

2022-2023 Agreed Upon Procedures






Welcome

- What are the Agreed Upon Procedures?
- Who must complete them?
- Why is it necessary?
- Contracting a CPA/Firm
- What information is needed?
- Exceptions and what additional is needed
- Where to get help?

What are the Agreed Upon Procedures?

- Agreed Upon Procedures is an attest engagement to measure financial accountability. This requirement was passed by Florida Legislature in Spring 2010.
 - The AUP Program was created by the Scholarship Funding Organizations (SFO), CPAs, and schools to meet this requirement.
 - New guidelines and procedures are developed every two years in conjunction with:
 - Florida Board of Accountancy
 - AAA Scholarship Foundation
 - The AUP Procedures are reviewed and approved by Florida Association of Academic Non-public Schools (FAANS) member groups and the Department of Education (DOE).
- 


Who must complete this?

Private schools receiving \$250,000 or more in **combined** funds for the Florida Tax Credit (FTC), Family Empowerment-Education Opportunities (FES-EO), Family Empowerment – Unique Abilities (FES-UA), *formerly Gardiner & John McKay*, and the Hope Scholarship programs from Step Up For Students (SUFS) and AAA Scholarship Foundation during 2022 -23 school year must submit a financial report no later than **September 15, 2023**.

Schools must hire an independent currently licensed, Florida Certified Public Accountant **with a firm licensed to perform attestations in the state** to complete this financial report. Licenses and peer reviews will be verified by the SFO prior to accepting the report.

The Agreed-Upon Procedures (AUP) consists of defined procedures that will guide the CPA as they complete the report on behalf of the private school.

The 2022-2023 AUP instructions, examples, reference materials and samples can be found at our website located at: <https://www.stepupforstudents.org/for-schools-providers/agreed-upon-procedures/>



Why is this necessary?

It is required by Florida Statute (1002.421(1)(q)).

Financial accountability is essential for program growth.

Provides proof that scholarship funds are safeguarded and spent on education-related expenditures.

Increase in fundraising cap, appropriation and individual scholarship amount.

Currently, there are 3,063 schools receiving over \$1.5 billion dollars in combined scholarship funds from the FTC, FES-EO, FES-UA, and Hope scholarship programs for the 2022-23 school year.

Approximately 1,600 of these schools will be required to submit an Agreed Upon Procedures report this year.

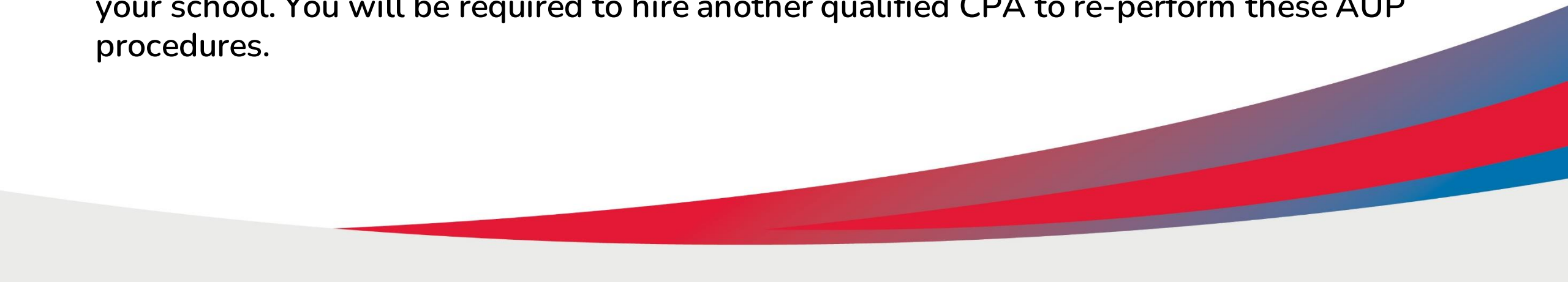


Contracting a CPA

ALL CPAS CONTRACTED TO PERFORM THESE AUP PROCEDURES MUST BE A CURRENTLY LICENSED, FLORIDA CERTIFIED PUBLIC ACCOUNTANT WITH A FIRM LICENSED TO PERFORM ATTEST ENGAGEMENTS IN THE STATE. FLORIDA STATUTE 473.302(7), 473.302(8)(A)


THE AICPA STANDARDS REQUIRE THE CPA FIRM TO BE REGISTERED FOR PERIODIC PEER REVIEWS.

We are required to validate the CPA & firm's credentials. If the CPA's credentials are not sufficient to meet these requirements, we cannot accept a report from them on behalf of your school. You will be required to hire another qualified CPA to re-perform these AUP procedures.



