



**Step Up For Students**

**Agreed Upon  
Procedures For  
CPAs  
2024-2025**





# Step Up For Students

## 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
- Resources
- Contact Us



## Agreed Upon Procedures

# The Basics

- The Agreed Upon Procedures encompasses funds private schools received from the Florida Tax Credit (**FTC**) (now encompasses the HOPE Scholarship), the Family Empowerment - Education Opportunities (**FES-EO**), and Family Empowerment-Unique Abilities (**FES-UA**) (formerly the Gardiner & John McKay Programs).
- The AUP Program was created by the Scholarship Funding Organizations (**SFO**), Step Up For Students (**SUFS**), and **AAA Scholarship Foundation (AAA)**, **CPAs**, and input from schools to meet the requirement. The Florida Association of Academic Non-Public School member groups and the Department of Education (DOE) review and approve the procedures. New guidelines are developed every two years.
- The AUP is mandated by Florida Statute (1002.421(1)(q.) The procedures will guide the CPA as they complete the report on behalf of the private school.
- The CPA performing the procedures must be a currently licensed Certified Public Accountant with a firm licensed to perform attestations in the state and must have both an AC & AD license number and a current peer review. The SFO is required to verify licenses & peer reviews prior to accepting any AUP reports.



## Agreed Upon Procedures

- The purpose of these procedures is to ensure funds are managed appropriately and to provide proof that scholarship funds are safeguarded and spent on education-related expenditures.
- Private schools receiving \$250,000 or more in **combined** funds distributed from the SFOs, Step Up For Students (SUFs), and AAA Scholarship Foundation (AAA) during the 2024-2025 school year must submit a financial report through their contracted CPA by **September 15, 2025**.
- The template to complete these procedures will be provided to all CPAs and will be available on our website at <https://www.stepupforstudents.org/for-schools-providers/agreed-upon-procedures>.
- This year It is estimated there will be **3,200** private schools receiving more than **\$2.5 billion** dollars in combined scholarship funds from the FTC, FES, FES-UA scholarship programs for the 2024-25 school year. We estimate over 1,800 of these schools will be required to submit an AUP report this year.



## Agreed Upon Procedures

### Important Reminders

- **All Reports must be submitted by the CPA/Firm, not the school.**
- **All reports to Step Up must be submitted by email. No hardcopies will be accepted.**
- **The report should be a PDF file attached to your email. We cannot open files from a link or secured site.**
- **Remember to put a read receipt on your email when submitting for confirmation.**
- **All reports are due by September 15th 2025.**



# Agreed Upon Procedures

## The Agreed-Upon Procedures is comprised of six sections:

- **DOE Compliance (School Eligibility)**
- **Adequate Accounting System**
- **Adequate System of Financial Controls**
- **Adequate Process for Deposit and Classification of Scholarship Funds**
- **Properly Expended Scholarship Funds for Education-Related Expenses**
- **Tuition, Operating Term, Attendance Records & Physical Verification**



