column C. This amount is calculated as the total required contingency funding we calculated on the previous slide less the \$35,000 of contingency funding already provided by St. Mary's.

Final Budget Review

- Complete Step 16 in the instructions prior to submitting the budget to DPI:
 - Review the cash flow schedules (Schedules 8-1 and 8-2) for negative ending cash balances with any restricted investments excluded.
 - Remove any budget deficits or net losses from the Net Operating Balances Schedule (Schedule 9).
- Complete the following for the Net Asset Schedule (Schedule 7-1):
 - Remove any negative net asset balances.
 - Remove any negative net current obligation.



The instructions tab of the budget identifies which schedules the school should review just before submitting the budget. Reviewing these schedules is important because making any changes anywhere in the budget can impact these schedules and result in the school not meeting the requirements. So, ensuring they meet the requirements just before submitting the budget is very important. The schedules that should be completed as a last step are identified in Step 16 in the instructions tab of the budget.

First, the school should review the cash flow schedules (Schedules 8-1 and 8-2). The ending cash balance on line 28 and 29 for each month must be positive. If the school has a negative amount in the available cash line, the budget would still be acceptable as long as the school has not identified available cash as a contingent funding source.

Next, the school should remove any budget deficits or net losses from the net operating balances and net income/loss schedule (Schedule 9).

Finally, the school should remove any negative net asset balance or net current obligation from the Net Asset Schedule (Schedule 7-1). If you have questions on how to adjust any of these schedules, please refer to the training where we explain that schedule.

Budget Requirements

- The budget must show the school meets the following requirements:
 - A positive cash balance in every month (schedule 8)
 - The school does not have an operating deficit (schedule 9)
 - Sufficient contingency funding that is available if enrollment is lower than anticipated (schedule 12-1)

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The school's submitted budget must show that the school:

1. Has a positive cash balance in every month.
2. The school does not have an operating deficit.
3. The school has sufficient contingency funding that is available if the school's enrollment is lower than expected.

DPI will review any budgets submitted by August 1 and notify the school whether it meets the requirements by December 31st.

Complete Budget

- Do not use Google docs when updating the budget.
- The budget must be completed at the legal entity level.
- The budget must be the final version, drafts are not accepted.
- The cover page must be electronically signed and dated by the Choice administrator (the individual indicated on the Intent to Participate).

IV. SIGNATURE	
<p>All schools: I certify that the information contained herein is correct and accurate, and includes all liabilities of the legal entity of the school. I understand the budget MUST MEET ALL OF THE REQUIREMENTS in Section III above. I agree that typing my name below constitutes a legal signature. For new schools participating in the MPCP, RPCP, or WPCP for the 2022-23 school year: I understand that the Department of Public Instruction (DPI) must receive a complete budget, including all required attachments, by the date in the instructions. Failure to provide a complete budget and all attachments by the required date may result in the school being ineligible to participate in the Choice program in the 2022-23 school year.</p>	
Electronic Signature of Choice/SNSP Administrator <i>The Administrator must type his/her name below.</i>	Date Signed

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It is important that you download the Excel document as an Excel document to your computer. Make sure you do not open the document as a Google sheet first or update it in Google sheets.

As a reminder, the budget must be completed at the legal entity level. That means it must include all expenses, revenues, and balances for the legal entity of the school.

The budget must be the final version, drafts are not accepted.

Finally, the cover page must be electronically signed and dated by the Choice administrator (the individual indicated on the Intent to Participate). In other words, the Choice administrator must type their name and the date in the signature section shown on the screen.

Complete Budget (cont)

- No budget will be accepted with errors on the error report unless an email from a DPI auditor accepting the error is provided with the budget. Approval for this must be granted via an email from a DPI auditor PRIOR TO the due date of the report.
- The question marks give information on how to address errors.

ERROR REPORT
Budget for the period from July 1, 2022 to June 30, 2023

All errors on this page must be removed except if an email from a DPI auditor specifically excusing the error is submitted with the budget. See the comment on the question mark for information on resolving each error. Please be aware certain errors ensure that different amounts match exactly (including with decimal points).

COVER PAGE		
Line	Item	Result
[?]	COVER PAGE COMPLETE:	ERROR
[?]	The school must complete all yellow cells on the cover page, including	ERROR
[?]	indicating all programs it will be participating in.	OK
[?]	Prelim, 3rd Fri Sept, and/or 2nd Fri Sept Choice and SNSP enrollment is more than the all pupil enrollment	OK

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No budget will be accepted with errors on the error report unless an email from a DPI auditor accepting the error is provided with the budget. Approval for this must be granted via an email from a DPI auditor PRIOR TO the due date of the report.

