# Special Needs Scholarship Program Payment Process, Financial & Enrollment Audits Training

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School Finance Auditor
July 2021

WISCONSIN DEPARTMENT OF Public Instruction
Jill K. Underly, PhD, State Superintendent

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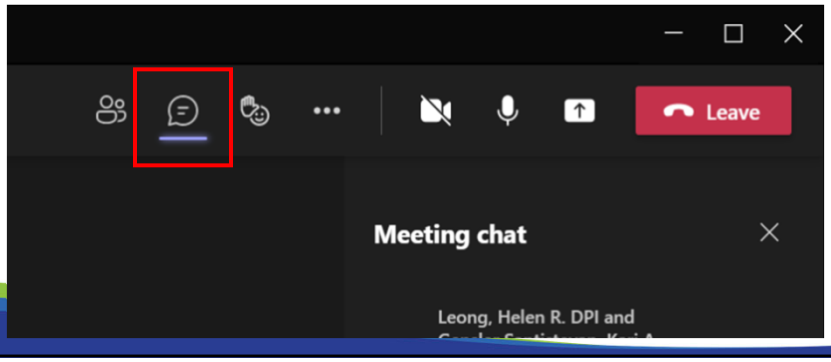
## Administrative

- If you have a question during the meeting or have any technical issues, please use the chat function.

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# Administrative

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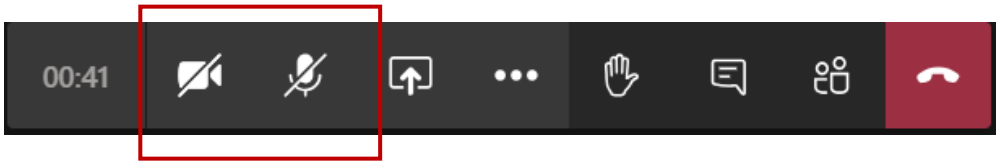


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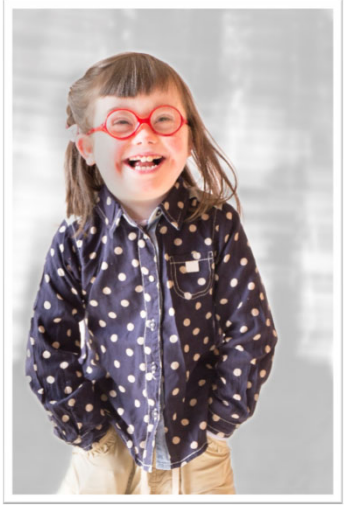
# Today's Agenda



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

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## What is the SNSP?

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

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## SNSP Law & Statute

- The SNSP is based on Wis. Stat. 115.7915 and Wis. Admin. Code PI 49.
  - This training is based on the above statutes and administrative rules.

- **Note:** If there are changes to statute or administrative rules, the department will provide guidance to the schools as soon as we are able.

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# Payment Process, Statement of Actual Cost, & Summer School

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## FTE Determination

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

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## 5-Year Old Kindergarten FTE

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

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## FTE Determination (cont.)

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

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## Payment Process

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

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## Overview of SNSP Program Funding

The schools receive a payment for eligible SNSP pupils.

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

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

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

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## SNSP 2021-22 Expected Payment Amounts per Full-Time Equivalent

- The 2021-22 payment amounts are as follows:
  - $13,013* per FTE for full scholarship students
  - $8,336* per FTE for partial scholarship students in K-8
  - $8,982* for partial scholarship students in 9-12

*These numbers were updated on July 26, 2021 due to an adjustment from what was initially provided.

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## Actual Costs Incurred Pupil Payment Option

- A school has the option to receive a SNSP payment for a pupil based on the cost to provide special education for that SNSP pupil in the previous school year. The school may choose to use this option for none, some or all of its SNSP pupils.
- A school that would like a payment for a pupil in the 2021-22 school year using this option must provide a Statement of Actual Cost that indicates the actual special education costs incurred for the pupil for the 2020-21 school year while the pupil was participating in the SNSP. The school must provide supporting documentation for the costs. This statement is due by the 3rd Friday in July.

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## Actual Costs Incurred Pupil Payment Option (cont)

- If the school submits a 2020-21 Statement of Actual Cost, the 2021-22 scholarship amount will be the amount on the statement of actual costs up to 150% of the regular student payment amount plus 90% of the amount on the 2020-21 Statement of Actual Cost over 150% of the regular student payment.

