New Charter Schools

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DIVISION OF SCHOOL BUSINESS

Agenda

- Organization
- Communications
- Budgeting
- Allotments
- Cash
- Reporting
- Compliance

School Business Administration Organization

Who is School Business?

28 employees who are responsible for student, personnel and financial policies and data of entities receiving state and federal public school funds.

What School Business is Responsible for

- Public school budget development
- Allocation of funds
- Collection of data
- Analysis of data
- Projections
- Monitor the compliance of laws and policy
- Report

Communications

Sign up Weekly School Business Newsletter

- Reports due
- Changes
- State Board policies
- Year end information
- New legislation

http://www.ncpublicschools.org/fbs/resources/newsletters/

Systems

Subscribe to:

- CSADM system (in spring)

  http://www.ncpublicschools.org/fbs/charterschools/

  Information on maximum allowable growth and input by CS on projected students

- Allotments system (in June)

  http://www.ncpublicschools.org/fbs/allotments/

  Read only system. Notifications of allocations made.

- EDDIE (in spring)

  http://www.ncpublicschools.org/fbs/accounting/eddie/

  Public systems. Each school needs at least one subscriber to update info. Required info includes Board Chair and principal.

Financial and Business Services (FBS) Website

Website

http://www.dpi.state.nc.us/fbs/

- Allotments
- Budget Information
- Student Accounting
- Manuals
- Statistical Resources

Budgeting

Budgeting

- Average Daily Membership (ADM)
- State per Pupil
- Local per Pupil
- Federal Grants

Annual Process

CSADM System http://www.dpi.state.nc.us/fbs/charterschools/

November	CS submit requests for material growth to SBE for approval
January	CS provide preliminary ADM for the next fiscal year
	DPI Projects the ADM by grade/by LEA statewide for the State budget
Feb- June	ADM is the backbone of the budget process
June	CS provide a final projected ADM.
	New and material growth CS provide detail of where the students are coming from- used to reduce LEAs and move funds

ADM

First State funding installment is based on the projected ADM the charter school provides.

- Be realistic
- Know your breakeven point
- Adjust if expected applications do not come in.
- If ADM is lower than expected – revenues will be lower- expenditures need to be adjusted down.

State Funding

1st year

- Funded based on the base $ per ADM of the LEA where the student previously attended.
- Kindergarten Students – $ per ADM of the LEA where the student would have attended.
- Other – Private Schools, Home Schools, etc.- $ per ADM where the new charter is located.

Following years

- Returning student plus small growth funded based on the LEA in which the CS is located
- Students in excess of small growth funded based on the LEA where the students reside.

Categories not included in Base

Children with Special Needs –

based on Dollars per Headcount calculated separately.

Only students who are on the prior year April 1 headcount are funded.

Limited English Proficiency -

October 1 Headcount is needed for LEP students. At least 20 students or 2.5% of ADM.

NOTE: Charter Schools do receive funding for Fines & Forfeitures from the School Technology category which is allotted in a revision.

Categories not included in Base

Driver's Training –

The LEA in which the Charter School is located is responsible for offering driver's training to all eligible students.

Guaranteed funding-

eg. Advanced Placement exam fees. State pays on behalf of all schools.

Restricted Grants-

Charters may apply or may not be eligible.

Webinar on State Funding Calculation

30 minute demonstration of what is included and how it is calculated. It dispels some myths that you may be told.