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

Complete Budget (cont)

- The Choice administrator must upload the full budget, including all required attachments, to Kiteworks by the budget due date. Label each attachment with its number before uploading it.
- The DPI strongly recommends not waiting until the last day to upload the documents in case you have technical difficulties.

GENERAL ATTACHMENTS		
Line	A Attachment Description	B Document Required
1	Current balance sheet for the legal entity of the school dated no earlier than two months before the due date of the budget.	YES
2	Current year-to-date income statement for the legal entity of the school dated no earlier than two months before the due date of the budget.	YES
3	All cash and investment account bank statements for the legal entity of the school dated no earlier than two months before the due date of the budget.	YES
4	June 30, 2021 balance sheet for the legal entity of school. If the school is a current participant in the MPCP, RPCP, WPCP, or SNSP and submitted a standard 2020-21 financial audit (not a modified financial audit) at the legal entity level by October 15, 2021, this balance sheet is not required.	YES
5	Income statement from July 1, 2020 to June 30, 2021 for the legal entity of school. If the school is a current participant in the MPCP, RPCP, WPCP, or SNSP and submitted a standard 2020-21 financial audit (not a modified financial audit) at the legal entity level by October 15, 2021, this income statement is not required.	YES
6	Classroom configurations by classroom that indicates the number of students and their grade(s), number of teachers, and number of teacher's aides in each classroom.	NO

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The Choice administrator must upload the full budget, including all required attachments, to Kiteworks by the budget due date. Label each attachment with its number before uploading it.

The DPI strongly recommends not waiting until the last day to upload the documents in case you have technical difficulties. The attachments that must be submitted with the budget will be identified with a Yes in Column B, the Document Required column. Please note that the identified required documents will change based on what is input in the budget. So, it is important that the school review this as it completes the budget document and also as a final check to make sure all attachments required based on the final completed budget have been provided.

Kiteworks

- Submission of the budget is completed using a secure web based platform called Kiteworks.
- Only the Choice administrator will be given access to Kiteworks.
- In the Fiscal Management quiz, you will be required to identify whether you are the Choice administrator for the school. If you identify that you are the Choice administrator in the quiz, you will be given access to Kiteworks once the quiz is completed.

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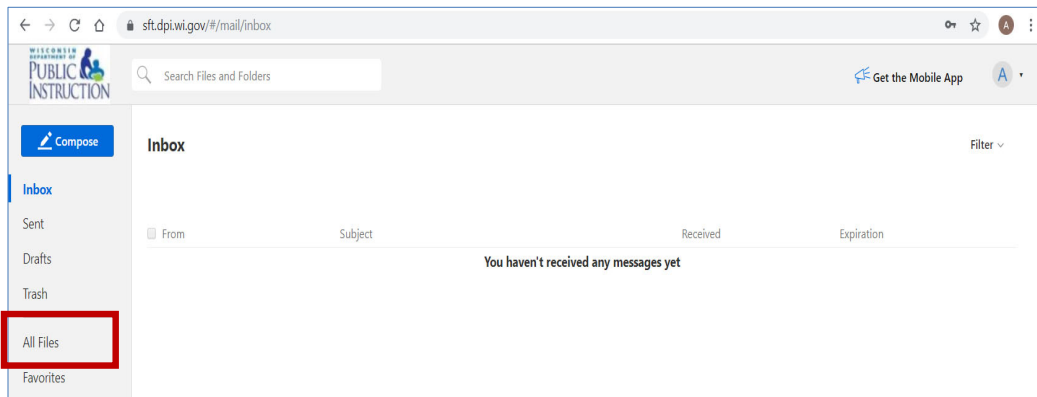


Submission of the budget is completed using a secure web based platform called Kiteworks.

Only the Choice administrator will be given access to Kiteworks.

In the Fiscal Management Training quiz, you will be required to identify whether you are the Choice administrator for the school. Once the Choice administrator completes the quiz, DPI will provide the Choice administrator access to Kiteworks. As a reminder, you must complete the Fiscal Management Training quiz in order to meet the fiscal management training requirement. If the Choice administrator does not complete the fiscal management training requirements by the required due date, the school will not be eligible to participate in the Choice programs for the 22-23 school year.