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## Actual Costs Incurred Pupil Payment Option (cont)

| | 1st Year | 2nd Year | 3rd Year |
|---|---|---|---|
| Voucher Amount | $13,000 | $19,950 | $17,000 |
| *Amount on the Statement of Actual Cost up to 150% of voucher amount* | | *$19,500* | *$17,000* |
| *90% of costs on the Statement of Actual Cost over 150% of voucher amount* | | *$450* | *$0* |
| Current Year Actual Costs Included on the Statement of Actual Cost | $20,000 | $17,000 | $22,000 |

Assumes voucher amount of $13,000 annually for example purposes only.

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## Special Education Expenses in a SNSP Statement of Actual Cost

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

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

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

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## Expenses for Pupils in a Statement of Actual Cost

- The allocation for the expenses in the Statement of Actual Cost must be specific to the particular expense rather than a general allocation.
- The expenses must meet all requirements for eligible education expenses we will discuss later.
- The expenses in the 2020-21 Statement of Actual Cost must be for expenses incurred between July 1, 2020 and June 30, 2021.

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## Cover Page

| | III. PAYCHECK PROTECTION PROGRAM (PPP) | | |
|---|---|---|---|
| On Line 4, indicate whether the school received a first draw PPP loan and a second draw PPP loan. If Line 4 indicates the school did not receive the respective loan, Lines 5-7 will automatically indicate N/A. If the legal entity of the school received one of the PPP loans, the remaining questions must be answered on Lines 5-7 for that loan. | | | |
| | | First Draw PPP Loan | Second Draw PPP Loan |
| 4 | Did the legal entity of the school obtain a PPP loan? | | |
| 5 | Did the legal entity of the school apply for forgiveness for the PPP loan? | | |
| 6 | First date of the covered period for the PPP loan | | |
| 7 | Last date of the covered period for the PPP loan | | |
| | **IV. PUPIL ACTUAL COST** | | |
| | **Cost Type** | **Schedule Reference** | **Amount** |
| 8 | Cost from Invoices | *Sch 1 Ln 26* | - |
| 9 | Allocated Salary and Benefits Cost | *Sch 2 Ln 26* | - |
| 10 | Less: Expenses on Schedule 1 or 2 that were Included in a PPP Loan Forgiveness Application | | |
| 11 | Less: Offsetting Government Assistance Revenue Except Revenue on Line 11 | | |
| 12 | Total Cost for Pupil | | - |
| 13 | 2021-22 Expected SNSP Payment<br>*Expected payment amount is based on the 2020-21 full scholarship payment amount* | | - |

- Provide Information on PPP loans.
- Indicate any offsetting revenue, including PPP loans.
- The form will indicate the expected SNSP payment.

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# Schedule 1 Statement of Actual Cost

SCHEDULE 1 INVOICED COST
YEAR ENDING JUNE 30, 2021

See the Cost Instructions tab for instructions on how to complete this schedule. The school must provide the invoice or payment request identified in this schedule for each of the costs listed below.

| | | INVOICED COSTS | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Line | A<br>Vendor/Provider Name | B<br>Invoice or Payment Request Date | C<br>Invoice or Payment Request Number | D<br>Invoiced Amount Related to Pupil | E<br>Percent Special Education for Pupil | F<br>Special Education Cost for Pupil | G<br>In IEP or Services Plan | H<br>Specially Designed Instruction | I<br>Supple-mentary Aids and Services | J<br>Related Services | K<br>School Personnel Services or Activities | L<br>Information Missing |
| 1 | | | | | | - | | | | | | OK |
| 2 | | | | | | - | | | | | | OK |

- The school must provide an invoice or payment request for each item on this schedule.





# Schedule 2 Statement of Actual Cost

SCHEDULE 2 STAFF COSTS
YEAR ENDING JUNE 30, 2021

See the Cost Instructions tab for instructions on how to complete this schedule. The school must provide payroll records or compensation agreements supporting each of the staff costs listed below.

| | | STAFF COSTS | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Line | A<br>Staff Name | B<br>Percent Special Education for Pupil | C<br>Salaries & Wages | D<br>Employer Portion of Social Security & Medicare | E<br>Benefits | F<br>Salaries & Wages | G<br>Taxes | H<br>Benefits | I<br>In IEP or Services Plan | J<br>Specially Designed Instruction | K<br>Supple-mentary Aids and Services | L<br>Related Services | M<br>School Personnel Services or Activities | N<br>Information Missing |
| 1 | | | | | | | | | | | | | | OK |
| 2 | | | | | | | | | | | | | | OK |

- The school must provide payroll records or compensation agreements for each item on this schedule.