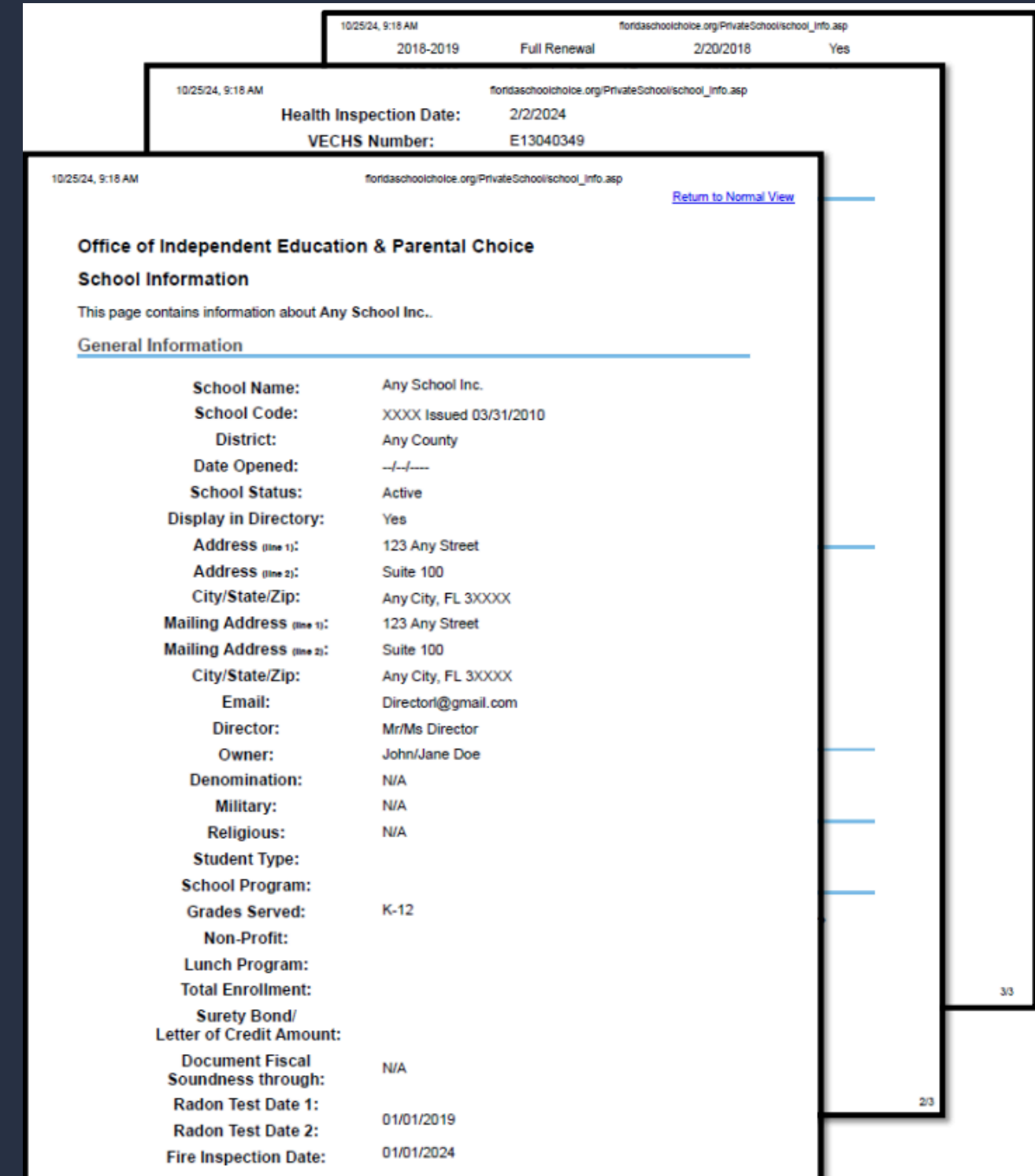


# Agreed Upon Procedures

# Section I – DOE Compliance

## DOE Compliance Letter

## DOE Compliance Sample from the DOE Site



**\*Attach  
either one to  
the report.**



# Agreed Upon Procedures

**Presented here are the updated guidelines for the 2024-2025 academic year. New Agreed Upon Procedures (AUP) guidelines are created every two years.**



## The Agreed Upon Procedures for School Year 2024-2025

SCHOOL FINANCIAL REPORT REQUIREMENT  
Florida School Choice Programs  
**March 15, 2024**  
Fiscal Accountability for Participating Schools  
Guidelines and Procedural Requirements

### Overview

Florida Statute 1002.421(1)(c) requires schools participating in educational scholarship programs established pursuant to Chapter 1002, specifically, the Florida Tax Credit Scholarship, Family Empowerment Scholarship for Educational Options, Family Empowerment Scholarship for Students with Unique Abilities (formerly known as Gardiner and John M. McKay scholarships<sup>1</sup>), and the Hope Scholarship (collectively, the "Scholarships") and receiving more than \$250,000 in funds from the Scholarships awarded during the state fiscal year from July 1 of a calendar year to June 30 of the next calendar year (a "Fiscal Year") to annually file a fiscal accountability report. The fiscal accountability report focuses on the use of the Scholarship funds and the financial procedures and controls in place at the schools.