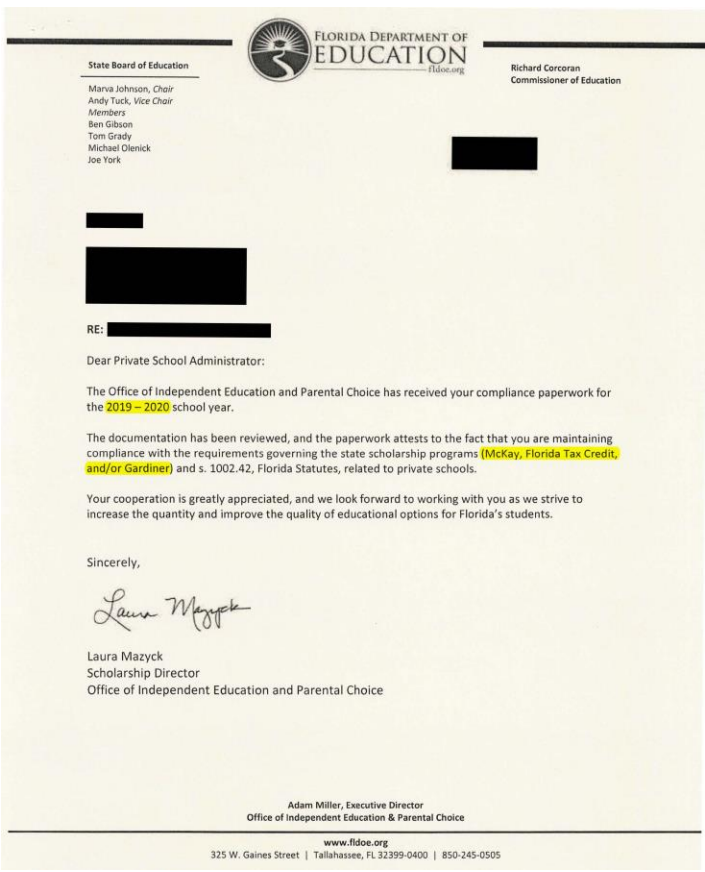
What information is needed

Six sections:

- I. School Eligibility
 - II. Accounting System
 - III. Financial Controls
 - IV. Process for Deposit and Classification of Scholarship Funds
 - V. Education-Related Expenses
 - VI. Additional Procedures: Tuition, Operating Term, Attendance
- 

Section I – School Eligibility

- Locate and provide the CPA a copy of the DOE compliance letters that covers the 2022-2023 school year and reflect your school’s compliance status with the programs.



Schools can
log into the
Florida
Department
of Education
website to
locate and
print out
their
compliance
information.



Accessing Compliance Status on DOE Website

→ ↻ ⓘ Not secure | www.fl DOE.org/schools/school-choice/

Navigate to

<http://www.fl DOE.org/schools/school-choice/> then select “Private School Login” in the box below.



The mission of the Office of K-12 School Choice is to support quality public and private educational choice programs by providing information and assistance to promote successful outcomes for students, families, institutions and communities.

K-12 SCHOLARSHIP PROGRAMS

- ▶ Florida Tax Credit Scholarship
- ▶ McKay Scholarship
- ▶ Opportunity Scholarship
- ▶ Gardiner Scholarship
- ▶ Hope Scholarship Program
- ▶ Reading Scholarship Accounts

K-12 PRIVATE SCHOOLS

- ▶ Directory of Private Schools
- ▶ Information for Parents
- ▶ Information for Administrators
- ▶ Annual Survey

CHARTER SCHOOLS

- ▶ Frequently Asked Questions
- ▶ Directory of Charter Schools
- ▶ Announcements & Events
- ▶ Charter School Resources
- ▶ Charter School Portal Login

SECURE LOGIN

- ▶ Parent Login Page
- ▶ Private School Login
- ▶ Charter School Portal Login
- ▶ Scholarship Contact Login
- ▶ SFO Login
- ▶ Private School Accrediting Agency Login
- ▶ Florida Online Course Catalog Login

OTHER CHOICE OPTIONS

- ▶ Schools of Hope
- ▶ Innovation Schools
- ▶ Home Education
- ▶ Controlled Open Enrollment
- ▶ Magnet Schools
- ▶ Military Family Choice
- ▶ Additional Public School Choice Options