# Pupil Payment Lists

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

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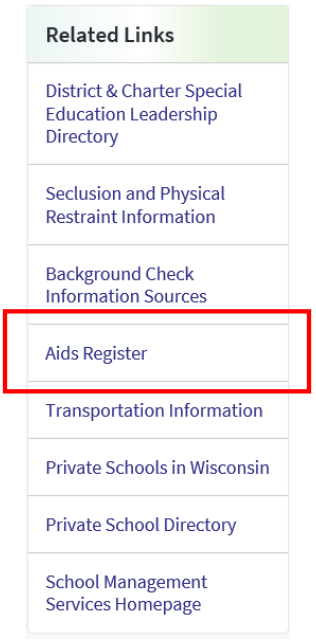
# Aids Register

- Schools can use the Aids Register to identify the program each payment is related to.
- The link for the Aids Register is available on the SNSP/Choice homepage under "Related Links".

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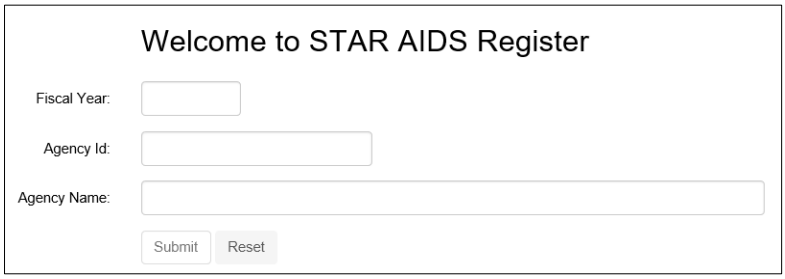
# Aids Register




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

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# Summer School

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

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## Summer School Reports

- Summer School Course List Report:
  - Due by first weekday in May.
  - Lists the summer school courses for the school year.
- Summer School Count Report:
  - The Summer School Count Report is due by September 15.
  - A student may be included on the report if the student was a SNSP student in the previous year on one of the count dates.

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## Summer School Payments to Schools

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

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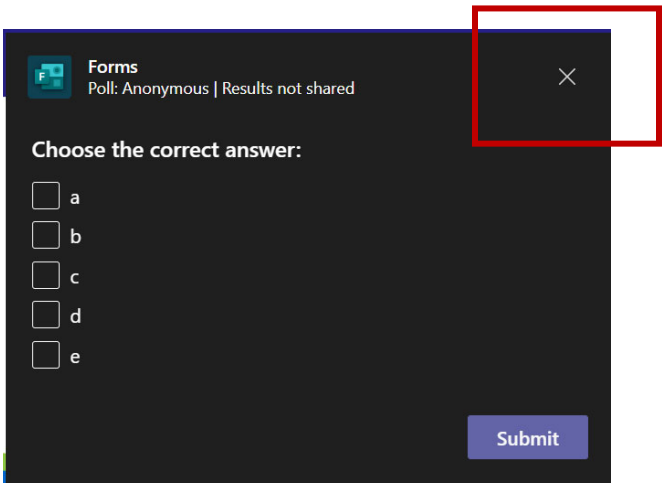
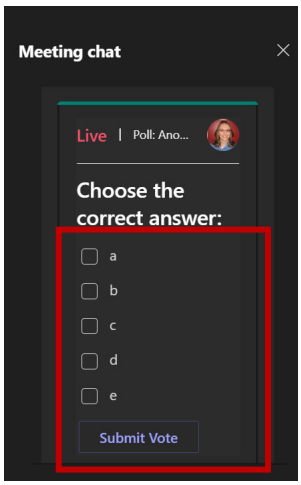
# Responding to Knowledge Checks

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# Knowledge Check

How can a school determine which pupils it received a SNSP payment for during the school year?

a. The school cannot determine who it received a SNSP payment for during the school year.

b. The school must use the submitted enrollment/pupil count reports, adjusted for any changes identified by the SNSP team.

c. The DPI will provide a list of SNSP pupils to the school in conjunction with the September Enrollment Audit certification and after year end.

d. Both b and c.