Submission of the Budget



- In Kiteworks, go to “All Files”

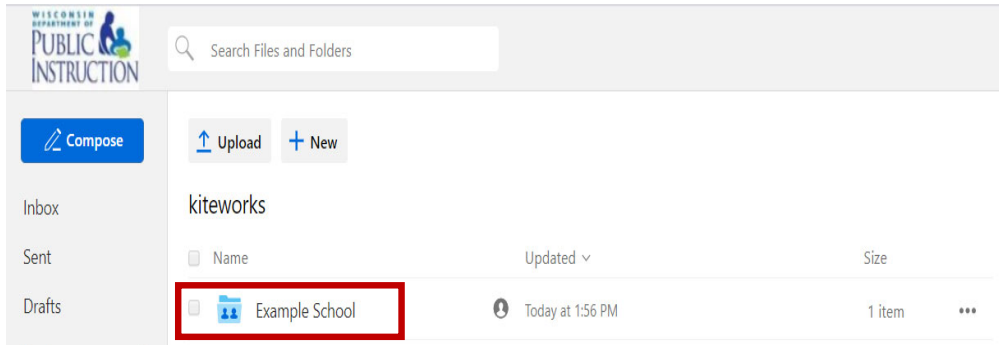


We will now go through how to upload the documents to Kiteworks. Please note there is also a Kiteworks instruction document that explains how to upload the budget and cash flow report and the required attachments to Kiteworks. This document is available on the Choice webpage.

The Choice administrator must log into Kiteworks. Instructions on how to create a Kiteworks account are available in the Kiteworks instructions. Once the Choice administrator is in Kiteworks, go to All Files. The Choice administrator should not send the budget and attachments as an email in Kiteworks.

Submission of the Budget (cont)

- Click on your school's folder and then click "Original Submission".



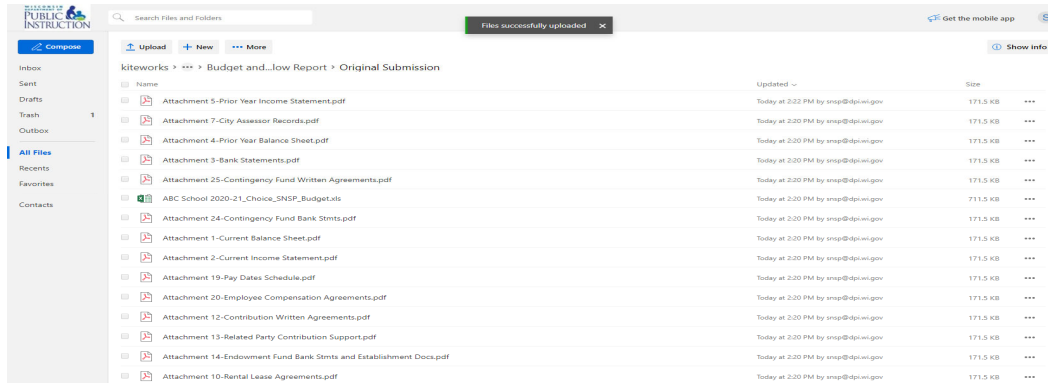
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Click on your school's folder. If you are the Choice administrator for only one school, you may only see the "Original Submission" folder. Open this folder.

Submission of the Budget (cont)

- Click on the Upload button or drag and drop the documents in.
- Upload the Budget & Cash Flow Report as an Excel document, not a pdf.



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You can upload the documents one of two ways. You can click on the upload button and select the budget and cash flow report and attachments. The other option is that you can drag and drop the documents into Kiteworks.

Note that the budget and cash flow report must be uploaded as an Excel document. It should not be uploaded as a pdf document.

Also, please note that each attachment should be labeled with the number of the attachment and separately loaded as shown on the screen.

Available Resources

Kiteworks Budget Submission Instructions:

<https://dpi.wi.gov/parental-education-options/choice-programs/school-registration/new-schools>

On Demand Trainings

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

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

Bulletins

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

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

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

The Fiscal & Internal Control Practices training, goes through each of the fiscal & internal control practices that the school is required to meet. Finally, the last two trainings describe the payment process and the Choice pupil count reports.

The department has a bulletin on the Financial Audit and PSCP/SNSP Reserve Balance Bulletin that describes the financial audit and how the reserve balance schedule works. The PSCP Eligible Education Expenses Bulletin describes what expenses can be eligible.

Finally, the link for the Kiteworks Budget Submission Instructions is at the top of the slide. This is the webpage that includes information on all of the requirements new private schools must initially meet. This webpage includes a link for the Fiscal Management Training quiz that must be completed to receive credit for having completed the fiscal management trainings.

Questions?

Auditors for the Choice Program

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608-224-6169

Budget questions should be sent to:
dpchoiceauditreports@dpi.wi.gov

**General program questions should
be sent to:**
privateschoolchoice@dpi.wi.gov



The contact information for each of the Choice program auditors is listed on the screen. Questions on this training, including questions on the budget and cash flow report, should be directed to dpchoiceauditreports@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.