

Agreed Upon Procedures 2023-2024



Agenda

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



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).

The next change to procedures will occur with the 2024-2025 school year.



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 2023-24 school year must submit a financial report no later than **September 15, 2024**.

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 2023-2024 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 2023-24 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.

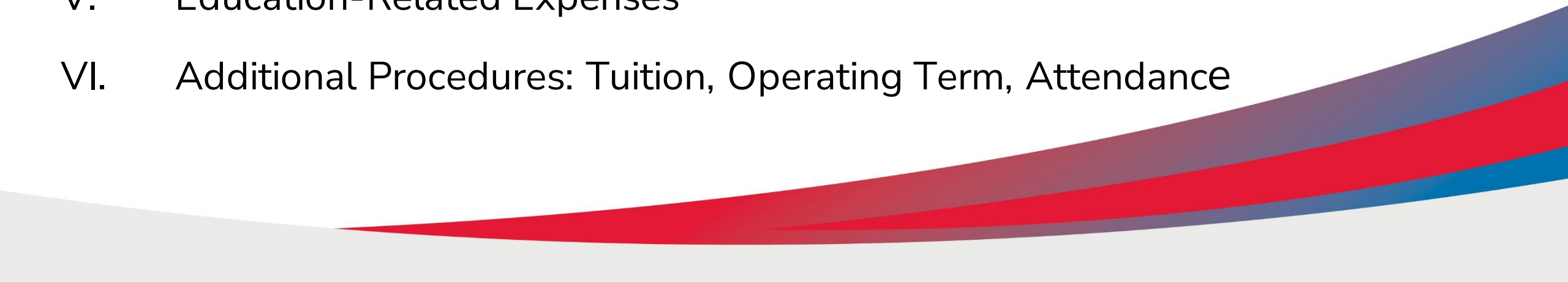
FLORIDA STATUTE 473.302(7), 473.302(8)(A)

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

We are required to validate the CPA and firm's credentials. If the CPA's credentials are insufficient 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. Always confirm that the CPA has a firm license.

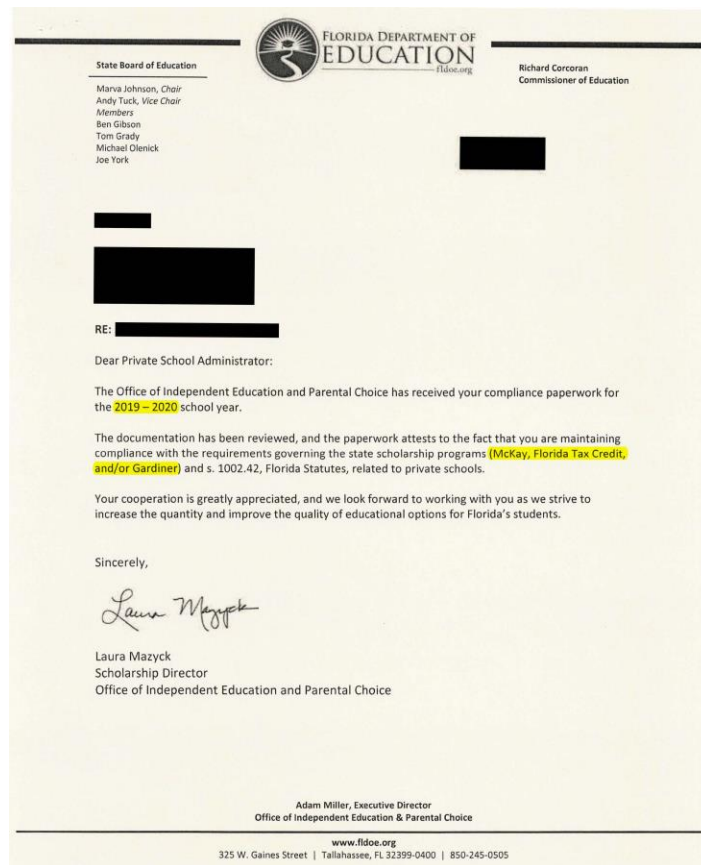
What information is needed

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 cover the **2023-2024** 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.**

Office of Independent Education & Parental Choice

School Information

This page contains information about [REDACTED]

Scroll down to enter your school's contact information. When you are finished, click the "Save Changes" button at the bottom of the page.