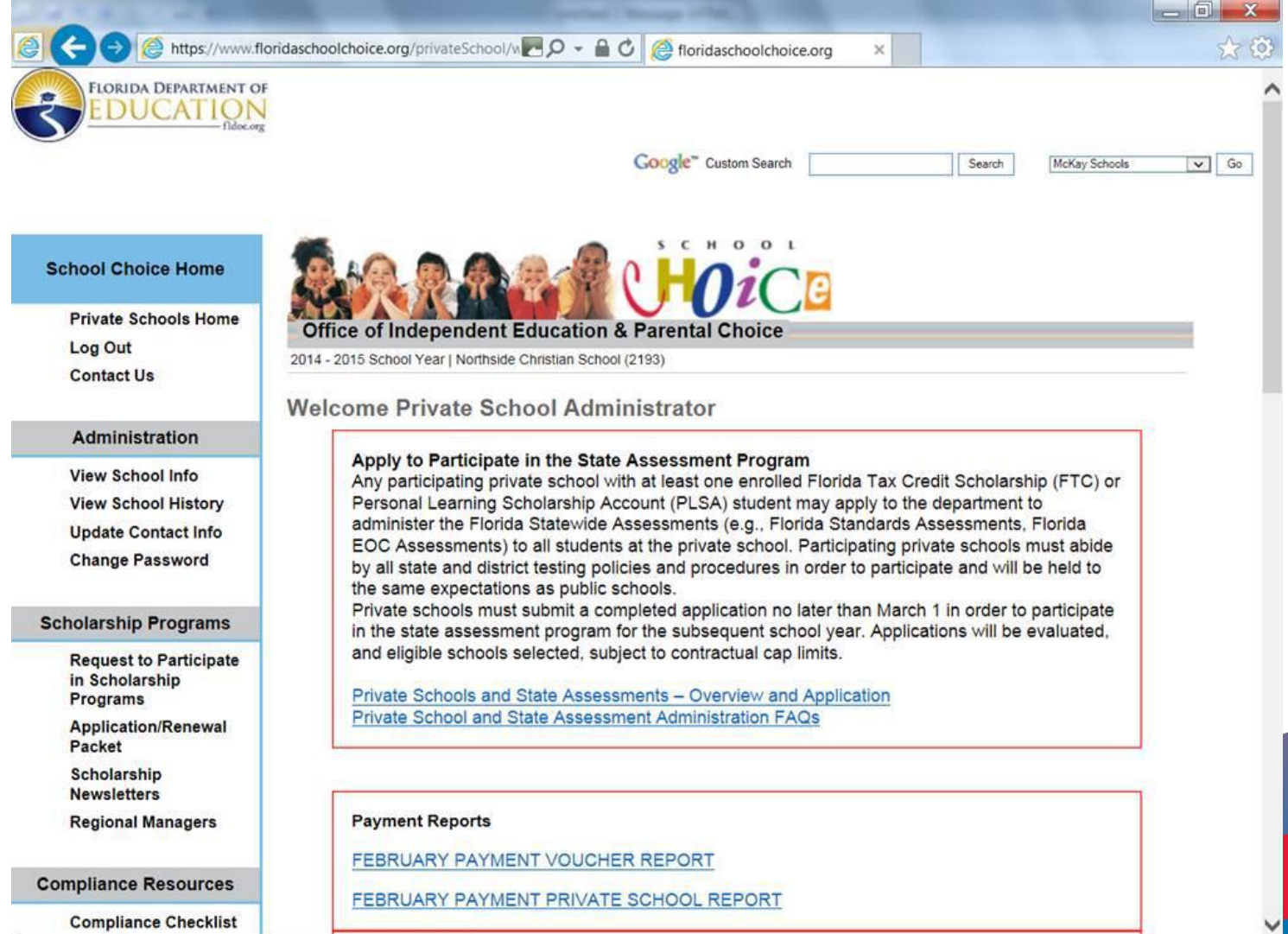
VIRTUAL EDUCATION

- ▶ Approved Online Course Providers
- ▶ Approved Program Providers
- ▶ Florida Online Course Catalog
- ▶ Florida Virtual School (FLVS)
- ▶ School District Resources
- ▶ School District Virtual Programs



Accessing Compliance Status on DOE Website

Select “**View School Info**”
under the Administration
section




The screenshot shows the Florida Department of Education (DOE) Private School Administrator website. The browser address bar displays <https://www.floridaschoolchoice.org/privateSchool/v>. The page features the DOE logo and a Google Custom Search bar. A sidebar on the left contains the following navigation links:

- School Choice Home**
 - Private Schools Home
 - Log Out
 - Contact Us
- Administration**
 - View School Info**
 - View School History
 - Update Contact Info
 - Change Password
- Scholarship Programs**
 - Request to Participate in Scholarship Programs
 - Application/Renewal Packet
 - Scholarship Newsletters
 - Regional Managers
- Compliance Resources**
 - Compliance Checklist

The main content area is titled "Office of Independent Education & Parental Choice" and "Welcome Private School Administrator". It includes a section for the "Apply to Participate in the State Assessment Program" with detailed instructions and links to "Private Schools and State Assessments – Overview and Application" and "Private School and State Assessment Administration FAQs". Below this, there is a "Payment Reports" section with links to "FEBRUARY PAYMENT VOUCHER REPORT" and "FEBRUARY PAYMENT PRIVATE SCHOOL REPORT".