The participating school must engage with an independent Certified Public Accountant (the "CPA") firm currently licensed to perform attest engagements in Florida to: 1) perform an Agreed-Upon Procedures ("AUPs") engagement in accordance with the standards established by the American Institute of Certified Public Accountants in Statements on Standards for Attestation Engagements (SSAE No. 18 AT-C Section 105 and SSAE No. 19 AT-C Section 215); and 2) prepare an Independent Accountant's Report on Applying Agreed-Upon Procedures (the "AUP Report"). The CPA's staff must comply with the school's policy for screening and managing its visitors.

The school is required to submit an original copy of the AUP Report to the state-approved nonprofit Scholarship Funding Organization ("SFO") that provided it the majority of the Scholarships awarded during that Fiscal Year. The AUP Report is due to the SFO by September 15 following the end of that Fiscal Year.

The SFO must annually report to the Commissioner of Education by October 30 of that year: 1) a school's failure to file the AUP Report; and 2) any Material Exceptions set forth in the AUP Report. Reportable Exceptions set forth in the AUP Report will be reviewed by the SFO, which may provide a recommendation for corrective action to the school. If the same or substantially the same Reportable Exception is reported in three consecutive years, that same or substantially same exception should be reported as a Material Exception by the CPA in the third year and each year thereafter that it remains uncorrected.

The following revised AUPs were developed by eligible SFOs participating in a joint biennial review as required by Florida Statute 1002.395(6)(o)(1)(b) and include input from the accrediting associations that are members of the Florida Association of Academic Nonpublic Schools and the Florida Department of Education.

<sup>1</sup> In the 2021-22 school year, the Gardiner Scholarship Program became part of the Family Empowerment Scholarship Program and was renamed FES-UA. In the 2022-2023 school year all John M. McKay Scholarships for Students with Disabilities also became part of FES-UA and were administered by the SFOs. In 2023-2024 school year, the Hope Scholarship Program became part of Florida Tax Credit.





# Agreed Upon Procedures

- **Exceptions in the AUP are categorized as Material or Reportable Exceptions based on their impact on program integrity.**
- **Guidelines dictate how exceptions are classified during procedures.**
- **Material Exceptions must be reported to the Commissioner of Education, necessitating a Corrective Action Plan from schools to address the issue.**
- **Reportable Exceptions must be reported to the SFO or Department, which may recommend corrective action to the school. If the same exception occurs for three consecutive years, it should be classified as a Material Exception starting the third year and for each subsequent year until corrected.**

## Reporting Exceptions

### Specific Guidelines Governing the Reportable of Exceptions

Exceptions found in performing the AUPs fall into one of two categories depending on the significance of the attributes being tested to the integrity of the program: Material Exceptions or Reportable Exceptions. The guidelines for each procedure indicate whether exceptions found during the performance of the procedure are Material Exceptions or Reportable Exceptions. All Material Exceptions will be reported to the Commissioner of Education by the SFO or Department and will require preparation and submission of a Corrective Action Plan by the school to the SFO outlining the steps the school plans to take to correct the Material Exception.

Reportable Exceptions should be reported to the SFO or Department, which may provide a recommendation for corrective action to the school. If the same or substantially the same Reportable Exception is reported in three consecutive years, that same or substantially same exception should be reported as a Material Exception in the Report for the third year in which that exception is reported and for each year thereafter that it remains uncorrected.

All Material Exceptions will require a Corrective Action Plan (CAP) prepared and submitted by the school.



# Agreed Upon Procedures

**This report outlines the results of agreed-upon procedures conducted to evaluate a school's compliance with Florida Statute 1002.421(1)(q) for the 2024-2025 school year. It is prepared exclusively for Step Up For Students, the Florida Department of Education, and the school's management to ensure compliance and provide transparency. The procedures performed were based on specific requirements agreed upon with the Scholarship Funding Organization, and no opinion or conclusion is expressed beyond the scope of these procedures.**

## Independent Accountant's Report on Applying Agreed-Upon Procedures

for 2024-2025 School Year

To Step Up For Students Scholarship Funding Organization:

We have performed the procedures enumerated below, which were agreed to by Step Up For Students Scholarship Funding Organization, solely to assist the specified parties in evaluating [redacted] ("the School") compliance with the requirements of Florida Statute 1002.421(1)(q) during the school year ended June 30, 2025. The School's management is responsible for compliance with those requirements.

