

# Private School Choice Programs Fiscal Management Training

## Schedule 3-2 & 3-3: General Expenses

School Finance Auditors  
Parental Education Options  
2023-24 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 complete Schedules 3-2 and 3-3.

## 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](mailto:dpichoicedataauditreports@dpi.wi.gov).

# Schedule 3-2: General Expenses

- This is a screen shot of the top section of Schedule 3-2.

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 an explanation if no costs are included in lines 1-4 or 6-10.				
Line	A Item Description	B Total Cost	C Education Expenses	D If no costs are included, explain how the utilities or supplies are being provided.
1	Telephone & Internet Access			EXPLANATION REQUIRED
2	Electricity			EXPLANATION REQUIRED
3	Gas			EXPLANATION REQUIRED
4	Water and Other Utilities			EXPLANATION REQUIRED
5	<b>TOTAL UTILITY</b>	-	-	
6	Administrative Supplies			EXPLANATION REQUIRED
7	Classroom Supplies			EXPLANATION REQUIRED
8	Pupil Transportation Supplies			NO EXPLANATION REQUIRED
9	Food Service Supplies Sch 1, Ln 8i	-	-	NO EXPLANATION REQUIRED
10	Building & Equipment Supplies			NO EXPLANATION REQUIRED
11	<b>TOTAL SUPPLIES</b>	-	-	
12	Contributed Services, Assets, or Goods			
13	Bad Debt Expense			
14	Church Specific Expenses			
15	Daycare & Preschool Specific Expenses			
16	<b>TOTAL NON-ELIGIBLE EXPENSES</b>	-	-	

ERROR  
ERROR  
ERROR  
ERROR

ERROR  
ERROR

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We are now covering the tab labeled Schedule 3-2 which is related to the organization's general expenses. This is a screen shot of the top section of Schedule 3-2.

As you can see there are 3 expense sections listed on lines 5, 11, and 16. They are labeled Total Utility, Total Supplies, and Total Non-Eligible Expenses.

Lines 1-4 correspond to the Total Utility section. Lines 6-10 correspond to the Total Supplies section. Lines 12-15 correspond to the Total Non-Eligible Expenses section.

## Schedule 3-2: General Expenses

- Complete the total cost and education expenses.
- If no amounts are included in Lines 1-10 and one is required, you must explain why in column D or you will receive an error.

Line	A Item Description	B Total Cost	C Education Expenses	D If no costs are included, explain how the utilities or supplies are being provided.
1	Telephone & Internet Access			EXPLANATION REQUIRED
2	Electricity			EXPLANATION REQUIRED
3	Gas			EXPLANATION REQUIRED
4	Water and Other Utilities			EXPLANATION REQUIRED
5	<b>TOTAL UTILITY</b>	-	-	
6	Administrative Supplies			EXPLANATION REQUIRED
7	Classroom Supplies			EXPLANATION REQUIRED
8	Pupil Transportation Supplies			NO EXPLANATION REQUIRED
9	Food Service Supplies Sch 1, Ln 8i	-	-	NO EXPLANATION REQUIRED
10	Building & Equipment Supplies			NO EXPLANATION REQUIRED
11	<b>TOTAL SUPPLIES</b>	-	-	
12	Contributed Services, Assets, or Goods		-	
13	Bad Debt Expense		-	
14	Church Specific Expenses		-	
15	Daycare & Preschool Specific Expenses		-	
16	<b>TOTAL NON-ELIGIBLE EXPENSES</b>	-	-	

ERROR

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On the top part of this schedule, the budget preparer will enter the appropriate costs in columns B and C. The school must include the total costs for the legal entity of the school as a whole in column B. This means all expenses must be included in column B whether the costs are for the school, daycare, church, or another part if that part is the same legal entity as the school. In column C, the school must input the portion of the total costs that are an eligible education expense. This is similar to how we recorded the total salary cost and the portion that was related to eligible education salaries in Schedule 3-1, although different allocation methods may apply.

If there is not a cost included in column B, lines 1-10, the preparer of the budget may need to provide an explanation of how the school is providing the utilities or supplies. The explanation should be listed in column D. If an explanation is not provided an error will show on the right hand side of the schedule as shown in this slide.

## Schedule 3-2: General Expenses

- The non-eligible expenses in column B (Lines 12 thru 15) are not eligible expenses. As a result, the education expenses in column C are prefilled with a Zero (0).
- **Other church and daycare/preschool non-payroll expenses for the legal entity that are specifically related to the church or daycare/preschool must be included here.**

EXPENSES				
Line	A Item Description	B Total Cost	C Education Expenses	D If no costs are included, explain how the utilities or supplies are being provided.
12	Contributed Services, Assets, or Goods		-	
13	Bad Debt Expense		-	
14	Church Specific Expenses		-	
15	Daycare & Preschool Specific Expenses		-	
16	<b>TOTAL NON-ELIGIBLE EXPENSES</b>	-	-	

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On line 12, the school should include all items that the school expects will be donated to the school. This would include donated assets or goods, such as a donated van or food. This line would also include the fair market value of time spent for individuals with specialized skills. For example, this line would include a lawyer or accountant donating their time to help with those items specifically related to accounting or being a lawyer. If the school does not know what amount may be donated next year, this line can remain blank. However, it is important that the amount not be included elsewhere in the budget since these amounts cannot be included as eligible education expenses.

Line 13 would include the amount of any receivables the school does not expect to receive and instead expects to write off during the 23-24 school year. A common amount included on this line would be the amount of tuition the school expects to write off in the upcoming school year.

Line 14 is the amount of **non-payroll** church expenses the legal entity will have that are **only** related to the church, such as worship related costs or the cost of supplies for adult/child bible study classes.

Line 15 should include the **non-payroll** daycare and preschool expenses that are **only** for the daycare or preschool. For example, this would include supplies specifically for the preschool or daycare. If there is a cost that is partially for the daycare/preschool and partially for K4-12<sup>th</sup> grade educational programming, the cost should go on the other applicable lines on Schedule 3-2 or 3-3, rather than Schedule 3-2, Line 15.

For example, if the school is providing programming for 3 year old children and the 3 year old and 4 year old class is **not** combined, any non-payroll costs specifically for the 3 year old program would be included on line 15. If the 3 and 4 year old class is combined and the 4 year old class is considered

educational programming, the total costs would be included in the other applicable lines on Schedule 3-2 or 3-3 in the "Total Cost" column. The "Education Expenses" column would exclude the portion of the expenses related to the 3 year old children.