Accessing Compliance Status on DOE Website

Login using
your unique 4-
digit code and
password



FLORIDA DEPARTMENT OF
EDUCATION
fldoe.org

FLORIDA SCHOOL CHOICE
OFFICE OF INDEPENDENT EDUCATION & PARENTAL CHOICE

School Choice Home

Contact Us

Fast Facts

Parent Resources

Secured Login

Parent Login

Private School Login

Charter School Portal Login

District McKay Contact Login

SFO Login

Private School Accrediting Agency Login

Administrator Login

2018 - 2019 School Year

School Choice Private School Login

This page is for **PRIVATE SCHOOLS** that have been issued a **SCHOOL CODE** and **PASSWORD**.

Login

4 Digit School Code: Password:

[HELP](#)

If you have a school code, but have forgotten your password, click here: [FORGOT PASSWORD](#).

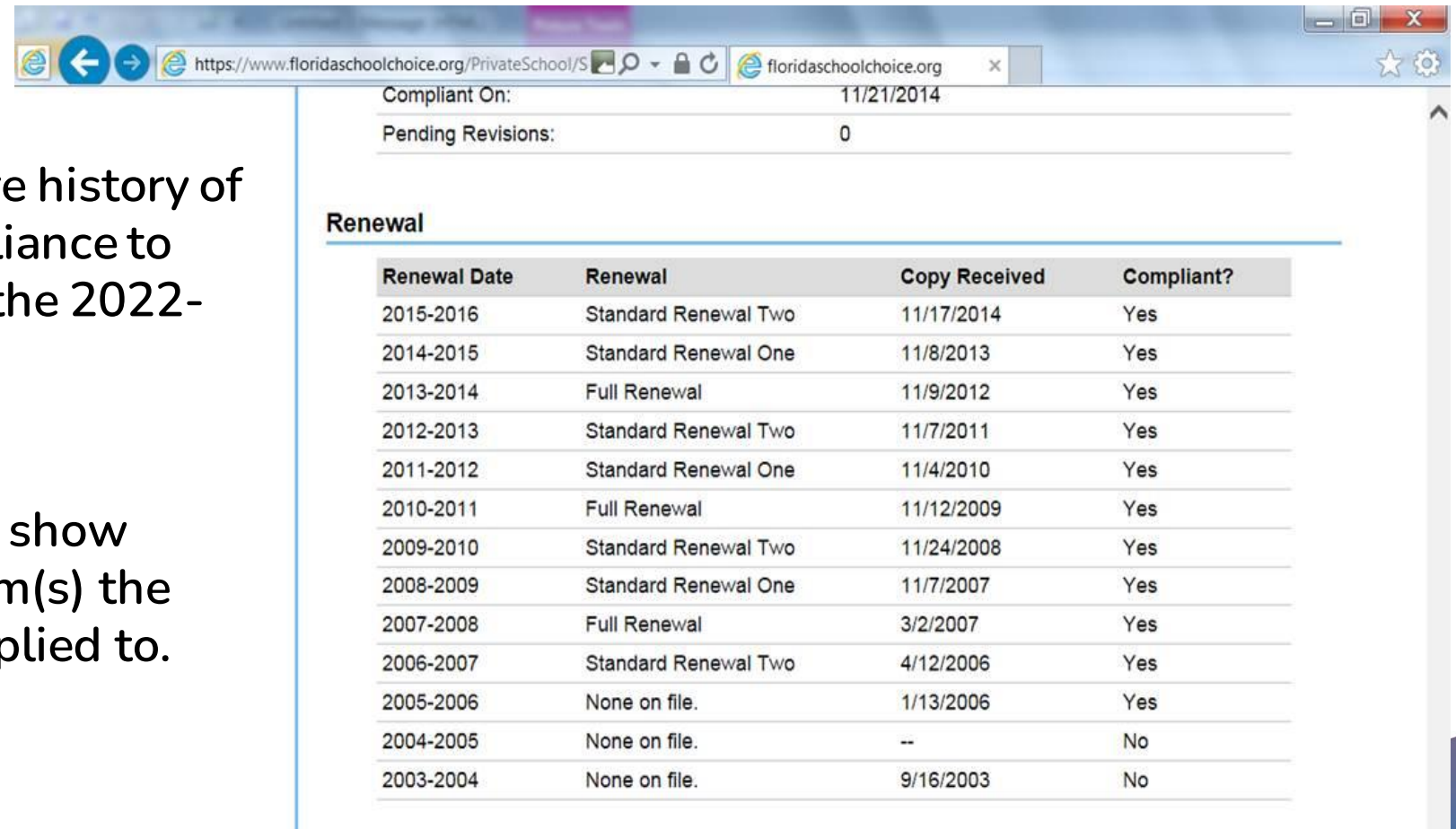
If you still experience difficulty logging in, call the
Office of Independent Education and Parental Choice at 1-800-447-1636.