The School has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting the specified parties in evaluating the School's compliance with the requirements of Florida Statute 1002.421(1)(q) during the school year ended June 30, 2025. This report may not be suitable for any other purpose. The procedures performed may not address all items of interest to a user of this report and may not meet the needs of all users of this report and as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

We were engaged by the School to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with the requirements of Florida Statute 1002.421(1)(q) during the school year ended June 30, 2025. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Scholarship Funding Organization, Florida Department of Education and the school's management and is not intended to be, and should not be, used by anyone other than these specified parties.

CPA's Name: [redacted]

CPA Firm Name: [redacted]

CPA Firm License #: AD [redacted]

Enter the firm's AD License number.

CPA's Email Address: [redacted]

CPA's phone number: [redacted]

CPA's city and state: [redacted]

School Name: [redacted]

DOE Number: [redacted]

Enter the 4-digit DOE number assigned to the school.



## Section II - Adequate Accounting System

**A. Enter the name of the accounting systems used by the school.**

**B. Enter Yes or No by checking the box. Enter any additional comments if needed in the box below.**

**C. Enter N/A if student accounts are maintained in accounting software. Enter Yes if reconciled regularly or No if student accounts are not reconciled regularly.**

### SECTION II: Adequate Accounting System

**A. Software Name**

Inquire and document the name of the accounting software or systems used to maintain the school's financial records.

**B. Accounting Software /System Verification**

Verify the accounting software or systems used allows the school to record financial transactions conducted, including deposits and disbursements, in a complete and self-balancing accounting system. The software or system should be capable of generating a trial balance, financial statements, student account statements and other sub-ledger reports.

- Yes  
 No - Material Exception

**C. Verify Student Accounts**

If a separate non-self-balancing system for student account statements is used, inquire whether student accounts are regularly reconciled to the general ledger. If yes, inspect a reconciliation for one month.

- N/A - Included in software  
 Yes - Reconciled to GL  
 No - Material Exception



## Section II - Adequate Accounting System

**A.1 Verify all accounts holding scholarship funds.**

**A.2 List the 2 months plus June 2025 bank statements reviewed.**

**If FDIC limits were exceeded and bank ratings were used, they should be dated and initialed by management when printed. Attach/include the bank ratings with the report.**

**B.1 Bank statements should be reconciled within 60 days of the month's end.**

**B.2 A second review by management should be done and documented with a date and initials.**

### SECTION III: Financial Controls (cont.)

2. Inspect three months of the school's statements (including the June 30th Fiscal Year-end statement) for all bank and investment accounts holding scholarship funds and determine whether the average daily account balance exceeded the FDIC limit of \$250,000 during the months' statements being inspected.

Calculate if the average daily account balance exceeded the FDIC / NCUA limit of \$250,000.00 during the 3 months inspected.

If the FDIC limit is exceeded, inspect, and include documentation indicating that the school annually reviews the bank's rating by a reputable ratings provider, which may include, but is not limited to Bauer Financial, Fitch, Moody's, Standard and Poor's.

Determine if the rating is within the top two ratings of the provider's scale. Verify if the rating is below the top two ratings of the scale or if the school took no such action to protect the scholarship funds.

#### B. Bank Reconciliations:

1. Obtain the bank reconciliations associated with the bank statements inspected in step III (A) (2) above. Verify whether reconciliations of all bank accounts holding scholarship funds were completed for these three months within 60 days of each month end and if reconciling items were resolved prior to the bank's deadline for reporting errors.
2. Inquire and verify the bank reconciliations are independently reviewed by the school's management.