As a reminder, all payroll costs, including church and daycare payroll, should be included on Schedule 3-1 rather than on Lines 14 or 15. Also, the utilities and supplies section on Section 3-2 should include the church and daycare/preschool expenses in the total cost column.

## Schedule 3-2: General Expenses

- The utilities, supplies & non-eligible expenses that were entered in the last slide at the top of Schedule 3-2 are automatically included in columns B, C, & D (Lines 17-18).
- Insurance expenses must be input separately in column E.
- All Choice schools are required to have insurance.

Line	A Line Description	B Utility	C Supplies	D Non-Eligible Expenses	E Insurance	F Total
17	Total Eligible Education Expenses	-	-	-		-
18	Total 2023-24 Expenses	-	-	-		-
19	June 30, 2023 Prepaid Expenses					-
20	June 30, 2023 Accounts Payable					-
21	<b>TOTAL AMOUNT TO BE PAID</b>	-	-	-	-	-
22	July 2023 Cash Payments					-
23	August 2023 Cash Payments					-
24	September 2023 Cash Payments					-
25	October 2023 Cash Payments					-
26	November 2023 Cash Payments					-
27	December 2023 Cash Payments					-
28	January 2024 Cash Payments					-
29	February 2024 Cash Payments					-
30	March 2024 Cash Payments					-
31	April 2024 Cash Payments					-
32	May 2024 Cash Payments					-
33	June 2024 Cash Payments					-
34	<b>TOTAL CASH PAYMENTS</b>	-	-	-	-	-
35	JUNE 30, 2024 Prepaid Expenses					-
36	<b>JUNE 30, 2024 ACCOUNTS PAYABLE</b>	-	-	-	-	-



Continuing this is a screen shot of the bottom section of Schedule 3-2 titled cash flows. You can see the previous expense sections at the top of Schedule 3-2 from the last slide are listed in columns B, C, and D. They are labeled Utility, Supplies and Non-Eligible Expenses. The total values from lines 5, 11, and 16 from the top part of this schedule are automatically included on lines 17 and 18 for columns B, C, & D.

Please note that column E is for Insurance Expense. Any insurance costs are included in this column; however, they were not input on the top part of Schedule 3-2. So, you will have to enter your insurance total costs and cash payments starting on line 17.

All Choice schools are required to have insurance. The insurance requirements for schools participating in the Choice program are explained in the Fiscal & Internal Control Practices Training 6-7 and in the Insurance & Fidelity Bond Bulletin.

## Schedule 3-2: Expense Payment Requirements

Line	A Line Description	B Utility
17	Total Eligible Education Expenses	-
18	Total 2023-24 Expenses	-
19	June 30, 2023 Prepaid Expenses	
20	June 30, 2023 Accounts Payable	
21	<b>TOTAL AMOUNT TO BE PAID</b>	-
22	July 2023 Cash Payments	
23	August 2023 Cash Payments	
24	September 2023 Cash Payments	
25	October 2023 Cash Payments	
26	November 2023 Cash Payments	
27	December 2023 Cash Payments	
28	January 2024 Cash Payments	
29	February 2024 Cash Payments	
30	March 2024 Cash Payments	
31	April 2024 Cash Payments	
32	May 2024 Cash Payments	
33	June 2024 Cash Payments	
34	<b>TOTAL CASH PAYMENTS</b>	-
35	JUNE 30, 2024 Prepaid Expenses	
36	<b>JUNE 30, 2024 ACCOUNTS PAYABLE</b>	-

- All expenses must be paid:
  - As required by the written agreement.
  - If there is no written agreement, expenses must be paid within 90 days of the invoice or payment request.
  - When entering the cash payments for expenses ensure the dates of the payments meet this requirement.

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Now, we will discuss some payment requirements. All the organization's expenses must be paid as required by any written agreement signed by the organization.

If a written agreement does not exist, expenses must be paid within 90 days of the invoice or payment request.

Lastly, it is important to remember that the cash payments for the expenses meet these timing requirements.

Information on the requirements for paying vendors is included in the Fiscal & Internal Control Practices Training 6-4.

## Schedule 3-2 & 3-3: Prepaid Expenses & Accounts Payable

Line	A Line Description	B Utility
17	Total Eligible Education Expenses	-
18	Total 2023-24 Expenses	-
19	June 30, 2023 Prepaid Expenses	
20	June 30, 2023 Accounts Payable	
21	<b>TOTAL AMOUNT TO BE PAID</b>	-
22	July 2023 Cash Payments	
23	August 2023 Cash Payments	
24	September 2023 Cash Payments	
25	October 2023 Cash Payments	
26	November 2023 Cash Payments	
27	December 2023 Cash Payments	
28	January 2024 Cash Payments	
29	February 2024 Cash Payments	
30	March 2024 Cash Payments	
31	April 2024 Cash Payments	
32	May 2024 Cash Payments	
33	June 2024 Cash Payments	
34	<b>TOTAL CASH PAYMENTS</b>	-
35	JUNE 30, 2024 Prepaid Expenses	
36	<b>JUNE 30, 2024 ACCOUNTS PAYABLE</b>	-

- Schedule 3-2 and 3-3 also include lines for Prepaid Expenses and Account Payable (Lines 19 & 20 and 35 & 36).

- Reminder: Prepaid Expenses are amounts that are paid but are related to a future time period.



Schedules 3-2 and Schedule 3-3 also include lines for prepaid expenses and accounts payable like on Schedule 3-1.

Please remember a prepaid expense is an amount that has been paid for but relates to a future time period. Typically, insurance will include a prepaid expense because insurance is usually paid in advance of the period the insurance covers.

# Schedule 3-2: Utility Expenses

Line	A Item Description	B Total Cost	C Education Expenses	D If no costs are included, explain how the utilities or supplies are being provided.		
1	Telephone & Internet Access				EXPLANATION REQUIRED	ERROR
2	Electricity				EXPLANATION REQUIRED	ERROR
3	Gas				EXPLANATION REQUIRED	ERROR
4	Water and Other Utilities				EXPLANATION REQUIRED	ERROR
5	<b>TOTAL UTILITY</b>					

Expense Item Description	Annual Total Cost	Eligible Portion Allocation Basis
Telephone & Internet	\$2,400	Employee FTE
Electricity	\$12,000	Employee FTE
Gas	\$6,000	Employee FTE
Water	Included with rent	Employee FTE



First, we are going to complete lines 1-4 of Schedule 3-2. The top of the slide is a screen shot of Schedule 3-2. The bottom part is the information we are provided to complete the top of Schedule 3-2.

