**Louisiana Charter School Fiscal Oversight Policy**

**Charter School Pre-Opening**

*The following document provides an overview of Louisiana Charter School fiscal policies.*

**1. Proposed Initial Budget**

Detailed budget data must be submitted in all Type 2 and Type 5 charter school proposals. The proposal review committee, BESE staff and Louisiana Department of Education (LDE) staff review the data. The budget data must include the following:

1. Detailed budget for start-up/planning period
2. Detailed budget for the first year of operation
3. Detailed budget plan for the next four years of operation
4. Supporting evidence that the start-up budget plan, first year budget plan, and five year budget plan are sound
5. Procedures the school will institute to comply with the required performance of fiscal audits
6. Projections of student enrollments for the first five years of operation

**2. Financial Reporting**

A. Type 2 and Type 5 charter schools must submit the following reports to the LDE on LDE-provided forms.



B. Each charter school must submit an Annual Financial Report (AFR) to the Department of Education no later than September 30 each year as required by R.S. 17:25(A)(2) and 17:92. The AFR follows the same general format as the quarterly report, but contains additional line items and fund classifications. AFR instructions and forms are located on the LDE website at the following link: <https://leads13.doe.louisiana.gov/lug/AFR/AFR.htm>

C. Quarterly and Annual Financial Reports include a statement from the Charter Operator’s lead executive and Board President certifying the accuracy of the reports and the adherence to the Operator’s Internal Control procedures.

D. The Charter Operator must maintain records in compliance with Generally Accepted Accounting Principles.

**3. State Funding Allocations**

Type 5 Charters: The LDE calculates state and federal funding pursuant to applicable formulas.

Type 2 Charters:

* + - 1. Prior to the beginning of the new fiscal year, enrollment projections must be provided by the charter school to the BESE office for the upcoming year.
			2. The LDOE will calculate the per pupil amounts per R.S. 3995.A.(1).
			3. The LDOE will provide the charter school with a schedule of the initial allocation including monthly payments on or about July 1. Payments will be made on or about the 25th of each month.
			4. Each school will notify BESE of its actual enrollments on a monthly basis.
			5. Once the monthly student counts are submitted, allocations are adjusted to reflect the revised actual student count.
				1. When the October 1 student count is finalized, allocations are adjusted for the per pupil amount times the number of students gained or lost from the initial funded count.
				2. When the February 1 student count is finalized, allocations are adjusted for one-half the per pupil amount times the number of students gained or lost from the October 1 count.

**4. Federal Allocations**

Charter schools are eligible for all federal program funding for which regular public school districts are eligible. Charter schools will be notified of this eligibility and the application procedures and timelines by individual program offices within LDE.

Charter schools must submit copies of invoices or similar documentation to BESE/LDE to substantiate all reimbursement requests for federal charter school grant funds issued from BESE/LDE. All requests for reimbursements must be signed by the duly authorized representative of the charter operator.

**5. Audits of State and Federal Funds**

Charter schools must agree to follow state audit and reporting requirements established by the Legislative Auditor and R.S. 24:513-556. Charter schools are required to have an annual audit and must submit their audits to the Legislative Auditor’s Office by six months after their fiscal year end.

Charter schools must also submit their annual audit to the Bureau of Internal Audit, Louisiana Department of Education, P. O. Box 94064, Baton Rouge, LA 70804-9064 by six months after their fiscal year end. The charter school is subject to audit by BESE, LDE, Legislative Auditor, and any other appropriate state official.

**6. General Fiscal Procedures**

*Charter schools should follow these general fiscal procedures:*

* + - * Charter operator shall allow the state officials full access to its financial and educational records, reports, files and documents of any kind.
			* Charter operator further agrees to timely supply all reports, test results and other information, which are required under its charter, state law and regulations.
			* Any charter school that receives state and federal money directly from BESE or LDE, the president or chairman of the non-profit corporation (charter operator) that operates the charter school will be the official contact and duly authorized representative for all notices or inquiries issued by BESE, LDE, or other state or federal agencies. The board of directors of the non-profit corporation may identify and officially designate by board motion, a member of that board of directors other than the president or chairman who will serve as their duly authorized representative. Copies of all notices or inquiries will also be provided to the school principal.
			* All transactions or requests submitted by the charter operator to BESE/LDE must be signed by the duly authorized representative of the charter operator.

**7. Internal Controls**

Charter schools shall complete an internal control and compliance questionnaire prior to beginning operations. This assessment shall be kept on file, with supporting documentation, in the event the school is selected for a fiscal review.

All charter schools will be subject to selective, intermittent reviews of school financial records and internal control procedures. Additionally, the LDE will use its risk assessment process to identify specific charter schools for mandatory internal control procedures review.

Quarterly and annual financial reports will include certification that the charter school’s follows its internal control procedures.

**8. Technical Assistance**

BESE and LDE may conduct annual fiscal in-service meetings or workshops. It is the responsibility of the charter operator to send appropriate staff or representatives of the charter school to these in-service meetings.

Charter operator should reference the following publications and implement appropriate procedures based on this guidance:

1. *Louisiana Accounting and Uniform Governmental Handbook*, Bulletin 1929. Available at <https://www.louisianabelieves.com/docs/school-choice/guide---laugh-guide.pdf?sfvrsn=2>
2. *Best Financial Practices for Louisiana Local Government*. Available at

 <https://www.lla.la.gov/local-government-entities/best-practices/index.shtml>

1. *Other Financial Resources*. Available at <https://www.lla.la.gov/audit-resources/audit-tools/index.shtml>