If you wish to make changes to other information about your school, please contact the Choice Office. You will also have an opportunity when you fill out your next Renewal Survey.

Cancel/Save/Cancel

General Information

School Name:	[REDACTED]
School Code:	[REDACTED] (used prior to 2016)
District:	[REDACTED]
Approved Programs:	McKay / CTC
Date Opened:	06/01/1994
School Status:	Active
Display in Directory:	Yes
Address (s.w.f.):	[REDACTED]
Address (s.w.f.):	FL
City/State/Zip:	[REDACTED]
Mailing Address (s.w.f.):	[REDACTED]
Mailing Address (s.w.f.):	FL
City/State/Zip:	[REDACTED]
Email:	[REDACTED]
Director:	[REDACTED]
Owner:	[REDACTED]
Denominational:	N/A
Military:	No
Religious:	Yes
Student Type:	Conventional
School Program:	Regular, Private
Grades Served:	PK-12
Non-Profit:	
Lunch Program:	
Total Enrollment:	418

Accessing Compliance Status on DOE Website

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



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



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

Accessing Compliance Status on DOE Website

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



The screenshot shows a web browser window with the URL <https://www.floridaschoolchoice.org/privateSchool/v>. The page header includes the Florida Department of Education logo and a Google Custom Search bar. The main content area is titled "Office of Independent Education & Parental Choice" and "Welcome Private School Administrator". A sidebar on the left contains the following sections:


- 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 features a "Welcome Private School Administrator" message, followed by a section titled "Apply to Participate in the State Assessment Program" which includes text about the Florida Statewide Assessments and a link to "Private Schools and State Assessments – Overview and Application". Below this 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

← → ↻ https://www.floridaschoolchoice.org/login/login_private_school.asp



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](#).

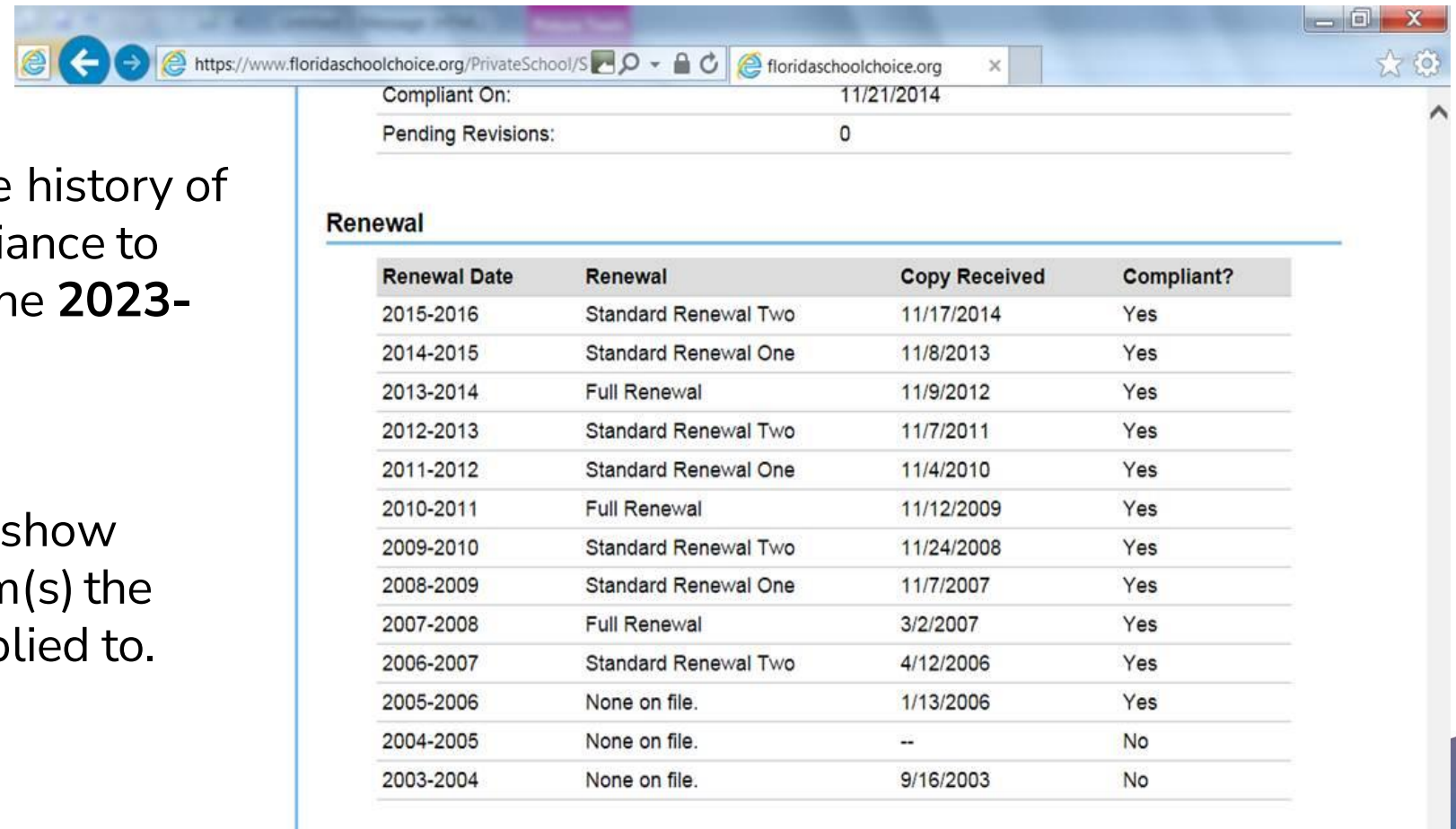
If you still experience difficulty logging in, call the
Office of Independent Education and Parental Choice at 1-800-447-1636.