The annual total cost column is the total cost the school anticipates having for each of the utilities. The eligible portion allocation basis column describes how we are going to determine what portion of those expenses should be included in the Education Expenses column.

## Schedule 3-2: Utility Expenses - Employee Time Spent

Position Categories	Employee FTE for Legal Entity	Time Spent On Educational Programming	K4-12 <sup>th</sup> Grade Educational Programming FTE
Administrative Staff	2.00	90%	1.80
K-12 Before & After School Care Only	0		
Classroom Teachers	5.00	100%	5.00
Classroom Teacher Aides	3.00	100%	3.00
Maintenance Employees	0		
Food Service Employees	2.00	90%	1.80
Transportation Employees	0		
SNSP Only Employees	0		
Church Employees	1.00	20%	0.20
Daycare/Preschool Employees	2.00	0%	0.00
Other Employees	0		
<b>TOTAL</b>	<b>15.00</b>		<b>11.80</b>

Employee FTE Related to K4-12th Grade Educational Programming:

$$\frac{11.8}{15.0} = 79\%$$



This slide shows how we would calculate the percentage of the utilities that are related to K4-12<sup>th</sup> grade educational programming. The previous slide indicated we would use employee FTE, or full time equivalent, to determine the portion of the expenses related to K4-12<sup>th</sup> grade educational programming. It is not the same as teaching FTE that was discussed in Schedule 3-1.

The positions highlighted in yellow are the jobs that apply to Holy Love. The Employee FTE for Legal Entity column lists the number of employees for each job category. We were provided this information when reviewing Schedule 3-1. For this example, we are completing the calculation based on the assumption each individual works full time.

First, we determine the total employee FTE for all employees for Holy Love by summing the numbers in the Employee FTE for Legal Entity column.

The Time Spent on Educational Programming column lists the employee time spent on K4-12<sup>th</sup> grade educational programming activities compared to other activities for each applicable position. This information was also provided to us when we covered Schedule 3-1.

The 4<sup>th</sup> column is labeled K4-12<sup>th</sup> Grade Educational Programming FTE. It is calculated by multiplying the Employee FTE for the Legal Entity column by the Time Spent on Educational Programming column. The calculated values are listed in the K4-12<sup>th</sup> Grade Educational

Programming FTE column for each applicable job category.

Next, at the bottom of the slide, we sum the K4-12th Grade Educational Programming FTE column to determine the total K4-12<sup>th</sup> grade FTE related to educational programming, which is 11.8. For the last step, we need to calculate the employee FTE spent on K4-12<sup>th</sup> grade educational programming. This is done by dividing the K4-12th Grade Educational Programming FTE of 11.80 by the Employee FTE for legal entity of 15. This equals 79%.

## Schedule 3-2: Utility Expenses Answer

Expense Item Description	Total Annual Cost	Eligible Portion Allocation Basis	Eligible Education Expense
Telephone & Internet	\$2,400	Employee FTE= 79%	\$2,400 x 79% = \$1,896
Electricity	\$12,000	Employee FTE= 79%	\$12,000 x 79% = \$9,480
Gas	\$6,000	Employee FTE= 79%	\$6,000 x 79% = \$4,740
Water	Included with rent	Employee FTE= 79%	0

Line	A Item Description	B Total Cost	C Education Expenses	D If no costs are included, explain how the utilities or supplies are being provided.
1	Telephone & Internet Access	2,400	1,896	NO EXPLANATION REQUIRED
2	Electricity	12,000	9,480	NO EXPLANATION REQUIRED
3	Gas	6,000	4,740	NO EXPLANATION REQUIRED
4	Water and Other Utilities			EXPLANATION REQUIRED



First, we will complete the Total Cost in column B by inserting our total annual cost.

Now, we will apply the 79% to our previously shown utility costs for Holy Love to calculate the amount that is an eligible education expense.

For telephone and internet at the top of this slide, we multiply the total annual cost of \$2,400 by 79% to obtain an eligible education expense of \$1,896. We calculate electricity and gas in a similar manner.

Then, we insert the eligible education expenses we calculated into the Education Expenses column, which is column C.

Our example indicates that water is included with rent. As a result, you do not need to put any amount on a line in columns B and C for water. However, since no costs are included on Line 4, you will receive an error message to the right of column D if column D is not completed for the line. Once you insert an explanation in column D, the error will go away.

## Schedule 3-2: Utility Cash Payments Answer

Line	A Line Description	B Utility
17	Total Eligible Education Expenses	16,116
18	Total 2023-24 Expenses	20,400
19	June 30, 2023 Prepaid Expenses	
20	June 30, 2023 Accounts Payable	1,700
21	<b>TOTAL AMOUNT TO BE PAID</b>	22,100
22	July 2023 Cash Payments	1,700
23	August 2023 Cash Payments	1,700
24	September 2023 Cash Payments	1,700
25	October 2023 Cash Payments	1,700
26	November 2023 Cash Payments	1,700
27	December 2023 Cash Payments	1,700
28	January 2024 Cash Payments	1,700
29	February 2024 Cash Payments	1,700
30	March 2024 Cash Payments	1,700
31	April 2024 Cash Payments	1,700
32	May 2024 Cash Payments	1,700
33	June 2024 Cash Payments	1,700
34	<b>TOTAL CASH PAYMENTS</b>	20,400
35	JUNE 30, 2024 Prepaid Expenses	
36	<b>JUNE 30, 2024 ACCOUNTS PAYABLE</b>	1,700

- The school pays \$1,700 per month for utilities.

- The utilities are paid the month after incurred and the monthly payment was the same this school year as in the prior school year.

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Now we are going to enter the cash payments for the utility expenses. The screen shot on this slide is the bottom section of Schedule 3-2. Lines 17 and 18 were automatically populated with the eligible education expense portion of the utility costs and the total utility costs from the previous slide.

The right hand side of this slide states that utility expenses are \$1,700 a month. The monthly total was derived by dividing the total cost of \$20,400 by 12 months which equals \$1,700. Also, we are told that utilities are paid 1 month after they are incurred. This means that July's utility expense of \$1,700 is actually paid in August while August's utility expense is paid in Sept, etc.