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## Knowledge Check

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

a. All students at the school.

b. The students who participated in the SNSP in the 2020-21 school year.

c. The school is not required to submit a Statement of Actual Cost for any students at the school.

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## Question?

If you have a question, please use the chat.

Questions after the training may be emailed to snsp@dpi.wi.gov

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# Enrollment/Count Reports & Virtual Instruction

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## Preliminary Enrollment Report

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

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

- Provide the total number of all pupils and SNSP pupils at the school that meet the attendance requirements.
- The 3rd Friday in September Pupil Count Report is due the last weekday in September and the 2nd Friday in January Pupil Count Report is due the last weekday in January.
- 3rd Friday in September Pupil Count Report Only-Report current addresses for continuing SNSP pupils.

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

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

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## Determining Attendance For Virtual Instruction

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

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## Dual Enrollment

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

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## Required Records

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

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## Blended/Virtual Instruction

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

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## Choice & SNSP Pupils

- Pupils can apply for the Choice program and SNSP, if eligible, but cannot be included on the count report for both programs.
- If a pupil applies for both programs, the school should obtain a letter from the parent/guardian indicating which program the pupil will participate in. The school should then notify the DPI which program the pupil will not be participating in if they choose not to participate in the SNSP or the Wisconsin Parental Choice Program.
- If the student is withdrawing from the SNSP, the SNSP administrator or designee must complete the Student Application or Transfer Request Notification Form available on the Student Application & Transfer Request Processing webpage.
- See the Initial Student Eligibility Bulletin for additional information.

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## All Pupil Count

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

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## All Pupil Count (cont)

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

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## Review Question

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

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

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## Question?

If you have a question, please use the chat.

Questions after the training may be emailed to snsp@dpi.wi.gov

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# Audit Process Overview

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# Audit Process Overview

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

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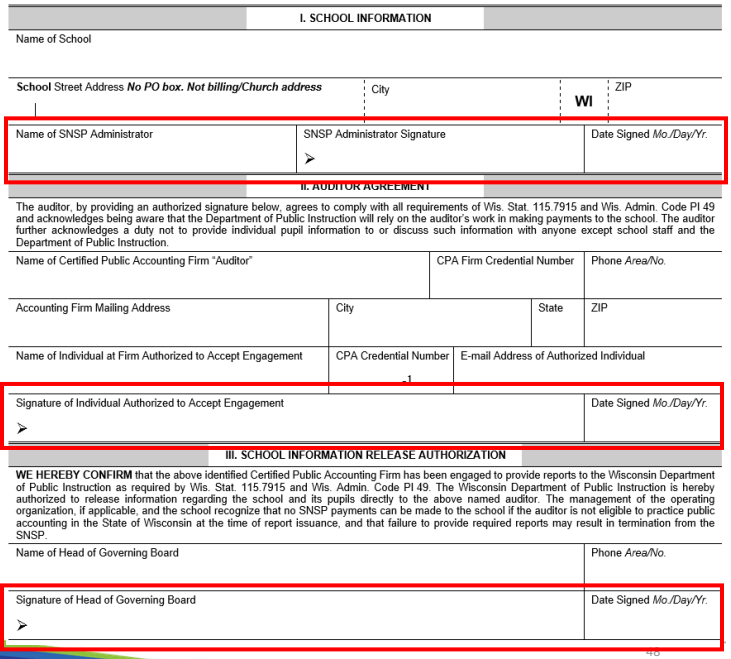
# Auditor Selection

- Auditor Authorization Form must be submitted before DPI can disclose any school or student information to the school's audit firm.
- The SNSP administrator, auditor, and head of the governing board must sign and date the form.
- This form can be submitted electronically to snsp@dpi.wi.gov and does not require original signatures.



I. SCHOOL INFORMATION

Name of School

School Street Address *No PO box. Not billing/Church address* | City | WI | ZIP

Name of SNSP Administrator | SNSP Administrator Signature ➢ | Date Signed *Mo./Day/Yr.*

II. AUDITOR AGREEMENT

The auditor, by providing an authorized signature below, agrees to comply with all requirements of Wis. Stat. 115.7915 and Wis. Admin. Code PI 49 and acknowledges being aware that the Department of Public Instruction will rely on the auditor's work in making payments to the school. The auditor further acknowledges a duty not to provide individual pupil information to or discuss such information with anyone except school staff and the Department of Public Instruction.