List Months reviewed:

- No -FDIC limit not exceeded
- Yes - FDIC limit exceeded
  
- Rating is in the top two of the scale
- Rating is lower than the top two or the school took no action - Reportable Exception

Attach the rating to the report if used

- Yes
- No - Material Exception

- Yes
- No - Material Exception



## Section III – Adequate System of Financial Controls cont.

### C. Non-Education Related Expenses. (See Appendix for examples)

**D.1 If no shared expenses, disregard D.2 & D.3,**

**D.2 List the types of expenses and the organizations they are shared with.**

**D.3 Describe how the school determines allocations including sq. footage, usage, etc.**

**C. Non-Education Related Expenses:** Inspect the school's general ledger and identify if there are expenses with a description that is not education related. (see Appendix 2). If there are, select a sample of 5 non-education related expenses. identify if the 5 expenses are reported separately from education-related expenses.

- N/A - No non-Education Related expenses
- Yes
- No - Not identified or reported separately - Material Exception

5

#### SECTION III: Financial Controls (cont.)

##### D. Shared Expenses

1. Inquire if the school shares expenses (i.e., administrative salaries, facilities costs) with another organization(s) (i.e., affiliated church, day care or other school).
2. If costs are shared, inspect the general ledger and observe if the shared expenses are allocated and tracked separately from non-shared expenses.
3. List the organization(s) and expense types shared.

- Yes - Include a list of shared expenses
  - No - Proceed to Section III.E. Internal Controls
- 
- Yes - Include a list of shared expenses
  - No - Proceed to Section III.E. Internal Controls
  - N/A - No Shared Expenses

3. Document the methodology used to allocate the shared expenses.



## Section III – Adequate System of Financial Controls cont.

**E. If the financial controls are not sufficient, describe the issue(s) in the box below.**

**F.1 The fiscal year begins on July 1st regardless of the school’s declared fiscal year. All procedures should encompass the timeframe from July 1, 2024 through June 30, 2025.**

**F.2 The school should document any amendments and the approvals during the fiscal year.**

**F.3 There should be documentation of two budget reviews either in the meeting minutes or by management’s dating and initialing the budget in cases where there are no board meetings or members.**

### E. Internal Controls:

1. Inquire and verify if the school has written policies or standard practices to adequately establish proper financial controls including segregation of duties and if the policies or practices are being consistently followed for:
  - i. Cash Receipts
  - ii. Capital Expenditures
  - iii. Payroll –including time and attendance, calculations and pay rate and deduction changes.
  - iv. Operating Expenditures
  - v. Shared Expenses - Costs shared by the school should be allocated in a systematic and rational approach.

- Yes
- No - Material Exception

2. In the absence of written policies, briefly describe the standard practices used to establish proper financial controls over the transactions listed above.

6

### SECTION III: Financial Controls (cont.)

#### F. Budgets and Financial Statements:

- Yes
- No - Reportable Exception

1. Inquire if an annual budget is prepared and approved by the school’s governing body prior to July 1, 2024. If the school does not have a board of directors, the school must document the estimated budget on the school letterhead. This should be dated and signed by the administration. Inquire if any budget amendments were made and approved by the school’s governing body thereafter.

2. Inquire if actual budget results are periodically reviewed in comparison to budgeted amounts and reported to the school’s governing body at least twice annually.