For this example, Holy Love will have a beginning accounts payable on line 20 of \$1,700 for the prior month's utility costs. Holy Love will then input the \$1,700 cash payment in each month on lines 22-33.

Lastly, Holy Love will have an ending accounts payable of 1 month's cash payments because utilities are paid 1 month after they are incurred. If we check line 36, we see that the budget automatically calculated the correct ending account payable balance of \$1,700. While preparing the budget, if you notice an accounts payable balance that is either inaccurate or negative, you will need to adjust one or more of the amounts entered for that category in the cash payments and/or the top section of the schedule.

## Schedule 3-2: Supplies

Expense Item Description	Total Annual Costs	Eligible Education Portion Allocation Basis
Administrative supplies	\$2,000	Employee FTE
Classroom Supplies	\$10,000	100% Eligible
Food Services Supplies	\$1,500	Pupil Count %

Line	A Item Description	B Total Cost	C Education Expenses	D If no costs are included, explain how the utilities or supplies are being provided.
6	Administrative Supplies			
7	Classroom Supplies			
8	Pupil Transportation Supplies			
9	Food Service Supplies <i>Sch 1, Ln 8i</i>	-	-	
10	Building & Equipment Supplies			
11	<b>TOTAL SUPPLIES</b>	-	-	



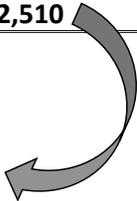
Next, we will complete an example for the supplies section of Schedule 3-2, which is on lines 6-10. Two of these expenses use an allocation. We have already determined the employee FTE percentage. The food service supplies use a pupil count percentage.

## Schedule 3-2: Supplies - Pupil Count Allocation

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

	Number of Children	Months	Total
Daycare	30	12	360
School	215	10	2,150
		<b>Grand Total:</b>	<b>2,510</b>

Pupil Count Allocation %: **86%**  
 (Calculated as 2,150 school related / 2,510 total)



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Now, let's proceed to the next cost allocation example using pupil count. Please remember that daycare is not an eligible education expense. However, Holy Love offers daycare. Also, the children in daycare attend Holy Love for 12 months of the year while the students attend for 10 months of the year. So, the allocation needs to account for the number of students and the amount of time they attend Holy Love. This example is somewhat similar to calculating a weighted average.

Holy Love has 30 children in daycare for 12 months of the year. These values are input in the 2<sup>nd</sup> and 3<sup>rd</sup> columns in the top row of the table on this slide. Also, Holy Love's school has 215 students that attend school 10 months of every year. These values are input on the second row of the table on this slide.

Next, we multiply the first column by the second column for each row. 30 children in daycare multiplied by 12 months equals 360. We also multiply 215 students by 10 months, which equals 2,150. We then add the totals of 360 plus 2,150 to obtain a total value of 2,510 in the last column on the right.

Remember we are trying to calculate a cost allocation for eligible education expenses, so our last step is to divide 2,150 by 2,510 which is 86%.

# Schedule 3-2: Supplies Answers

(line 9 amounts come from Schedule 1 line 8i)

Expense Item Description	Total Annual Costs	Eligible Education Portion Allocation Basis
Administrative supplies	\$2,000	Employee FTE = 79%
Classroom Supplies	\$10,000	100% Eligible
Food Services Supplies	\$1,500	Pupil Count % = 86%

**Schedule 3-2**

Line	A Item Description	B Total Cost	C Education Expenses	D If no costs are included, explain how the utilities or supplies are being provided.
6	Administrative Supplies			
7	Classroom Supplies			
8	Pupil Transportation Supplies			
9	Food Service Supplies Sch 1, Ln 8i	-	-	
10	Building & Equipment Supplies			
11	TOTAL SUPPLIES	-	-	

**Schedule 1**

	A Type	B Total Cost	C Eligible Education Expenses
8h)	Other Contracted Food Costs	60,000	0
8i)	Food Service Supplies		



Now that we have determined each of the allocation percentages, take some time to complete the top section of Schedule 3-2 using this example information. Pause the presentation until you are ready to proceed.

The total costs in column B equal our annual costs. The education expenses in column C equals the annual costs multiplied by the applicable allocation percentage.

You will notice that line 9 in the middle part of this slide is in white so we can't enter this value in Schedule 3-2. The bottom part of this slide references Schedule 1. Schedule 1 is where we originally entered our food cost information. When we covered Schedule 1, we said we would revisit line 8i which is in the red box at the bottom of slide.

For Schedule 1, line 8i, we would enter \$1,500 in column B and \$1,290 in column C. These values will then be automatically populated in line 9 of Schedule 3-2.

## Schedule 3-2: Non-Eligible Expenses

Expense Item Description	Annual Expense	Eligible Portion Allocation Basis
Accountant Donates their Time	\$10,000 Fair Market Value	N/A
Bad Debt Expense	\$2,000	N/A
Church Specific Expenses	\$12,000	N/A
Daycare Specific Expenses	\$6,000	N/A

Line	A Item Description	B Total Cost	C Education Expenses	D If no costs are included, explain how the utilities or supplies are being provided.
12	Contributed Services, Assets, or Goods	10,000	-	
13	Bad Debt Expense	2,000	-	
14	Church Specific Expenses	12,000	-	
15	Daycare & Preschool Specific Expense	6,000	-	
16	<b>TOTAL NON-ELIGIBLE EXPENSES</b>	<b>30,000</b>	<b>-</b>	

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Our example includes the fair market value of an accountant donating their time, bad debt expenses, non-payroll church specific expenses, and non-payroll daycare specific expenses. The costs will be recorded on lines 12-15 of column B for Holy Love.

Since these total costs do not include a portion that is an eligible education expense, lines 12-15 column C are already set to 0 in the budget and can't be changed because the cells in column C are white. The accountant's time is a contributed service because the school is not paying for the time so it goes on line 12. The remaining expenses are included on lines 13-15 in their applicable category.

Take a moment to enter this information into your budget. Proceed when you are ready to continue.

