

## Fiscal Management of Federal Funds for Independent (2r) Charter Schools

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## Uniform Grant Guidance

- 2 CFR Part 200
- Increased Single Audit threshold to \$750,000 or more of Federal expenditures in the fiscal year
- Increased pass-through entity's (the DPI) responsibility to assess and monitor all subrecipients
- Required the DPI to annually perform a risk assessment of all subrecipients



## Session Purpose and Agenda

- Focus on Uniform Grant Guidance required subrecipient risk assessment and written procedures
- Discuss challenges that might be unique to independent (2r) charter schools
- Provide information regarding Authorizer Annual Report
- Discuss the various pupil count reports



## The DPI Risk Assessment

- Completed annual by the DPI prior to fiscal awards being issued
- Applies to all DPI subrecipients and all Federal grants
- Is intended to:
  - Help ensure that subrecipients appropriately use Federal funds
  - Provide technical assistance to subrecipients as a preventative measure rather than an after the fact punitive measure



## The DPI Risk Assessment Factors Include

- Known fraud
- Dollar amount of total federal funds
- No federal single audit required
- Significant or multiple audit findings
- New entity
- New subrecipient of federal award
- Claims do not match annual financial report
- Program fiscal monitoring findings



## Most Common Terms & Conditions

- Additional technical assistance
- Required supporting documentation submitted with claim
- Required quarterly filing of claims
- Required submission of written procedures
- Required submission of cash reconciliation
- DPI site visit



## The DPI Risk Assessment Factors Include

- Return of federal funds
- Significant leadership turnover
- Financial concerns
- Insufficient obligation of funds
- External management organization
- Compliance with prior year risk assessment terms and conditions
- Other concerns determined as a possible risk of noncompliance



## Federal Claim Supporting Documentation

- UGG requires your accounting system be able to sufficiently track which funds are being used for Federal programs (WUFAR project code)
- Expenditures must be recorded to Federal grant on a timely basis
- General ledger must match Federal grant claims
- Claimed expenditures must be appropriately budgeted for and allowable per the UGG and the specific grant requirements
- Claims required to be filled with the DPI on at least a quarterly frequency



## DPI Review of Written Procedures

- Requires certain written procedures (typically cash management and allowable cost) be sent to the DPI
- Written procedures are likely unique to each school
- The DPI reviews the procedures for existence and completeness
- The DPI does not approve the written procedures
- The DPI may provide subrecipients technical assistance and links to additional resources



## Other Written Procedure Considerations

- Ensure individuals identified to perform functions are aware of their responsibilities
- Ensure appropriate segregation of duties, monitoring, verification, and reporting
- Routinely review and update the written procedures
- Test written procedures to ensure they are being properly implemented
- Use written procedures as training when staff turnover occurs



## Common Written Procedure Issues

- Written procedures do not exist and/or subrecipient is unaware of UGG written procedure requirements
- Document is more of a policy rather than procedures
- Only answers to DPI checklist of questions or copying the WASBO manual  
<https://dpi.wi.gov/wisegrants/uniform-grant-guidance/writtenprocedures>  
[http://www.wasbo.com/WASBO/Resources/Federal Funds Procedural Manual.aspx](http://www.wasbo.com/WASBO/Resources/Federal_Funds_Procedural_Manual.aspx)
- Document does not identify who is responsible to perform which functions



## Conflicts of Interest

- UGG requires a written standard of conduct regarding real or potential conflicts of interest
- Has been an area of emphasis by the U.S. Department of Education,
  - Especially related to charter schools
  - Especially related to charter management organizations (CMOs) and education management organizations (EMOs).



## Required Authorizer Annual Report

All authorizers are required to annually submit to the state superintendent and to the legislature a report that includes: the following:

1. An identification of each charter school operating under contract with it, each charter school that operated under contract with it but had its contract nonrenewed or revoked or that closed and each charter school under contract with it that has not yet begun to operate.



## Required Authorizer Annual Report

4. The services the authorizing entity provided to charter schools under contract with it and an itemized accounting of the cost of the services.

The DPI has developed a Technical Assistance Document and an Annual Report Template to assist authorizers in meeting this requirement.

The first report, corresponding to the current 2016-17 school year is due December 1, 2017.



## Required Authorizer Annual Report

2. The academic and financial performance of each charter school operated under contract.
3. The operating cost the authorizing entity incurred as a result of fulfilling its duties under Wis. Stat. 118.40(3m), detailed in an audited financial statement prepared in accordance with Generally Accepted Accounting Principles (GAAP).



## Membership Reports

- Three count days each school year:
  - Preliminary September (September 1 or first day of school in September)
  - 3<sup>rd</sup> Friday in September
  - 2<sup>nd</sup> Friday in January
- Membership reports (MC-1567) due to DPI for each count day
- Independent charter schools are not required to complete the PI-1563 (pupil count report used by districts)
- Use the DPI Excel form available via the web at <https://dpi.wi.gov/sms/charter-schools/current/2r-membership>



## Membership Audits

- All schools are required to hire an independent certified public accountant to audit the 3<sup>rd</sup> Friday in September and 2<sup>nd</sup> Friday in January.
- Membership audits are due to DPI annually by May 1.
- The audit confirms the count, adds eligible pupils, removes ineligible pupils, or makes changes based on the submitted count reports.
- Any changes that result in an adjustment to the state charter schools aid will be included in the June payment to the charter schools.
- Audit Information: <https://dpi.wi.gov/sms/charter-schools/current/2r-audit-info>



## WISEdata

Snapshots: To ensure DPI gathers accurate and necessary data for audit and reporting requirements, data snapshots are taken. For the current 2016-17 school year, the snapshot timeline is as follows:

- March 4, 2017 - WISEdata snapshot:
  - Third Friday of September Enrollment
  - October 1st Child Count
- July 2017 - WISEdata snapshot:
  - Attendance
  - Discipline
  - Roster (replaces CWCS)
- October 2017 - WISEdata snapshot:
  - Year End Graduation and Dropout



## WISEdata

- WISEdata is an open data collection system that allows school districts, independent charter schools, and private choice schools to submit data to the Department of Public Instruction (DPI) from the Student Information System (SIS) vendor of their choice.
- There are certain Data Elements that must be submitted to the DPI. See the link for a description of each.
- Be sure to review descriptions for disability/order of disability and economically disadvantaged status, and ensure that information is reported appropriately and accurately as it is used for IDEA and Title I purposes.



## WISEdata

- Once data is entered into your SIS, your system will push the information to WISEdata for DPI data quality review and reporting. You will need to log in to WISEdata to review your data and check for inaccuracies that need correcting.



## WISEdata

Stay current with WISEdata progress by joining the WISEdata Google Plus Community. You can also join the weekly DPI WISEid/WISEdata and WISEstaff User Group web meetings. This is a great resource to get update statuses on the system deployment, ask questions and view demonstrations of new product features. See <https://dpi.wi.gov/wisedata/help> for more information.

For questions see the [WISEdata User Guide](#) or submit a [Help Ticket](#) to the WISEdata team for assistance.



## Contact Information

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## Calendar of Important Dates

See the 2016-17 Independent Charter School [Program Calendar](#) for the list of upcoming important dates.



## Open Q & A

Ask us anything.