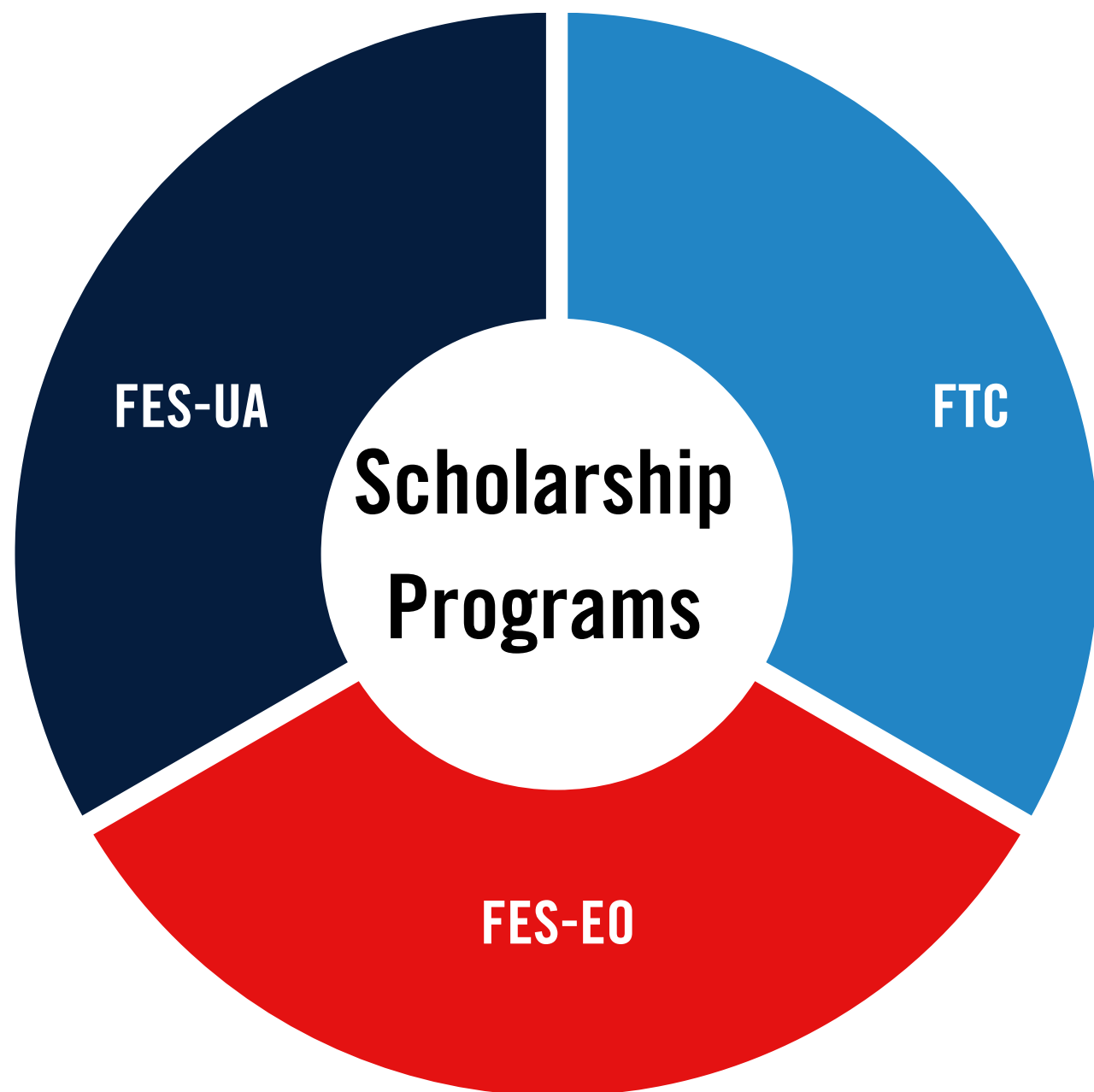
- Yes
- No - Reportable Exception

3. Inspect the financial sections of all minutes of the meetings of the school’s governing body that occurred during the current school year, and those immediately preceding it, and determine adherence with step III(F)(1-2)

- Yes
- No - Reportable Exception



## Section IV - Funds Received



Scholarship funds are distributed in quarterly payments. Funds distributed by Step Up For Students are issued by ACH transfers.



## Section IV – Deposit & Classification of Scholarship Funds

Payment information and student counts can be obtained from the Remittance Advice/Transmittals each school receives with the payments.

All funds from AAA and SUFS should be combined in this section.

Keep in mind, the school may not be aware of all FES-UA students. HIPPA laws provides the option for self reimbursement if they choose. Only tuition and fees will be recorded by the DOE. Record only what the schools shows in their accounting system.