Dissecting Charter School Funding

http://www.dpi.state.nc.us/fbs/charterschools/

Dollars Per ADM Calculation
LEA "X"

Position & Months of Employment Categories:

Classroom Teachers	$5,800,000	
Instructional Support	690,000	
School Building Administration	783,000	
Career Technical Education - MOE	794,000	
Total Position & Months of Employment		$8,067,000

Other Categories:

Teacher Assistants	$729,000	
Central Office Administration	535,000	
Non-Instruction al Support	479,000	
Classroom Materials & Supplies	69,000	
Textbooks	35,000	
At-Risk Supplemental Funding	451,000	
Academically & Intellectually Gifted	101,000	
Career Technical Education Support	36,000	
Low Wealth Supplemental Funding (if applicable)	142,000	
Small County Supplemental Funding (if applicable)	1,547,000	
Disadvantaged Student Supplemental funding	400,000	
Prior Year Transportation	651,000	
Total Other State Funds		$5,175,000
Total State Funds (Initial Allotment)		$13,242,000

Base Dollars Per ADM Calculation LEA "X"

Total State Funds	$13,242,000
LEA Allotted ADM	2,100
Dollars per ADM	**$6,305.71**

Plus: Un-allotted Dollars Per ADM	$102.85

(Longevity, Annual Leave, Short Term Disability

Worker's Compensation & Unemployment)

TOTAL Adjusted base PER ADM	**$6.408.56**

See Base allocation per ADM

State Base Calculation for Charter School

Collins Academy - located in Wake County.

	No. Students	LEA Previously Attended	$/Per ADM	Funding
	40	Wake	$4,434.28	$177,371
	20	Granville	$5,046.75	$100,935
	20	Private	$4,434.28	$88,686
TOTAL ADM	80			$366,992

Provided by Charter School in June

Local Funding

- Best Information can be obtained from the LEA Finance Officer for $ per student funding.
- Local Funding will come from the County where the student resides.
- As a gauge, the 2018 per pupil is in your materials
- Local funds carryover

Federal Grants

Charter schools qualify based on the population in their school. Not related to the LEA.

Most common

- Title I – High poverty
- IDEA VIB – Exceptional Children

These funds are supplemental and should not be relied upon for base funding

Vendors and Contractors

- Retirement - Teachers' and State Employees' Retirement System or other
- Health Insurance -the State Health Plan or other
- Accounting Services – Internal or contract
- Insurance provider – Liability insurance
- Independent auditor

Allotments

What is an Allotment?

It is access to funds. It is <u>not</u> cash

It is unlawful to pull down funds in excess of what the school will expend with in 3 days.

Average Daily Membership (ADM)

State Maximum for projection

- State Board Approved Charter
- The cap on the funded ADM for Allocation

Actual Funded ADM

- Month 1 actual
- Not to exceed maximum

Schedule

Initial – 1st Installment

- 34%
- Based on the charter's projected ADM
- Within 3 weeks after the budget is signed.
- If budget is late, an estimate is sent out before the end of July.

2nd Installment

- Funded ADM Calculated from 1st month PMR
- Recalculate to provide access to 68% of State Allocation