## Schedule 3-2: Cash Payments Answers

Line	A Line Description	B Utility	C Supplies	D Non-Eligible Expenses	E Insurance	F Total
17	Total Eligible Education Expenses	16,116	12,870	-		28,986
18	Total 2023-24 Expenses	20,000	13,500	18,000		51,500
19	June 30, 2023 Prepaid Expenses					-
20	June 30, 2023 Accounts Payable	1,700				1,700
21	<b>TOTAL AMOUNT TO BE PAID</b>	21,700	13,500	18,000	-	53,200
22	July 2023 Cash Payments	1,700				1,700
23	August 2023 Cash Payments	1,700				1,700
24	September 2023 Cash Payments	1,700				1,700
25	October 2023 Cash Payments	1,700				1,700
26	November 2023 Cash Payments	1,700				1,700
27	December 2023 Cash Payments	1,700				1,700
28	January 2024 Cash Payments	1,700				1,700
29	February 2024 Cash Payments	1,700				1,700
30	March 2024 Cash Payments	1,700				1,700
31	April 2024 Cash Payments	1,700				1,700
32	May 2024 Cash Payments	1,700				1,700
33	June 2024 Cash Payments	1,700				1,700
34	<b>TOTAL CASH PAYMENTS</b>	20,400	-	-	-	20,400
35	JUNE 30, 2024 Prepaid Expenses					-
36	<b>JUNE 30, 2024 ACCOUNTS PAYABLE</b>	1,300	13,500	18,000	-	32,800

- In column C, the total monthly supplies payment is \$1,125.

- In column D, the total monthly Non-Eligible Expenses is \$1,500.

- Column C & D are paid the month after the expense is incurred and the costs were the same in the prior school year.

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This slide is a screen shot of the bottom section of Schedule 3-2. We are focusing on column C and D labeled supplies and non-eligible education expenses.

Please pause the video and take some time to review the information again on the right hand side of this slide and fill out the cash payments sections for columns C and D.

Now lets review the answers for columns C and D.

Since the expenses are paid 1 month after they are incurred, columns C and D have an accounts payable amount of \$1,125 and \$1,500 on line 20.

Next, for lines 22-33, columns C and D have a monthly cash payment of \$1,125 and \$1,500.

The budget should then automatically calculate an ending account payable in line 36. The accounts payable for column C and D on line 36 is \$1,125 and \$1,500. This amount is correct since it equals the monthly cash payments that the school incurred in June and will need to pay in July.

## Schedule 3-2 : Recording of Insurance Cost Example

Line	A Line Description	E Insurance
17	Total Eligible Education Expenses	10,000
18	Total 2023-24 Expenses	12,000
19	June 30, 2023 Prepaid Expenses	3,000
20	June 30, 2023 Accounts Payable	
21	<b>TOTAL AMOUNT TO BE PAID</b>	9,000
22	July 2023 Cash Payments	
23	August 2023 Cash Payments	
24	September 2023 Cash Payments	3,000
25	October 2023 Cash Payments	
26	November 2023 Cash Payments	
27	December 2023 Cash Payments	3,000
28	January 2024 Cash Payments	
29	February 2024 Cash Payments	
30	March 2024 Cash Payments	3,000
31	April 2024 Cash Payments	
32	May 2024 Cash Payments	
33	June 2024 Cash Payments	3,000
34	<b>TOTAL CASH PAYMENTS</b>	12,000
35	JUNE 30, 2024 Prepaid Expenses	3,000
36	JUNE 30, 2024 ACCOUNTS PAYABLE	-

- Example: Total insurance is \$12,000.
- \$2,000 is non-school related. \$10,000 is school related.
- The amount of insurance is the same for the 2022-23 and 2023-24 school years.
- The school pays \$3,000 in June, September, December, and March. Each payment is for insurance for the next quarter.



We will now discuss the following information related to Holy Love's insurance costs and discuss the answers to this example.

We input the total eligible education expenses of \$10,000 on line 17 and the total cost of \$12,000 on line 18. We then record the cash payments of \$3,000 in September, December, March, and June.

Lastly, we are told that each quarterly insurance payment is paid in advance. This means we need to record a prepaid expense on lines 19 and 35 of \$3,000.

# 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	<b>TOTAL SERVICES COSTS</b>	-	-	
5	Contractor Provided Pupil Transportation			
6	Student Information System			
7	Contractor Provided Food Service	-	-	
8	<b>TOTAL CONTRACTOR COSTS</b>	-	-	
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	<b>TOTAL OTHER EXPENSES</b>	-	-	

Name Missing
ERROR
1



We are now going to cover the last expense schedule of the budget. It is labeled Schedule 3-3. This slide shows a screen shot of the top area of Schedule 3-3. Schedule 3-3 has 3 main expense sections. They are: Total Service Costs on line 4, Total Contractor Costs on line 8 and Total Other Expenses on line 15.

Like Schedule 3-1 and 3-2, Schedule 3-3 also has a cash payments section at the bottom of the schedule.

## 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	<b>TOTAL SERVICES COSTS</b>	-	-	
5	Contractor Provided Pupil Transportation			
6	Student Information System			
7	Contractor Provided Food Service	-	-	
8	<b>TOTAL CONTRACTOR COSTS</b>	-	-	

Name Missing
ERROR
1

- 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) and for a Student Information System (Line 6).
- \*You will receive an error if the provided name or TBD is not entered column D .**



In Schedule 3-3, column D requires that the school enter the name of the service provider for any applicable expenses on 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 in the budget tab labeled "Error Page".

All schools must fill in lines 2 and 6 related to expenses for Independent Auditing Services and Student Information Systems. Schools must hire an independent auditing firm to complete 3 agreed upon procedure reports and a financial audit each year. The costs for the firm are included in the independent auditing services line.

Line 7 is auto populated based on how the school responds to the food service answers 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	<b>TOTAL SERVICES COSTS</b>	-	-	
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.



This slide discusses more specific information related to line 6. This is the expense related to a Student Information System or SIS. The Student Information System is a requirement for the Choice program.

Schools are required to securely submit the following student data through their Student Information System: assessments, attendance, graduation, and demographic data. Again, entering this cost is mandatory for each school.

For more information on Student Information Systems, see Training 4-1 of the On-Demand Training.

## 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	<b>TOTAL OTHER EXPENSES</b>	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. (On the Cover Page when you select at least one of the choice programs, Line 9 will be populated automatically).



The DPI auditor fee of \$275 is automatically included as a cost in line 9, columns B and C of Schedule 3-3 after the preparer of the budget selects 1 or more of the offered Choice programs in section 1 of the Cover Page.