[DOE Home](#) | [Commissioner](#) | [Board of Education](#) | [Contact Us](#) | [DOE Paperless](#) | [Open Government](#)

For questions & comments regarding education issues: Commissioner@fldoe.org
[Accessibility](#) | [Copyright Florida Department of Education ©2015](#) | [Privacy Statement](#) | [Public Records](#)

Accessing Compliance Status on DOE Website

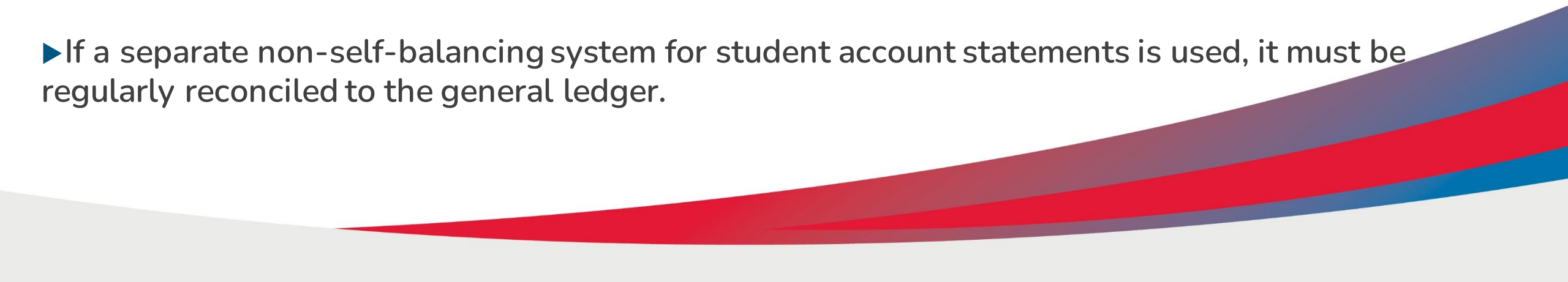
- Be sure to print the entire history of the private school compliance to validate compliance for the 2022-2023 school year.
- School compliance must show approved for the program(s) the procedures are being applied to.



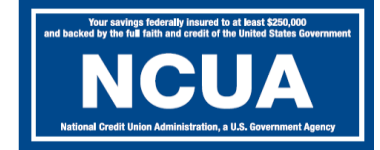
The screenshot shows a web browser window with the URL <https://www.floridaschoolchoice.org/PrivateSchool/S>. The page displays compliance information for a private school. At the top, it shows 'Compliant On: 11/21/2014' and 'Pending Revisions: 0'. Below this is a section titled 'Renewal' which contains a table with the following data:

Renewal Date	Renewal	Copy Received	Compliant?
2015-2016	Standard Renewal Two	11/17/2014	Yes
2014-2015	Standard Renewal One	11/8/2013	Yes
2013-2014	Full Renewal	11/9/2012	Yes
2012-2013	Standard Renewal Two	11/7/2011	Yes
2011-2012	Standard Renewal One	11/4/2010	Yes
2010-2011	Full Renewal	11/12/2009	Yes
2009-2010	Standard Renewal Two	11/24/2008	Yes
2008-2009	Standard Renewal One	11/7/2007	Yes
2007-2008	Full Renewal	3/2/2007	Yes
2006-2007	Standard Renewal Two	4/12/2006	Yes
2005-2006	None on file.	1/13/2006	Yes
2004-2005	None on file.	--	No
2003-2004	None on file.	9/16/2003	No

Section II – Accounting System

- ▶ Provide the CPA the name of the software or systems used to maintain the school financial records.
 - ▶ The accounting software should allow the school to record financial transactions conducted by the school including deposits and disbursements in a complete and self-balancing accounting system.
 - ▶ It should generate a trial balance, financial statements and student account statements and other subledger reports, such as AP, AR, fixed assets, etc.
 - ▶ If a separate non-self-balancing system for student account statements is used, it must be regularly reconciled to the general ledger.
- 

Section III – Bank Balances



All banks holding scholarship funds should be held at a federally insured depository institution, FDIC or NCUA.

The average daily funds should not exceed the insured limit of \$250,000 during any month.

If the FDIC limit is exceeded, the school can review the bank annually by using a reputable ratings provider which may include, but is not limited to, Standard and Poor's, Moody's, Bauer Financial, Fitch, or others to review the bank's rating. The bank's rating must be within the top two ratings of the rating provider's scale to be acceptable.

The school should print out the rating once a year and have the administration date and initial it. The CPA must include a copy of this with their report.

The CPA will request three months bank statements, the fiscal year-end bank statement (June 30, 2023) and the two other months as requested by the CPA. (If average daily funds have exceeded the \$250,000 during the months or if funds are not in a FDIC bank account, provide documentation of an annual review of the bank's ratings.)