Name of Certified Public Accounting Firm "Auditor" | CPA Firm Credential Number | Phone *Area/No.*

Accounting Firm Mailing Address | City | State | ZIP

Name of Individual at Firm Authorized to Accept Engagement | CPA Credential Number | E-mail Address of Authorized Individual

Signature of Individual Authorized to Accept Engagement ➢ | Date Signed *Mo./Day/Yr.*

III. SCHOOL INFORMATION RELEASE AUTHORIZATION

**WE HEREBY CONFIRM** that the above identified Certified Public Accounting Firm has been engaged to provide reports to the Wisconsin Department of Public Instruction as required by Wis. Stat. 115.7915 and Wis. Admin. Code PI 49. The Wisconsin Department of Public Instruction is hereby authorized to release information regarding the school and its pupils directly to the above named auditor. The management of the operating organization, if applicable, and the school recognize that no SNSP payments can be made to the school if the auditor is not eligible to practice public accounting in the State of Wisconsin at the time of report issuance, and that failure to provide required reports may result in termination from the SNSP.

Name of Head of Governing Board | Phone *Area/No.*

Signature of Head of Governing Board ➢ | Date Signed *Mo./Day/Yr.*

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## Auditor Selection (cont)

- A separate Auditor Authorization form is required for SNSP and Choice.
- The SNSP Auditor Authorization Form and a list of schools that complete SNSP and Choice Audits are available at https://dpi.wi.gov/parental-education-options/special-needs-scholarship/auditor.
- The SNSP form should be submitted to snsp@dpi.wi.gov by August 17, 2021 for new SNSP schools.
- Schools continuing in the SNSP only need to provide this form if they change auditors.

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## Independence Requirements

- No compilation or review services may be provided unless:
  - The school makes available a trial balance, based on the school's general ledger established as part of the financial accounting system, for the compilation or review services.
- An auditor that performs the audit or compilation or review services may not provide payroll services or general accounting services to the schools they audit.

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## Independence Requirements (cont)

- If the school posts adjusting, correcting, and closing journal entries proposed by the auditor to the private school's general ledger the following are required:
  - Written approval of the private school's management
  - The auditor's working papers must document evidence of management approval for all such entries

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## Independence Requirements (cont)

- If the auditor assists in the preparation of the budget, the school must comply with the following:
  - S. Accy 1.201, regarding forecasts
  - Identify assistance was provided as required by the department
  - Any services provided by the auditor must be specifically identified in the engagement letter detailing the SNSP audit services to be provided

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## School Responsibility

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

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## Written Engagement Letter

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

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

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## Written Engagement Letter (cont.)

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

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

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## True or False

The individual who completes your audits for the SNSP can also process the payroll for your school.

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## SNSP Audit & Agreed Upon Procedures Reports

- September Enrollment Audit due December 15th
- January Enrollment Audit due by the first weekday in May
- Financial Audit due October 15th — Includes the determination of the school's eligible education expenses.

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## Enrollment Audits

- An auditor must complete an audit of the 3rd Friday in September count and the 2nd Friday in January count. The auditor will:
  - Determine if the applications are eligible.
  - Determine if the pupils meet the attendance requirements.
  - Ensure the pupil data provided to DPI is correct.

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## Enrollment Audits (cont)

The auditor will also:

- Ensure that the IEP reevaluation data was properly reported to the DPI (completed as part of the September Enrollment Audit).
- Determine that the address and resident school district for continuing pupils are correct (completed as part of the September Enrollment Audit).
- Complete a review of each background check and determine that the background check was completed as required.

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## Certification Letters

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

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## Financial and Pupil Records

The school must:

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

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### Question?

If you have a question, please use the chat.

Questions after the training may be emailed to snsp@dpi.wi.gov

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# Criminal Background Checks

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## Individuals Requiring a Background Check

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

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# Who is an employee?

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

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# DWD Worker Classification Resource

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

General Private Employers

State and Local Government

Nonprofit Employers

Trucking Employers

Logging Employers

Indian Tribal Government

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## DWD Worker Classification Resource (cont)

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

Information from DWD worker classification resource

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## DWD Worker Classification Resource (cont)

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

Information from DWD worker classification resource

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## Who is directly or indirectly related to educational programming?