Schedule

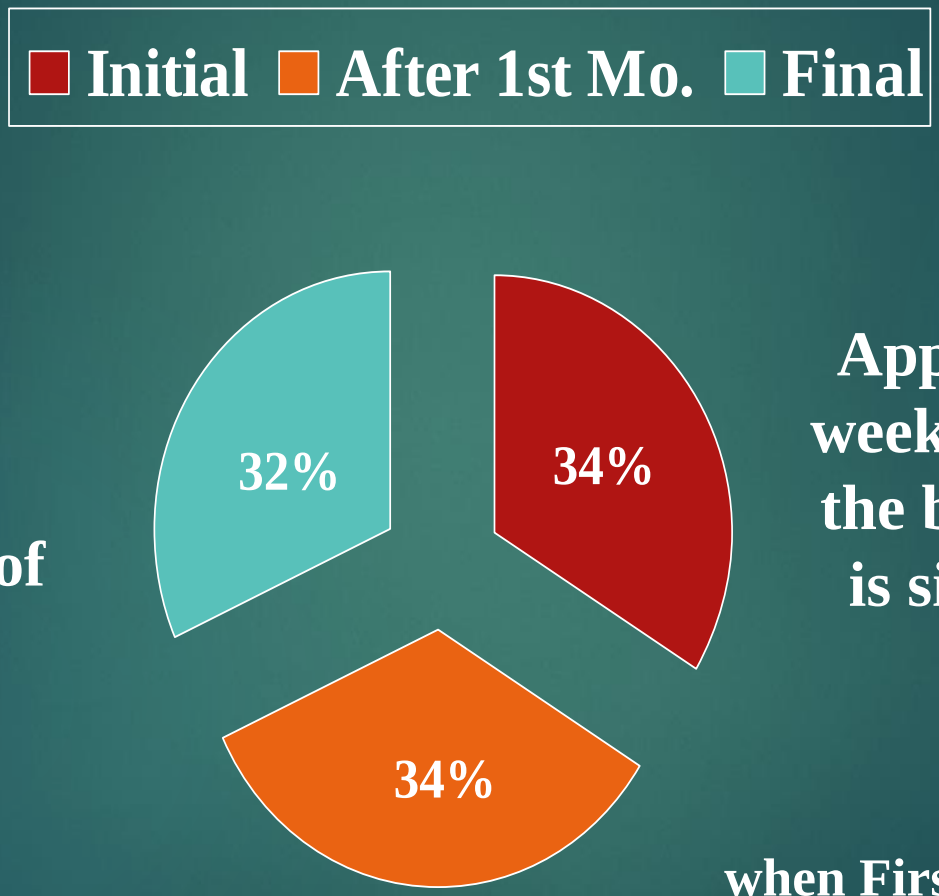
3rd installment

Final 32% before the end of February

Schools which have submitted 3 audits with no material weaknesses and have not been placed on non compliance receive the 3rd installment at the same time as the 2nd.

Schools on Disciplinary Non Compliance receive the allotments monthly

When Are The Charter School State Fund Allotments Made?



Before end of February

Approx 3 weeks after the budget is signed

when First Month ADM received –usually end of October

Children With Disabilities

- Headcounts
  - December 1, 2018 – Federal Allocations
  - April 1, 2019 – State Allocations
- Eligible Students for Funding **must** be on one of these headcounts. Ie. Students previously homeschooled are not funded.
- Funds Follow Students 1st 60 Days of School. Request through the Allotments transfer system

Federal Allocations

- Planning Allocations
  - Federal Planning Report issued in August
  - Planning Allocations are subject to change
- Initial Allocations
  - Calculations made when information available (September-October)
  - Allocations made in Allotment Revisions as Applications and Budgets are approved.

Contact Information

- School Allotments Phone Number
  - 919-807-3739
- Allotment Policy Manual
- School Allotments Web site

  http://www.ncpublicschools.org/fbs/allotments/

CASH

Cash Flow

- Start up costs will require funding
- Local funds generally are not paid until invoiced with support of Power school reports
- Federal Funds are not available until October
- Therefore, 34% of the State allotment is likely the only cash from July until November

Certificate of Occupancy

- No CO no Cash
- Forms are NOT Processed until we receive CO. Allow 2 weeks for access to be approved.

Cash Management

- Establish a ACH bank account with the State Treasurer's Office. Allow 2 weeks
  - ACH Bank Account Authorization Form
  - Voided Check or Original Deposit Slip (Cannot accept temporary checks)
- Establish access to the Cash Management System (CMS) – Complete Security Forms
  - CICS Application Maintenance Form
  - RACF02 Site Security Officer Form
  - RACF03 RACF User ID Maintenance Form
- Complete Bill Action Code Form – ITS Access

Cash Management

- Know the cash calendar and funds requirement date (FRD)
- Do not order more cash than needed to cover the current expenditures

It is against state and federal law to hold their cash for more than 3 days. (GS147-86.11)

Guidelines and forms

www.ncpublicschools.org/fbs/finance/cash

Charter Financial Training

Required for new charters

- Topics Covered – Financial Personnel
  - Forms Needed for access to systems
  - Cash Management
  - MSA (DPI General Ledger) System
  - Required Software
  - Chart of Accounts
  - Zero Out Process

REPORTING

Uniform Education Reporting System (UERS)

- GS 115C-218.30
  - Schools shall comply with the Uniform Education Reporting System (UERS)

- Financial
- Student Accounting
- Personnel
- Ad hoc data collection

UERS

- Mandatory
- Accountability
- Basis for majority of reports to stakeholders
- We are only as good as the data you submit

Chart of Accounts

- Shows how the allotments were expended.
- This is the only financial communication between the Charters and DPI.
- DPI uses this data to communicate to the State Legislature, the State Budget Office, media and the Federal Government.