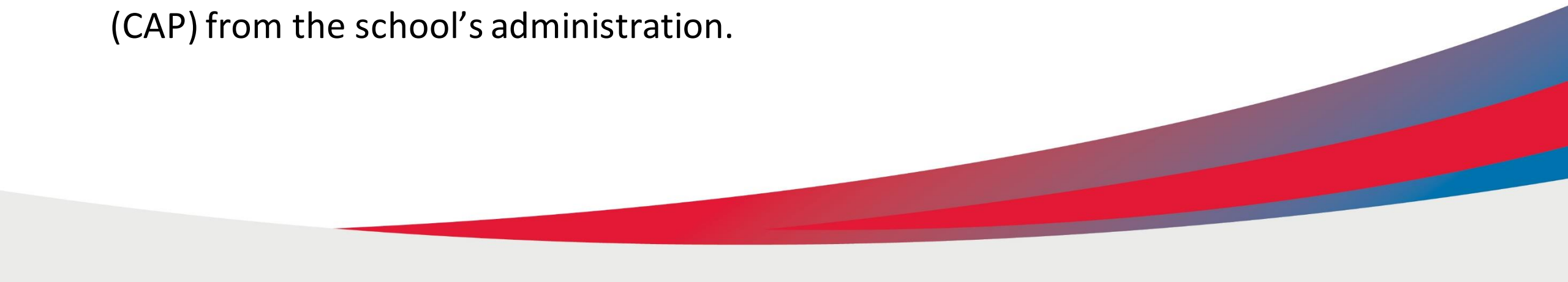
If a FDIC/NCUA bank is not used, or the funds exceeded the limit and no review is preformed, this is a Reportable Exception.

Section III – Bank Reconciliations

Bank statements from all accounts holding scholarship funds should be reconciled within 60 days of each month's end and reviewed by administration.

Document this by dating and initialing the statements when reconciled and again when the administration reviews them.

If this is not done, this is a Material Exception requiring a Corrective Action Plan (CAP) from the school's administration.



Section III – Non-Education Related & Shared Expenses

Non-School Expenses - Prepare to identify to the CPA any non-school expenses that are paid from the bank account(s) and how they are tracked separately from education-related expenses. The CPA will sample 5 non-school expenses and indicate whether they are being identified and/or tracked separately.

Shared Expenses – If the school has shared expenses with another organization(s) (i.e., affiliated church, day care or another school) prepare to show the CPA these shared expenses are allocated and tracked separately in the general ledger. Provide a list of the shared organizations and expense types shared.

The CPA will ask you to describe the methodology used to allocate the shared expenses.



Section III – Internal Controls & Budget

Internal Controls – Provide the CPA with the school's written policies or explain the standard practices used to establish proper financial controls including segregation of duties and policies for how the practices are being followed consistently in handling:

Cash Receipts, Capital Expenditures (*fixed assets like buildings, furniture, computers, printers, etc.*)

Payroll- including time and attendance, calculations and pay rate and deductions changes

Operating Expenditures, etc.

Annual Budget – An annual budget should be created and approved prior to July 1st each year. The budget must be reviewed actual to projected at least twice during the school year.

Provide the CPA with the annual budget and the portion of the meeting minutes or other documentation showing where the budget was approved PRIOR to July 1st and reviewed by the board or administration at least twice during the year.

If the school does not have a governing board, then a budget should be established, dated and with documented reviews at least twice during the year by the owner(s) or operators.

Section IV – Scholarship Funds Received


Program	# of Students	Amount
FTC (ACH)		
FTC-AAA (Check)		
FES-EO (ACH)		
FES-EO-AAA (Check)		
FES-UA (ACH) <i>(Includes Gardiner & McKay)</i>		
HOPE (ACH)		
Total		

Remittance Advice/Transmittals are issued with each checks and ACH payments. The school should retain all of these throughout the year. The CPA will request these to complete these procedures and to pull their samples from.

Section IV – Scholarship Funds Received cont.


Checks – Provide the check cashing policy to the CPA. The CPA will verify if the school is following the policy and complying with section 1002.395 (11)(b) of the Florida Statute.

Prepare to provide the CPA with the Transmittals/Remittance Advise for all payments from all programs. The CPA will select a sample of 10 students or 5% (*whichever is greater*) of the total scholarship population that receives checks to determine if:

1. The guardians' signatures were obtained and checks properly endorsed
 2. Checks were deposited into the school's bank account
 3. Funds were posted to the general ledger as tuition, books and fees
 4. Funds were posted to the individual student's accounts
 5. The Payment Received Form from AAA Scholarship Foundation was completed.
- 

Section IV – Scholarship Funds Received cont.

ACH/Electronic Transfer – Provide the CPA with the Transmittals/Remittance Advise for all ACH/ Electronic payments from each program. The CPA will select another sample of 10 students or 5% (*whichever is greater*) of the total scholarship population that receives electronic ACH payments to determine if:

- Payments were deposited into the school's bank account.
 - Funds were posted to the general ledger as tuition, books and fees.
 - Funds were posted to the individual student accounts.
 - Payment Received Form from AAA Scholarship Foundation was completed if payments were from AAA .
- 

Section V – Education Related Expenses

The CPA will scan the general ledger to identify and prepare a summary list of the school's total Education-Related Expenses.