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

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## Criminal Background Check Requirements

SNSP and Choice program schools cannot employ:

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

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# Teaching License Eligibility

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

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# Immoral Conduct

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

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# Background Check Options

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

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## Current DPI Issued License Background Check Option

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

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## Non DPI Issued License Background Check Option

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

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## Background Check Resources

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

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## Knowledge Check

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

a) The church secretary. The church and school are the same legal entity and in the same building. The church secretary does not work on school related items or interact with students.

b) The individual responsible for soliciting donations for the school. The individual works from home.

c) The accountant for the school. The accountant has an office in an administrative building not on the school premise.

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## Which of the following individuals require a background check?

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

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## Question?

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Questions after the training may be emailed to snsp@dpi.wi.gov

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# Financial Audit Overview

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## Financial Accounting System

The school must:

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

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## Financial Audit

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

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## Modified Financial Audit – Required Statements

### Required Financial Statements:

- Statement of Financial Position-includes assets and liabilities

### Required Years:

- Current year audited only

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## Standard Financial Audit – Required Statements

### Required Financial Statements:

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

### Required Years:

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

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## Financial Audit Required Level

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

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## Accrual Basis of Accounting

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

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

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# Program Reserve Balance Schedule

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

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# Program Reserve Balance Schedule-Standard

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

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

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# Program Reserve Balance Schedule-Modified

- The reserve balance schedule for the modified financial audit includes the eligible education expenses by category and identifies what expenses of the legal entity of the school have been excluded from eligible education expenses.

| Line | A<br>Line Description | B<br>Eligible Expenses & Offsetting Revenue | C<br>Amount |
|---|---|---|---|
| 1 | Salaries | | |
| 2 | Payroll Related Taxes and Benefits | | |
| 3 | Utilities | | |
| 4 | Supplies | | |
| 5 | Rental Costs for Buildings or Land | | |
| 6 | Insurance | | |
| 7 | Services & Contractor Expenses | | |
| 8 | Interest Expense | | |
| 9 | Depreciation Expense | | |
| 10 | Other Eligible Expenses | | |
| 11 | Eligible Education Expenses for Land | | |
| 12 | Less: Eligible Education Expenses Primarily for SNSP Pupils | | |
| 13 | Less: Eligible Education Expenses on SNSP Statements of Actual Cost | | |
| 14 | **Eligible Education Expenses** | | $ - |

| | INELIGIBLE EXPENSES IDENTIFICATION | | |
|---|---|---|---|
| 38 | If the legal entity of the school does not have the expense, insert N/A. If the legal entity of the school has the expense and has excluded it from eligible expenses, place a X next to the expense. | | |
| | Contributed items | Bad debt expense | Scholarship awards & other financial support |
| | Daycare expenses | Church expenses | School district partnership expenses |

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# Reserve Requirements

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

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## Ending Reserve Balance

| Negative Reserve Balance | Positive Reserve Balance |
| --- | --- |
| • The school has spent more for K-12 educational programming for program pupils than the amount received from the program.<br>• The school will need to have funding sources other than program funds to pay for the additional costs. | • The school has spent less on K-12 educational programming for program pupils than the amount received from the program.<br>• The school has not fully spent the money the department will provide for educational programming for program pupils. |

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## Required Cash & Investment Balance

- The school must have an audited year-end cash and investment balance as reported on the statement of financial position that is at least as much as the required cash and investment balance.
- The required cash and investment balance is calculated as the total of the Choice and SNSP reserve balances less the remaining deprecation on fixed assets or land purchases that have not yet been included as eligible.

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## PSCP & SNSP Combined Financial Audit

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

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## Grandfathered WPCP System Schools

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

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## Knowledge Check

Which of the following schools would be required to provide a standard 2020-21 financial audit rather than having the option to provide the modified financial audit?

a. The school received $110,000 from the Milwaukee Parental Choice Program (MPCP) in the 2018-19, $95,000 in the 2019-20 school year, and $95,000 in the 2020-21 school year.

b. The school is a first time participant in the Choice program and SNSP in the 2020-21 school year. It receives $30,000 from the MPCP, $30,000 from the Wisconsin Parental Choice Program, $30,000 from the Racine Parental Choice Program, and $25,000 from the SNSP.

c. Both a and b.

d. Neither a or b.

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## Knowledge Check

True or False: The Department directly reimburses schools for expenses for Special Needs Scholarship Program pupils.