Chart of Accounts

- Uniform Accounting System for all LEAs and Charters
- Information Gathering
- Consistency amongst LEAs and Charters
- Comparability between years
- Decision making tool
- Comparing Budget to Actual

www.ncpublicschools.org/fbs/finance/reporting

Published Data

- Data in the chart is used for:
  - Building the State budget
  - State funding
  - Federal Grants and monitoring
  - Financial Statement and single audits
  - School Report Card (ESSA changes)
  - Teacher certification requirement (50% rule)
  - Reporting to the General Assembly, Federal Government, media and general public on past and future education initiatives
  - Research and Statistics

Account String

- Fund-Purpose-PRC-Object
- A-BBBB-CCC-DDD
- 1-5110-036-121

Reading an Account Code

- 1-5110-036-411

  State - Regular Curricular - Charter Schools - Supplies and Materials

- 1-5270-016-121

  State - LEP – Reading Camp- Salary - Teacher

- 1-6550-036-171

  State – Transportation- Charter Schools - Salary Driver

Datafile

Submit these files to us on a monthly basis

- Payroll
- Monthly Financial Reports

Software will create these files

- Schedule: http://www.ncpublicschools.org/fbs/finance/reporting/
- Review the files and reconcile
- DPI provides financial reports

Financial Reports

DPI provides these reports

- ALTARPO1 - Budget Allotment Revision
- ALTINRP1 - Planning Allotments
- JHA 305 - Local Account Balance Reconciliation
- JHA 705 - Budget Balance Reconciliation
- JHA714 - Cash Balance Report
- Monitor - Monthly Monitoring Report

Student Accounting

- Principals Monthly Report (PMR)
  - Monthly
  - Submitted via PowerSchool
  - Source of Average Daily Membership (ADM)
  - Student Accounting Reports
- School Attendance and Student Accounting Manual: http://www.ncpublicschools.org/fbs/accounting/manuals/

Student Accounting

- It is fraud to knowingly certify students on the PMR who are not in membership in your charter school

Student Accounting

- School Activity Report (SAR)
  - Who, What, When and Where of the School
  - Accuracy of Data
  - Uses of Data
- SAR Manual: http://www.ncpublicschools.org/fbs/accounting/manuals/

Take Aways

- Data reporting is NOT optional (must be in our required format – on time)
  - Financial Datafile – UERS Transfer Schedule
  - PMR – PowerSchool
  - SAR – PowerSchool
- Board of Directors is responsible for data submitted
- Decisions made based on submitted data
- No access to funds until approximately 2 weeks after CO is submitted
- DPI Provides Cash Management Training (Required for all new schools)

Contacts

- Section Chief
  - Gwendolyn Tucker (919) 807-3708
- Financial Related Questions
  - Roxane Bernard (919) 807- 3725
- Student Accounting
  - LaShon Creech(919) 807-3727

Non Compliance

Audits

- Annual Financial audits are due Oct 31st
- Local Government Commission and DPI review.
- DPI is required to follow up on the resolution of findings
- DPI assesses each charter school for compliance and solvency.

Financial Performance Framework

http://www.dpi.state.nc.us/fbs/charterschools/

Evaluates both near term health and long term sustainability.

Financial Non Compliance

- SBE policy CHRT-006-U
- 3 levels
  - Cautionary
  - Probationary
  - Disciplinary

Most common reasons

- Negative fund balance
- Non responsive or late reporting
- Low ADM
- Material weaknesses
- Cash Flow issues
- Student Accounting irregularities