Education Related Expenses	Total Expenses
Salaries & Wages	660,783.00
Rent	195,270.00
Food Program	33,978.00
School Supplies	24,885.00
Insurance	24,073.00
Uniforms	16,922.00
Repair & Maintenance	15,134.00
Books, Materials & Testing	14,172.00
Computer/Internet Charges	12,213.00
Utilities	11,803.00
Totals	1,009,233.00

Extracurricular activity expenses, such as after school athletics, programs, events after school care or transportation to and from those events cannot be included.

The CPA will confirm if the expenses are at least equal to the dollar value of the scholarship funds received

Current Year – 22-23

- If the total scholarship funds received exceed the total education-related expenses, the administration will need to compose a letter stating what the excess funds will be used for and when.

Previous Year – 21-22

If the school had excess funds from the previous year, provide receipts and/or documentation indicating how and when those funds were spent. If the funds are held for a capitol improvement project show the CPA where those funds are maintained and provide details of what and when they will be used.

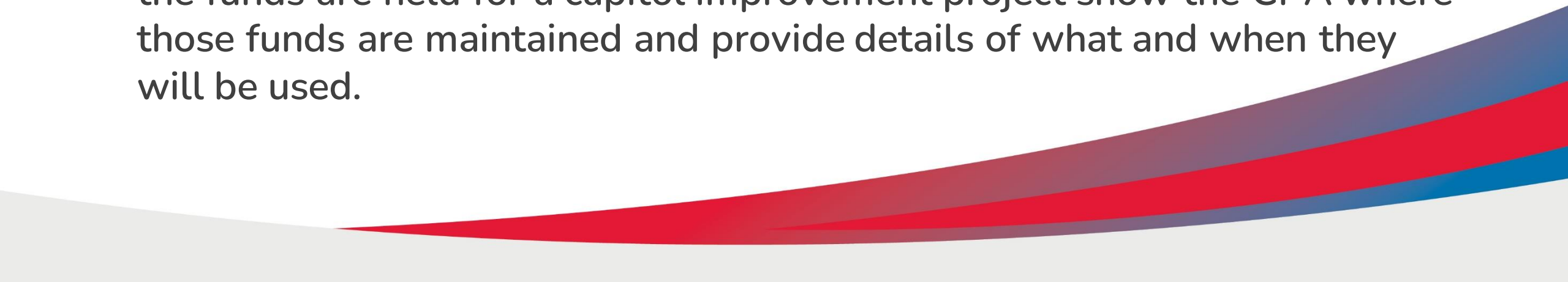
Section V – Education Related Expenses cont.

- ▶ The CPA will base the sample size on the total Education-Related Expenses.
- ▶ The sample-size table is provided in the CPA's guidelines.
- ▶ They will determine if:
 - ▶ The expenditures are education-related;
 - ▶ Were properly authorized in accordance with the school's internal controls;
 - ▶ Were properly classified in the general ledger;
 - ▶ Were paid timely and accurately from the school's bank account.

When multiple schools are managed by a single entity or accounting system and the individual school expenses cannot be identified separately in the general ledger, a sample for each school will have to be taken based on the total combined Education-Related Expenses.

Section V – Education Related Expenses cont.

The CPA will confirm if the expenses are at least equal to the dollar value of the scholarship funds received.

- If the total scholarship funds received exceed the total education-related expenses, the administration will need to compose a letter stating what the excess funds will be used for and when.
 - If the school had excess funds from the previous year, provide receipts and/or documentation indicating how and when those funds were spent. If the funds are held for a capitol improvement project show the CPA where those funds are maintained and provide details of what and when they will be used.
- 

Section VI – Other Procedures

Total Student Count

Provide the CPA with the total student population count. This includes scholarship and non-scholarship students.

Tuition & Fees

Provide the CPA with a copy of the 2022-23 tuition and fee schedule



Operating Term

Provide the CPA with a copy of the 2022-23 school calendar.

The CPA will confirm school's operating term (school year) is consistent with State Board of Education Rule 6A-1.09512 of at least 170 actual school days and 540 net instructional hours for students in kindergarten, 720 net instructional hours for students in grades 1-3, and 900 net instructional hours for students in grades 4-12?



Attendance



Attendance Policy

Provide the CPA with the school's attendance policy.


Attendance Records Verification

The CPA will select a sample of 10 students to review the attendance records and determine if they meet the school's attendance policy.

Physical Attendance Verification

The CPA will do an unannounced visit. They will make a selection of students to physically verify their attendance that day and confirm the attendance records are marked correctly.

The CPA must do this prior to the end of the school year. It cannot be done in the next school year. This must be done during the school year being evaluated.



Exceptions

Exceptions found while performing the AUPs fall into one of two categories depending on the significance of the attributes being tested to the integrity of the program.