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# Eligible Education Expenses

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## Eligible Education Expenses

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

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## SNSP Eligible Education Expenses

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

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## SNSP Eligible Education Expenses-General Eligible Education Expenses

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

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## Primarily SNSP Eligible Education Expenses

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

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## Primarily SNSP Eligible Education Expenses (cont)

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

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## Primarily SNSP Eligible Education Expenses (cont)

- These costs are excluded from the general eligible education expense calculation for the SNSP and Choice Program.
  - The SNSP excluded amount must be the amount before the allocation percentage is applied.
  - The Choice program excluded amount is the amount included as a primarily SNSP expense.
- Any government assistance, insurance proceeds, or fundraising revenue that are related to these costs must decrease the primarily SNSP eligible education expenses.

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## Expenses for Pupils in a Statement of Actual Cost

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

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# Eligible Education Expenses

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

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# Non Eligible Education Expenses

Contributed services-the expense for donated services (such as accounting or legal services)

Contributed capital assets or goods

Scholarship awards and financial support for pupils

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# Non Eligible Education Expenses (cont)

- Bad debt expense
- Daycare expenses except for before and after school care for K-12th grade pupils enrolled in educational programming at the school
- Expenses for pupils enrolled in the public school

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# Offsetting Revenues

**Offsetting fundraising revenue is the lesser of the following:**

- Fundraising revenue
- Non-administrative fundraising expenses included in eligible education expenses
  - Administrative expenses include expenses for personnel, mailings, copying, and fixed assets used for other school purposes.

**Government Assistance:**

- Any government assistance for expenses that are included in eligible education expenses are offsetting except for Paycheck Protection Program forgiven loans in the 2019-20 and 2020-21 school year.
- Determine the USDA food program revenue using the Aids Register.

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# Offsetting Revenue (cont.)

- The amount that is offsetting for fundraising revenue is the lesser of:
  - Fundraising revenue
  - The amount of non-administrative fundraising expenses included in eligible education expenses
    - Administrative expenses include expenses for school personnel, mailings, copying, and fixed assets used for other school purposes

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

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# COVID Funding

- Emergency Assistance for Non-Public Schools (EANS)
  - Reimbursement model
  - Request service or assistance
- Equitable Participation Funds:
  - Elementary and Secondary School Emergency Relief I (ESSER I)
  - Governor's Emergency Education Relief (GEER) Grant Program

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## COVID Funding (cont)

- Payroll Taxes Related Credits:
  - Employee Retention Credit (ERC)
  - Families First Coronavirus Response Act (FFCRA)-Paid Family Leave Refundable Credit and Paid Sick Leave Refundable Credit
  - COBRA Premium Assistance Credit
- Paycheck Protection Program

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## COVID Funding (cont)

- See the COVID Funding Bulletin for information on accounting for these revenues.

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# Cost & Revenue Allocation Examples

- If a cost or revenue is partially related to educational programming and partially not related to educational programming, the cost or revenue must be allocated using an allocation method.
- Examples of when an allocation may be required:
  - Day care & school operations
  - Parish & school operations
  - Central administration for two or more schools
  - Transportation provided to the school's pupils and other schools' pupils
- Do not allocate for Choice/SNSP versus Non-Choice/SNSP pupil costs except as previously discussed for primarily SNSP expenses and costs in the statement of actual costs.

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# Potential Allocation Methods

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

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## True or False

- If a school has a cost that only relates to an SNSP student, they must include it as a primarily SNSP expense.

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## Knowledge Check

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

a. All government assistance received.

b. Government assistance received for educational programming.

c. Government assistance received for educational programming up to the related eligible education expense.

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# Knowledge Check

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

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

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# Knowledge Check

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

a. The school can use the percentage of the school participating in the SNSP.

b. The teacher aide must specifically track the amount of time spent working with SNSP pupils and SNSP required items compared to the amount of time spent on non-SNSP items every day.

c. The teacher aide can estimate the amount of time spent on SNSP items.

d. The teacher aide must specifically track the amount of time spent working with SNSP pupils and SNSP required items compared to the amount of time spent on non-SNSP. The teacher aide could select certain weeks to track her time that are representative of her typical time spent on the SNSP compared to non-SNSP items.

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## Question?

If you have a question, please use the chat.

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# Fixed Assets

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# What is a Fixed Asset?

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

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

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# Fixed Assets General Requirements

- The school should have a written capitalization policy that specifies:
  - The asset categories that will be used and a description of each category.
  - The useful life that will be applied to assets within each category.
  - The monetary threshold that will be used to determine if an asset is capitalized.
  - Information on what asset groups, if any, will be used for capitalization purposes.