### Schedule 3-3: DPI Auditor Fee Payments Section

Line	A Line Description	B Services Costs	C Contractor Costs	D Other Expenses
16	Total Eligible Education Expenses	-	-	275
17	Total 2023-24 Expenses	-	-	275
18	June 30, 2023 Prepaid Expenses			275
19	June 30, 2023 Accounts Payable			
20	<b>TOTAL AMOUNT TO BE PAID</b>	-	-	-
21	July 2023 Cash Payments			
22	August 2023 Cash Payments			
23	September 2023 Cash Payments			
24	October 2023 Cash Payments			
25	November 2023 Cash Payments			
26	December 2023 Cash Payments			
27	January 2024 Cash Payments			275
28	February 2024 Cash Payments			
29	March 2024 Cash Payments			
30	April 2024 Cash Payments			
31	May 2024 Cash Payments			
32	June 2024 Cash Payments			
33	<b>TOTAL CASH PAYMENTS</b>	-	-	275
34	JUNE 30, 2024 Prepaid Expenses			275
35	<b>JUNE 30, 2024 ACCOUNTS PAYABLE</b>	-	-	-

- You must include payment of the Choice DPI auditor fee for the 2023-2024 school year if you are participating in the Choice program. Since it is due by January 10, the cash payment must be included in the cash flow section by January (Line 27).
- The auditor fee must be included as a prepaid expense as of June 30, 2023 and June 30, 2024 (Lines 18 and 34) or you will receive an error.



In addition, you must also include the auditor fee for the next school year in the cash flow section of Schedule 3-3 on or before January. The fee is due by January 10<sup>th</sup>. Since this fee is paid in advance of each school year, the budget must also show the \$275 January payments as prepaid expenses in lines 18 and 34 of the cash flow section.

Since the DPI auditor fee is in the Other Expenses section at the top, the DPI auditor fee cash payment and prepaid expenses must be included in column D.

## 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>
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	<b>TOTAL OTHER EXPENSES</b>	275	275	

- Non-administrative fundraising expenses are included on Line 13, columns B and C. The non administrative fundraising expenses related to K4-12<sup>th</sup> grade educational programming should go in the Education Expenses column. If any of these expenses are not related to K4-12<sup>th</sup> grade educational programming, they should not go in this column.
  - Examples of non-administrative fundraising expenses would include 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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Non-administrative fundraising expenses must be included on line 13, columns B & C. The non-administrative fundraising expenses related to K4-12<sup>th</sup> grade educational programming should also go in the education expenses column. If any of these expenses are not related to K4-12<sup>th</sup> grade educational programming, they should not go in column C.

Examples of a non-administrative fundraising expense would be Scrip cards, cost of food for a benefit dinner, or renting out a ballroom for the specific use of a charity event.

Administrative expenses for fundraising should **not** go on Line 13. Instead, the expenses should go on whatever line they are related to. Some examples of administrative expenses are: costs for school personnel involved with the fundraising, mailings & copying involved with the fundraising, and any of the school's fixed assets that are used for fundraising activities. An example of a fixed asset that is an administrative fundraising expense would be the school's gymnasium that is used for a fundraising activity.

# 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	
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. For each of the expenses listed on the left hand side of this column, let's answer if they are non-administrative or administrative.

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.

The next item is mailings and copying. These are considered administrative costs.

The next item is the cost for food for a benefit dinner. This is a non-administrative cost.

Next, we have the allocated cost for the school gym for a benefit dinner. This is an administrative cost because it's an existing school asset.

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 that cost the school \$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 that month
Auditor- The External Audit Specialists	\$15,000	Employee FTE = 79%	\$5,000 in December 2023, \$5,000 in May 2024, and \$5,000 in October 2024 for the prior year financial audit.
Transportation Contractor- Ride With Us!	\$2,000	Only School Related = 100%	\$6,000 in October 2023 and \$6,000 in March 2024
Student Information System- Students Inc.	\$10,000		
Food Service Contractor- Yummy, Yum Foods	Already entered in Schedule	Already Entered in Schedule	\$4,636 in Aug 2023 thru Sept 2023 \$14,664 from Oct 2023 thru July 2024 Payments are made the month after they are incurred
DPI Auditor Fee (Already entered in Schedule)	\$275	Only School Related = 100%	\$275 in January 2023 and January 2024 for the subsequent school year
Field Trip Admission Fees	\$200		
Clubs & Sports Costs	\$1,000		
Marketing	\$3,000		
Staff development	\$2,000		
Costs for Benefit Dinner (\$1,000) & Scrip Gift Cards (\$1,500)	\$2,500		
Online Learning Subscription (Other Expense)	\$75		\$725 per month for that month
			\$75 in January 2023 and January 2024 for the subsequent school year



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

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

## Schedule 3-3 Example-Answer

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	6,000	4,740	Accountants R Us
2	Independent Auditing Services	15,000	11,850	The External Audit Specialists
3	Consultant, Legal & Other Services			
4	<b>TOTAL SERVICES COSTS</b>	21,000	16,590	
5	Contractor Provided Pupil Transportation	2,000	2,000	Ride With Us!
6	Student Information System	10,000	10,000	Students Inc.
7	Contractor Provided Food Service	155,913	95,913	Yummy, Yum
8	<b>TOTAL CONTRACTOR COSTS</b>	167,913	107,913	
9	DPI Auditor Fee	275	275	
10	Field Trips & Extracurricular Activities	1,200	1,200	
11	Marketing & Continuing Ed	5,000	5,000	
12	Primarily SNSP Expenses			
13	Non-Administrative Fundraising Expenses	2,500	2,500	
14	Other Expenses	75	75	
15	<b>TOTAL OTHER EXPENSES</b>	9,050	9,050	

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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 applicable expense.

For line 10, the recorded value of \$1,200 is derived from adding the field trip admission fees of \$200 and the club and sports costs of \$1,000. Line 11 is for marketing and continuing education, the recorded value of \$5,000 is derived from adding the marketing expense of \$3,000 and the staff development of \$2,000.

Line 13 is for non-administrative fundraising expenses, which in this case is \$1,000 for the costs for the benefit dinner and \$1,500 for the cost to purchase Scrip gift cards. Finally, 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.

Take a moment and compare the information on the screen to your budget. When you are ready to proceed, continue the training.