[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

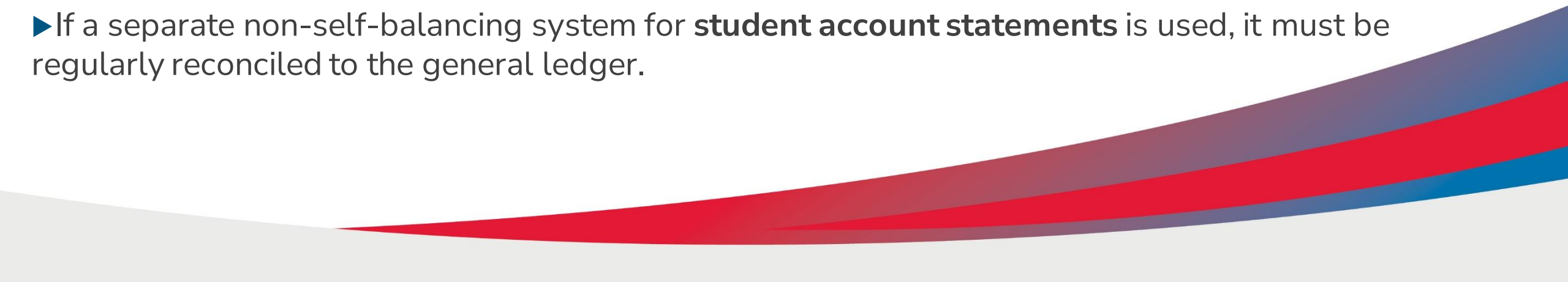
- Be sure to print the entire history of the private school compliance to validate compliance for the **2023-2024** school year.
- School compliance must show approved for the program(s) the procedures are being applied to.



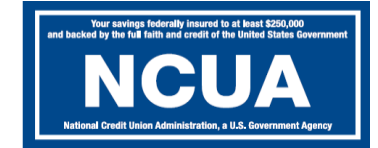
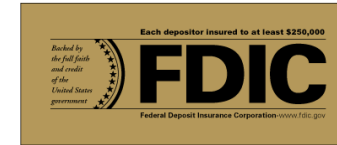
The screenshot shows a web browser window with the URL <https://www.floridaschoolchoice.org/PrivateSchool/S>. The page displays compliance information for a private school. At the top, it shows 'Compliant On: 11/21/2014' and 'Pending Revisions: 0'. Below this is a section titled 'Renewal' which contains a table with four columns: 'Renewal Date', 'Renewal', 'Copy Received', and 'Compliant?'. The table lists renewal history from 2003-2004 to 2015-2016. Most renewals are marked as 'Yes' for compliance, with the most recent (2015-2016) being a 'Standard Renewal Two' received on 11/17/2014.