### SECTION IV. Adequate Process for Deposit and Classification of Scholarship Funds:

#### A. Total Scholarship Students

Document the total number of students participating in each of the Scholarship programs and the total tuition and fees received for each of the Scholarships as posted in the student account.

Program	Number of Students	Total Amounts
FTC		
FES-EO		
FES-UA		
Total	0	\$ 0.00

The 2024-2025 template will automatically calculate the totals.





# Agreed Upon Procedures

## ACH/Electronic

1. Pull a sample of 10 or 5% (whichever is greater), including all programs in the sample.
2. Confirm the funds are classified in the GL and bank account as tuition & fees.
3. Confirm the funds were posted to the student's account.

### B. Scholarship payments received

1. From IV.A select a sample of the greater of 10 or 5% of the Scholarship student population. The sample should include at least 2 students (or one if only one student participating in a given program attends the school) from each Scholarship program in which the school participates.

7

Program	Number of Students Sampled
FTC	<input type="text"/>
FES-EO	<input type="text"/>
FES-UA	<input type="text"/>
Total	0

### SECTION IV. Adequate Process for Deposit and Classification of Scholarship Funds: (cont.)

2. Verify if the sampled students' scholarship payments were recorded in accordance with the policies or standard practices identified in section III (E)(1)(i) and if the funds are classified in the general ledger as tuition, books and fees payments and recorded in the corresponding general ledger bank account.
3. Verify if the funds are deposited into the school's bank account and posted to each student's tuition account/statement.

- Yes
- No - Material Exception

- Yes
- No - Material Exception



# Section V – Expenses

Summarize expenses by categories. Either enter here or attach a separate page to the report.

Use the Appendix to guide you in determining education-related expenses.

**\*Depreciation & amortization are not cash-out expenses\***

Before beginning current year’s expenses confirm if the school had excess funds from the previous year to be accounted for.  
(You can request this info from us if needed.)

If funds were rolled over into the current year, indicate the amount and show in Section V.B box. Add this amount to the total funds received then measured against the expenses reported to determine if there is excess funds for the current year.

Any excess funds will require a Corrective Action Plan (CAP) from the school to be attached or sent separately from the school.

## SECTION V. Properly Expended Scholarship Funds for Education-Related Expenses:

### A. Education-Related Expenses

By inspecting the general ledger, identify all Education Related expenses for the Fiscal Year (*July 1 – June 30*). Summarize by category and document a list of the total education-related expenses (see Appendix 2). Calculate and record the total. *Do not include non-education related expenses. Education-related expenses paid with “carried forward” funds from the previous school year must be accounted for. Contact Step Up For Students if you are unsure if there were excess funds from the previous year.*

B. Document if the total expenses are equal to or greater than the dollar value of the Scholarship funds received including any excess funds carried over from the previous year. Total current scholarship funds plus any previous year excess funds received minus Expenses. *If funds received exceed the total education-related expenses, the school must prepare a detailed list of the education-related expenses that are (or will be) funded in the subsequent year with the expected date of use. Include the school’s prepared list with the AUP Report if possible.*

Expense Type	Amount
<b>Total Education Related Expenses</b>	<b>\$ 0.00</b>
<b>Total Scholarship Funds</b>	<b>\$ 0.00</b>
<b>Plus Previous Year Excess Funds</b>	
<b>Total Funds</b>	<b>\$ 0.00</b>
<b>Excess Funds</b>	<b>\$ 0.00</b>

- Yes - Expenses exceeded Scholarship Funds
- No - Funds exceeded Expenses - Material Expenses



# Section V – Expenses cont.

Select the correct sample based on the total expenses reported for the school.

Multiple schools combined in one accounting system will require an equal number of additional samples to be taken for each school combined.

Verify samples were:

1. Education Related
2. Properly authorized
3. Properly classified in the GL, paid timely and accurately for the bank account.