Reportable

- ✓ Exceptions found on procedures that are deemed important but not material to the program.
- ✓ Reportable in the CPAs report
- ✓ Will not be reported to FL DOE unless it reoccurs in 3 consecutive years
- ✓ Will become a Material Exception in the 3rd year

Material

- ✓ Exceptions found on procedures deemed material to the program
- ✓ Reportable in the CPAs report
- ✓ Must be reported to Florida Department of Education (DOE) by SUFS
- ✓ Will require a **Corrective Action Plan** (CAP) from the school

Corrective Action Plan (CAP) for Material Exceptions

- ▶ Material exceptions found by the CPA must be reported to the Department of Education (DOE).
- ▶ Material Exceptions require a Corrective Action Plan (CAP).
- ▶ The Corrective Action Plan must be on the school's letterhead and will require the signature of the owner, director or principal.
- ▶ The letter should give a synopsis of the material exception(s) and the steps taken to remediate the issue.
(*Work with your CPA to confirm the actions taken will be sufficient to remedy the issue*)
- ▶ A CAP can be prepared and given to the CPA to include with the report or submitted separately from the school by emailing a copy to AUP@SUFS.org.

School's letterhead

September 10, 2014

Step Up for Students
Attn: SUFS AUP Team

Re: School Code # [REDACTED]—Corrective Action Plan, AUP

Dear SUFS AUP Team,

[REDACTED] has developed the following correction action plan for the exceptions noted below:

IV.A.2. Adequate Process for deposit and classification of Scholarship Funds – Parent Guardian Endorsement:

The School has established procedures and internal controls to ascertain that copies of the endorsements of all scholarship funds received via checks are kept at the school.

V.I.C. Other Procedures – Student attendance observation:

The School has set up a procedure to engage the Independent CPA to perform the required Agreed Upon Procedures before the end of the school year to ensure they have the ability to perform all the necessary procedures timely.

Cordially,
[REDACTED]
Owner Administrator

Due Date: September 15, 2023

All Agreed Upon Procedures (AUP) reports must be emailed by the CPA to AUP@SUFS.org. *(Submissions should include a read receipt if they are wanting confirmation of receipt.)*

- Hardcopy reports will not be accepted.
- Copies submitted by the school will not be accepted.
- A Corrective Action Plan(CAP) can be attached to the report or emailed from the school to AUP@SUFS.org



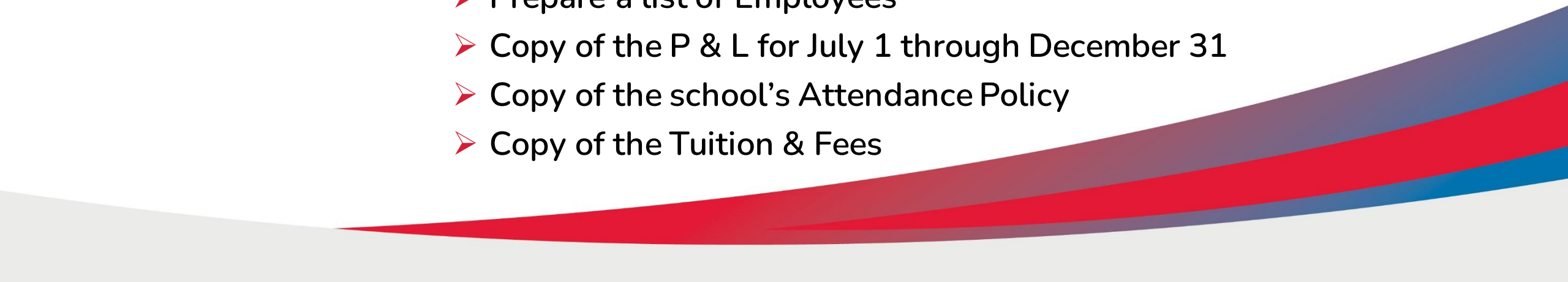
Get a Head Start

Start preparing now!

Avoid the Rush!

Things you can do
now:

Your CPA can start
the process now if
you supply them with
these documents.

- Pull your school's DOE Compliance letter
 - Copy all Bank Statements, Reconciliations, and Bank Ratings
 - Copy of the school's Budget and approval documentation.
 - Retain all Remittance Advise Transmittals
 - Prepare a list of all Scholarship Students
 - Prepare a list of Non-Education Related Expenses
 - Prepare a list of Employees
 - Copy of the P & L for July 1 through December 31
 - Copy of the school's Attendance Policy
 - Copy of the Tuition & Fees
- 

Thank you for taking the time to attend this presentation.



Step Up For Students

✉ AUP@Stepupforstudents.org

🌐 stepupforstudents.org



Available at www.StepUpForStudents.org

- Instructions
- Samples
- Reference Materials
- Webinars
- FAQ's

<https://www.stepupforstudents.org/for-schools-providers/agreed-upon-procedures/>