### 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	107,913	9,050
17	Total 2023-24 Expenses	21,000	167,913	9,050
18	June 30, 2023 Prepaid Expenses			350
19	June 30, 2023 Accounts Payable			
20	<b>TOTAL AMOUNT TO BE PAID</b>	21,000	167,913	8,700
21	July 2023 Cash Payments	500		725
22	August 2023 Cash Payments	500	4,636	725
23	September 2023 Cash Payments	500	4,636	725
24	October 2023 Cash Payments	500	20,664	725
25	November 2023 Cash Payments	500	14,664	725
26	December 2023 Cash Payments	5,500	14,664	725
27	January 2024 Cash Payments	500	14,664	1,075
28	February 2024 Cash Payments	500	14,664	725
29	March 2024 Cash Payments	500	20,664	725
30	April 2024 Cash Payments	500	14,664	725
31	May 2024 Cash Payments	5,500	14,664	725
32	June 2024 Cash Payments	500	14,664	725
33	<b>TOTAL CASH PAYMENTS</b>	16,000	153,248	9,050
34	JUNE 30, 2024 Prepaid Expenses			350
35	<b>JUNE 30, 2024 ACCOUNTS PAYABLE</b>	5,000	14,665	-

Expense Item Description	Cash Payments
Accountant- Accountants R Us	\$500 per month for that month
Auditor- The External Audit Specialists	\$5,000 in December 2023, \$5,000 in May 2024, and \$5,000 in October 2024 for the prior year financial audit.
Transportation Contractor- Ride With Us!	\$6,000 in October 2023 and \$6,000 in March 2024
Student Information System- Students Inc.	
Food Service Contractor- Yummy, Yum Foods	\$4,636 in Aug 2023 and Sept 2024 \$14,664 from Oct 2023 thru July 2024 Payments are made the month after they are incurred
DPI Auditor Fee	\$275 in January 2023 and January 2024 for the subsequent school year
Field Trip Admission Fees	\$725 per month for that month
Clubs & Sports Costs	
Marketing	
Staff development	
Costs for Benefit Dinner	
Online Learning Subscription (Other Expense)	\$75 in January 2023 and January 2024 for the subsequent school year

Now, lets walk through the cash payment section for Schedule 3-3. We enter in the cash payments for the accountant and auditor in column B; the transportation costs, Student Information System costs, and food service costs in column C; and the remaining costs in column D.

Please remember the last step is to check the ending accounts payable for reasonableness. The service costs ending balance of \$5,000 reflects the last payment that will be made in October of the next school year. The food service contractor costs includes the 1 month of accrued expenses for food. Both of these amounts are consistent with what we would expect based on our example.

The auditor fee is a prepaid expense on line 18 from the prior school year which was paid in January of 2023. The auditor fee for 2024 and the cost for next year’s online learning subscription is then paid in January of 2024 on line 27 and included as a prepaid expense of \$350 on line 34.

## Schedule 3-1, 3-2 & 3-3 (General Expense Related Errors)

[?]	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 amount that is an eligible education expense must also be completed for each schedule.
- The school will receive an error if the cash payments are **not** completed on any of the schedules.
- The ending Accounts Payable balance cannot be negative.
- The school should ensure that each schedule has the required information.



Please remember that it is important that the cash payment section for Schedule 3-1, 3-2, and 3-3 be filled out for all expenses.

In addition, the portion of the total cost that is an eligible education expense must also be completed for each schedule. The school will receive an error if these sections are not completed in any of the schedules.

Also, the account payable line at the bottom of each schedule should be reasonable and it can't be negative.

## New School Minimum Expense Levels

- Schools must have a minimum amount for the expenses for specific expenses.
- If the school does not include an amount that is at least as much as the minimum amounts, the minimum expense and cash payments to pay for the minimum expense will be added to the budget prior to determining whether the school meets the Choice requirements.
- The “tab” labeled New School Minimums explains the items that require minimum amounts.



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The next few slides discuss the previously mentioned “New School Minimum Expense Levels”. These are the minimum expenses for a new private school. A new private school is defined under WI Statutes 118.60 and 119.23.

If the school does not include the required minimum expense level, the required minimum will be added to the budget prior to determining whether a school meets the Choice requirements.

Please note where the “New School Minimum” tab is located in budget. This tab will provide you more information and a listing of the minimum expenses.

## New School Minimum Expense Levels – Schedule 3-2

Line	A Item Description	B Total Cost	C Education Expenses	D If no costs are included, explain how the utilities or supplies are being provided.
1	Telephone & Internet Access			
2	Electricity			
3	Gas			
4	Water and Other Utilities			
5	<b>TOTAL UTILITY</b>	-	-	
6	Administrative Supplies			
7	Classroom Supplies			
8	Pupil Transportation Supplies			

- Utility Costs (Schedule 3-2, Lines 1-4): The school must have a minimum of \$11,000 for total utilities on Line 5.
- Administrative Supplies (Schedule 3-2, Line 6): The expected administrative supplies are between \$1,000 and \$20,000. The school must have a minimum of \$1,000.
- Classroom Supplies (Schedule 3-2, Line 7): The expected classroom supplies are between \$2,000 and \$25,000. The school must have a minimum of \$2,000 if it has 1-20 students, \$5,000 if it has 21-50 students, or \$7,500 if it has more than 50 students.

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These are some of the minimum expenses:

Utility Costs are listed on Schedule 3-2, Lines 1-4. The total of all the utilities is on line 5. The minimum for total utilities on Line 5 is \$11,000.

Administrative Supplies is listed on Schedule 3-2, Line 6. The expected administrative supplies are between \$1,000 and \$20,000. The school must have a minimum of \$1,000.

Classroom Supplies is listed on Schedule 3-2, Line 7. The expected classroom supplies are between \$2,000 and \$25,000. The school must have a minimum of \$2,000 if it has 1-20 students, \$5,000 if it has 21-50 students, or \$7,500 if it has more than 50 students.

## New School Minimum Expense Levels – Schedule 3-2 (cont)

CASH FLOWS						
Insert the eligible education expenses and the total expenses for the school year in Lines 17 and 18 for insurance. Next insert the Prepaid Expenses and Accounts Payable balances at the beginning of the school year in Lines 19 and 20. Line 21 will then indicate the amount that must be paid during the school year. Include the amount that will be paid for each month in Lines 22-33. If the school will have a Prepaid Expense balance at the end of the year, insert it in Line 35. Finally, review the year end Accounts Payable balance in Line 36 to determine if it is correct.						
Line	A Line Description	B Utility	C Supplies	D Non-Eligible Expenses	E Insurance	F Total
17	Total Eligible Education Expenses	-	-	-	-	-
18	Total 2023-24 Expenses	-	-	-	-	-

- Insurance (Schedule 3-2, Line 18, column E): The expected insurance cost is between \$7,500 and \$25,000. Schools must have a minimum of \$7,500. Schools participating in the Choice programs are required to have insurance that meets the minimum requirements explained in the Insurance & Fidelity Bulletin.