## SECTION V. Properly Expended Scholarship Funds for Education-Related Expenses:

C. Using the list developed in V.A above, select a sample of education-related expenses incurred during the Fiscal Year using the table below to determine sample size. For each item sampled, inspect supporting documentation and confirm whether the expenditure is:

Sample Size Taken

1. Education related
2. Authorized in accordance with the policies identified in III (E) above.
3. Classified appropriately in the general ledger and was paid timely and accurately from the school's bank account(s). *For this purpose, paid timely means no more than 10% of the sample size is paid greater than 30 days after the due date. For payroll expenditures sampled, re-calculate pay based on corresponding time and attendance, pay rate and deductions records properly authorized in accordance with the policies identified in III (E) above.*

- Yes
- No - Material Exception
- Yes
- No - Material Exception
- Yes
- No - Material Exception

Value of Total Education-Related Expenditures		Sample Size
From	To	
\$ 250,000	\$ 500,000	30
\$ 500,001	\$ 750,000	45
\$ 750,001	\$ 750,001+	60

Each of the categories listed in III (E) (1) (i-v), if applicable, must be represented equally in the selected sample.

**Combined Expenses:** When multiple schools are managed by a single system and cannot be identified separately in the general ledger, a separate and equal sample for each school must be taken based on the total combined education-related expenses.



# Section VI –Other Procedures

**A. Total Student Count: Document the total number of students, both scholarship and non-scholarship, at the time of review.**

**B. Using a sample, compare the tuition and fees charged between scholarship and non-scholarship students.**

**C. Using the school’s calendar, determine if the operating term is sufficient to meet State Rule 6A.**

**D. Confirm if the school has an attendance policy and is maintaining attendance records.**

## SECTION VI. Other Procedures

A. Obtain by inquiry and record the total number of Scholarship and Non-scholarship students attending the school during the year being reported on.

Scholarship Students	0
Non-Scholarship Students	
Total Students	0

B. Obtain a copy of the tuition & fees schedule for the school year being reported on. Select a sample of 10 scholarship students or 5% of the total number of scholarship students (*whichever is greater*). Compare the tuition and fees charged and confirm the sampled students’ tuition and fees are consistent with the tuition and fees for non-scholarship students.

- Yes
- No - Reportable Exception

C. Obtain the school’s calendar. Calculate the school’s operating term (school year). Compare the school’s operating term 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?

- Yes
- No - Material Exception

D. Inspect the school’s attendance policy and confirm they maintain attendance records. Using the sample selected from VI (B) observe the attendance records for each selected students and observe that attendance was taken for the selected students on one randomly selected school day in each quarter of the school year being reported on and during which that student was enrolled.

- Yes
- No - Material Exception



## Section VI –Other Procedures cont.

**E. Select 10 students (from all programs combined) to verify their physical attendance and the attendance records are properly marked. Physical verification must be done prior to the end of the current school year. It must be done on site. Enter the date of the visit.**

E. Without advance notice to the school of the student names, select 10 scholarship students and observe the students' presence in school that day. *The sample should include at least 2 students (or one if only one student participating in a given program attends the school) from each Scholarship program in which the school participates. This procedure must be done before the end of the school year being reported on.*

1. Document what date the procedure was performed.

Yes

No - Material Exception

2. Determine if the student's attendance was accurately recorded for the day.

Yes

No - Material Exception

3. If the student is not present, determine whether the student is listed as absent on the school's attendance records.

Yes

No - Material Exception

N/A

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# Step Up For Students

The 2024-2025 AUP instructions, template, reference materials and samples can be found at our website located at: <https://www.stepupforstudents.org/schools-providers/agreed-upon-procedures/>

## Contact Us

Monday-Friday 8:00am-5:00pm EST

My-Kellia Jenkins

 904-595-6850

 [mjenkins@SUFS.org](mailto:mjenkins@SUFS.org)



Chat with us through [sufs.org](https://www.sufs.org)



877-735-7837



[Contact Us](#)



[AUP@Stepupforstudents.org](mailto:AUP@Stepupforstudents.org)



# Agreed Upon Procedures

Thank you  
for taking the time to join us for this  
presentation.

**IMPORTANT**

Please share your feedback by filling out the brief  
survey after the webinar ends.

Please send any questions to [AUP@SUFS.ORG](mailto:AUP@SUFS.ORG)