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# Fixed Assets Example

- Example fixed assets capitalization category: Equipment purchases that are $1,000 or more. The useful life is 5 years.

- Which of the following assets are capitalizable?

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

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# Land

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

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# Fixed Assets General Requirements

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

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

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# Depreciation

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

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# Depreciation Example

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

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

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# First Year Financial Audit

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

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# Knowledge Check

A school participated in the Choice program in the 2019-20 and 2020-21 school year. The school included land as an eligible education expense for the Choice program in the 2019-20 school year. The school joins the SNSP in the 2020-21 school year. Which of the following is true:

a. The school cannot include the land as an eligible education expense for the SNSP in the 2020-21 school year because it already included it for the Choice program.

b. The school must include the land that is being used for educational programming in the 2020-21 SNSP Reserve Balance Schedule as an eligible expense because it is the first year the school participated in the SNSP.

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# True or False

| Question | True or False |
|---|---|
| If a church member donates a vehicle, the school may include the fair market value of the vehicle as an eligible cost. | |
| The school may not include fixed assets if it does not have supporting documentation for the original cost. | |

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

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

| | Eligible Cost (Yes or No) |
|---|---|
| Cost for paying a teacher to watch school age pupils in an after school program. | |
| Cost of providing lunch for the teachers. | |
| Purchase of a school refrigerator that is paid using USDA food program funds. | |
| A lawn care service performs work at the school in June 2022. The school receives the bill and pays the bill in July 2022. Is the expense an eligible education expense in the 2022-23 school year? | |

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

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

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

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

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

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

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## Question?

If you have a question, please use the chat.

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# Financial Audit Knowledge Checks

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## Knowledge Check #1

- A school has total eligible education expenses of $1,108,000.
- The school receives $50,000 from the USDA food program, $500,000 in tuition, and $10,000 in fees.
- The school has a teacher aid who is paid $40,000 that spends 75% of her time with SNSP pupils. The school decides to include the teacher as a primary SNSP expense.
- The school submitted a 2020-21 SNSP actual cost report that has $18,000 of eligible education expenses incurred for the pupil on the report.
- What are the school's general net eligible education expenses for the SNSP and Choice program?

| Description | SNSP | Choice |
|---|---|---|
| General Eligible Education Expenses | | |
| | | |
| ***Less:*** | | |
| Offsetting Revenue | | |
| Primarily SNSP Expenses (Teacher Aid) | | |
| Costs in 2020-21 Actual Cost Report | | |
| | | |
| **General Net Eligible Education Expenses** | | |

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# Knowledge Check #2

- 10% of the school participates in the SNSP.
- 50% participates in Choice.
- The school has a teacher aid who is paid $40,000 that spends 75% of her time with SNSP pupils. The school decides to include the teacher as a primary SNSP expense.
- The school submitted a 2020-21 SNSP actual cost report that has $18,000 of eligible education expenses incurred for the pupil on the report.
- What are the school's net eligible education expenses for the SNSP and the Choice program?

| Description | SNSP | Choice |
|---|---|---|
| General Net Eligible Education Expenses | 1,000,000 | 1,010,000 |
| Times: Percent of School in Program | | |
| **General Net Eligible Education Expenses for Program Pupils** | | |
| | | |
| Primarily SNSP Expenses (Teacher Aid) | | N/A |
| Costs in 2020-21 Actual Cost Report | | N/A |
| | | |
| **Total Net Eligible Education Expenses for Program Pupils** | | |

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# Knowledge Check #3

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

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

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# Knowledge Check #4

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

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

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# Knowledge Check #5

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

a) The school can include the full $20,000 as an eligible education expense for SNSP pupils because the school is reducing the reserve balance.

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

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## Available Resources

### On Demand Trainings

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

*These trainings are updated annually

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

### Bulletins

- Other Program Requirements Bulletins:
  - K4 Parental Outreach Activities Bulletin
  - Criminal Background Checks Bulletin
  - SNSP Summer School Bulletin
- Financial Requirements
  - Financial Audit and PSCP/SNSP Reserve Balance Bulletin
  - SNSP Eligible Education Expenses Bulletin
  - COVID Funding Bulletin

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

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## Questions

SNSP Webpage: https://dpi.wi.gov/parental-education-options/special-needs-scholarship

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