\*Note: Insurance costs are entered directly in Schedule 3-2's Cash Flows section.



Next, insurance is listed on Schedule 3-2, line 18, column E. The expected insurance cost is between \$7,500 and \$25,000. The school must have a minimum of \$7,500.

Schools participating in the Choice programs are required to have insurance that meets the minimum requirements explained in the Insurance & Fidelity Bulletin, which is referenced at the end of this training.

## New School Minimum Expense Levels – Schedule 3-3

Line	A Item Description	B Total Cost	C Education Expenses
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		

- **Independent Auditing Services (Schedule 3-3, Line 2):** The expected independent auditing services cost is between \$7,500 and \$25,000.
- **Student Information System (Schedule 3-3, Line 6):** The expected Student Information System cost is between \$1,000 and \$25,000.

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Continuing, for independent auditing services the minimum amount is between \$7,500 and \$25,000. The school must have a minimum of \$7,500. Schools participating in the Choice programs are required to annually have an independent auditor hired by the school complete a September Enrollment Audit, January Enrollment Audit, Fiscal & Internal Control Practices Report, and Financial Audit.

For the Student Information System, the minimum expense is between \$1,000 and \$25,000. The school must have a minimum of \$1,000. Schools participating in the Choice program are required to have a Student Information System.

# New School Minimum Expense Levels – Food Expense for Internal Food

## Schedule 1

	A Type	B Number Served Per Day	C Number of Days	D Contractor Cost Per Meal or Milk
8d)	School Lunch			
8e)	School Breakfast			
8f)	School Milk			

8g) On Line 8h, include any costs paid to a contractor other than the cost for meals and milk for K-12th grade pupils included in Lines 8d-8f above. Insert the cost of any food or food supplies purchased from a vendor or other supplier on Line 8i. Payroll related food costs should not be included below; instead payroll related costs should be included on Schedule 3-1.

	A Type	B Total Cost	C Eligible Education Expenses
8h)	Other Contracted Food Costs		
8i)	Other Non-Payroll Food Service Costs		

## Schedule 3-1

Line	A Position Categories	B Total HC	C Teaching FTE	D Month of Hire	E Salaries
6	Food Service Employees				

The New School Minimums tab calculates the expected minimum and cost in the budget for you. 

## Minimum Food Expense

- If the school provided food, the total of the values listed on Schedule 1, Line 8i and the food service employee salaries listed on Line 6 of Schedule 3-1 must mean a certain minimum.

- Expected Minimum:

Number served per day

x

Number of Days

x

\$3.75 for lunch, \$2.35 for breakfast, and \$.20 for milk.

8. Internally Provided Food (Schedule 1, Line 8i and Schedule 3-1, Line 6): If the school provides food itself, the minimum of food service supplies on Schedule 1, Line 8i and the food service employee salaries on Schedule 3-1, Line 6 must be at least as much as the number of pupils on lines 8d-8f, Column B times the number of days in Column C times \$3.75 for lunch, \$2.35 for breakfast, and \$0.20 for milk.

a. Expected Minimum Internal Food Cost: \$Amount

b. Food Service Supplies & Salary Related Costs in Budget: \$Amount



If the school provides food itself, the minimum amount for food service supplies on Schedule 1, Line 8i and the food service employee salaries on Schedule 3-1, Line 6 must be at least as much as the number of meals served on Lines 8d-8f, column B multiplied by the number of days in column C multiplied by \$3.75 for lunch, \$2.35 for breakfast, and \$0.20 for milk.

Please review these calculated amounts vs the amounts on the New School Minimums Tab to ensure the amounts included in the budget are at least as much as the expected minimum amount for internally provided food.

## New School Minimum Expense Levels – Food Expense for Food from a Contractor

- If the school will obtain food from the school district or a 3rd party provider, the minimum rates on Schedule 1, Lines 8d-8f must be at least \$3.75 for lunch, \$2.35 for breakfast, and \$.20 for milk.

	A Type	B Number Served Per Day	C Number of Days	D Contractor Cost Per Meal or Milk
8d)	School Lunch			
8e)	School Breakfast			
8f)	School Milk			



If the school will obtain food from the school district or from a 3rd party provider contracted by the school, the minimum rates on Schedule 1, Lines 8d-8f must be at least \$3.75 for lunch, \$2.35 for breakfast, and \$0.20 for milk.

## Reminders for Expense Schedules (3-1, 3-2, & 3-3)

- Include all expenses for the entire legal entity.
- Identify the total costs and then the eligible education expenses portion for each of the total costs.
- Make sure the cash flows by month are recorded for each column and include all the applicable expenses.
- Recheck the accounts payable and prepaid expenses, especially the June 30, 2024 Accounts Payable line item in the cash flow sections.
- All budgets must include the insurance cash payments in Schedule 3-2, column E.

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Let's now review the reminders listed on this slide to conclude this section of the training.

The school must include all expenses for the legal entity.

The school must identify its total costs and the eligible education expense portion for each of the total costs.

Make sure the cash flow payments are completed for each column and include all the applicable expenses.

Make sure the cash flow payments reflect any applicable accounts payable and prepaid expenses, especially the June 30, 2024 accounts payable.

All the budgets should include the cash payments for insurance in the cash flow section of Schedule 3-2, column E.

## Available Resources

### On Demand Trainings

- K4 Parental Outreach (Training 1-3)
- Auditor Authorization Form (Training 3-3)
- Surety Bond and New School Budget & Cash Flow Report (Training 3-5)
- 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)
- Report Cards, Student Information System, and WISEdata (Training 4-1)

<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
- Insurance and Fidelity Bulletin
- Summer School Bulletin
- Accreditation 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.

## Questions?

### Auditors for the Choice Program

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**Budget questions should be sent to:**  
[dpichoicedauditreports@dpi.wi.gov](mailto:dpichoicedauditreports@dpi.wi.gov)

**General program questions should  
be sent to:**  
[privateschoolchoice@dpi.wi.gov](mailto:privateschoolchoice@dpi.wi.gov)

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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 [dpichoicedauditreports@dpi.wi.gov](mailto:dpichoicedauditreports@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](mailto:privateschoolchoice@dpi.wi.gov).