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 separately 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

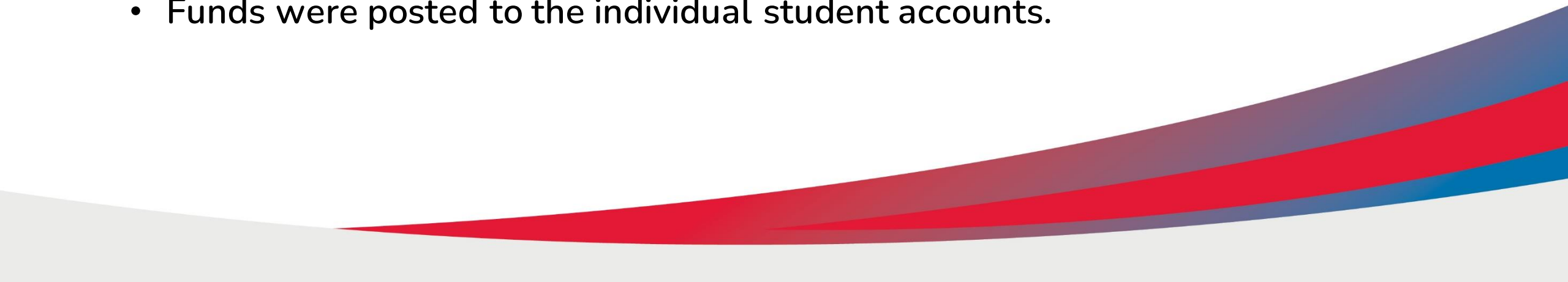
Program	# of Students	Amount
FTC		
FES-EO		
FES-UA <i>(Includes Gardiner & McKay)</i>		
HOPE		
TOTAL		

All funds will be distributed by ACH this year. AAA has discontinued payments by check.

Remittance Advice/Transmittals are issued with each ACH payment. 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.

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.
- 

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 are not considered education-related and cannot be included.

Section V – Education Related Expenses

- ▶ 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 request samples equally from all expense categories.
- ▶ 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.

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

Current Year – 23-24

- 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 – 22-23

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 capital 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 at the time the procedures are performed. This includes scholarship and non-scholarship students.

Tuition & Fees

Provide the CPA with a copy of the 2023-24 tuition and fee schedule



Operating Term

Provide the CPA with a copy of the 2023-24 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 current 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, 2011

Step Up for Students
Attn: SUSF 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.

VI.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,

Owner Administrator

Due Date: September 15, 2024

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



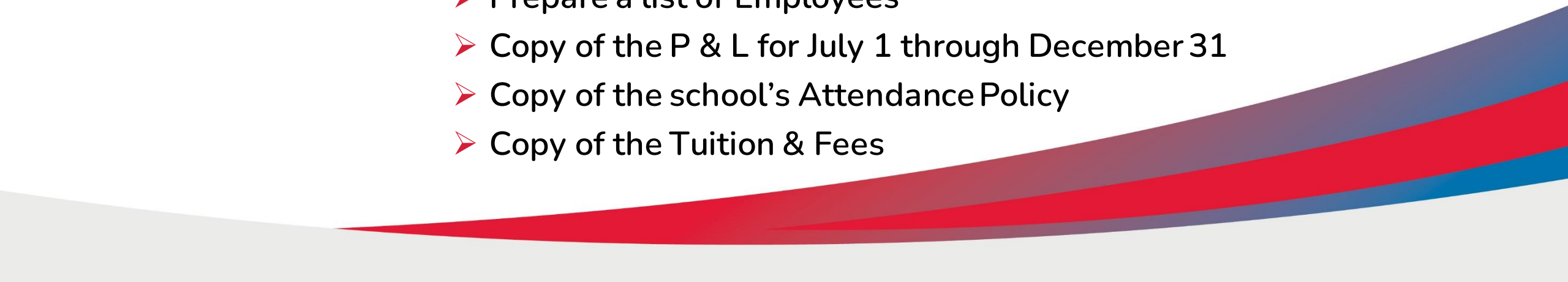
Get a Head Start

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/>