

# **FY 2023-2024 Charter School Monthly Reporting & Cash Management**

Presented By  
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# Agenda

- CSADM Overview – The Heart of IPS Funding
- Cash Management for IPS
- Cash Impact related to Accurate Coding
- Other Key Items to note

# **CSADM Overview**

**Charter School Average Daily Membership Projection System**

# Charter School Average Daily Attendance Projection System or **CSADM**

- BASE of Students for Funding
- Online system for Charter Schools, UNC Lab Schools and Regional Schools
- Comprised of three phases
- Improves the accuracy of key components in the budgeting process

## DEFINITIONS OF TERMS

**Average Daily Membership (ADM)** - The sum of the number of days in membership for all students in individual Local Education Agencies (LEAs), divided by the number of school days in the term.

**Allotted ADM** - The higher of the first two months total projected ADM for the current year or the higher of the first two months total prior year ADM.

**Dollars per ADM** - LEA's Initial Allotments divided by the allotted ADM for that LEA. Charter schools receive an amount equal to the state funded dollars per ADM for the LEA in which the school is located or (for new charters) in which the student was previously enrolled. For a tutorial on this calculation please visit our website on ["Dissecting Charter School Funding"](#)

**Initial Allotments** -The allocation of state and federal funds to LEAs occurring after adjournment of the General Assembly.

# CSADM Submission Directory Requested Information

Electronic submissions are to be received from Executive Directors, Board Chairs or Head Administrators identified in the CSADM Submission Directory. The CSADM Submission Directory is maintained by School Business. Questions and modifications should be emailed to Student Accounting at [studentaccounting@dpi.nc.gov](mailto:studentaccounting@dpi.nc.gov).

Lea	Charter Name	Primary Contact First Name	Primary Contact Last Name	Primary Contact Email	Primary Business Phone Number	Secondary Contact First Name	Secondary Contact Last Name	Secondary Contact Email	Secondary Business Phone Number	Secondary Business Cell Number
▼		▼	▼	▼	▼	▼	▼	▼	▼	▼

- LEA
- Charter Name
- Primary Contact First Name
- Primary Contact Last name
- Primary Contact Email
- Primary Business Phone Number
- Secondary Contact First Name
- Secondary Contact Last Name
- Secondary Contact Email
- Secondary Business Phone Number
- Secondary Business Cell Number

# Three Phases of CSADM

<b>Phase 0</b> November 6, 2023 - November 20, 2023	<b>Phase I</b> January 8, 2024 – January 22, 2024	<b>Phase II</b> June 6, 2023 – June 19, 2023
<p>Material Increase in ADM or Grade Expansion</p> <ul style="list-style-type: none"><li>• Required submission by all Charter Schools, UNC Lab Schools and the one Regional school with current school year attendance</li></ul>	<p>ADM Projection – Initial Submission</p> <ul style="list-style-type: none"><li>• Required submission by all Charter Schools, UNC Lab Schools and the one Regional school with current school year attendance</li></ul>	<p>Final Verification - Initial ADM required of all:</p> <ul style="list-style-type: none"><li>• Current Charters with 2023-2024 school attendance</li><li>• Charter schools approved by the State Board of Education to open July 1, 2023</li><li>• University of North Carolina (UNC) Lab schools approve by General Assembly to open July 1, 2023.</li></ul>

# Phase 0 Material Increase in ADM or Grade

This phase gathers information for the State Board of Education concerning requests for enrollment growth and/or grade expansion of the provisions of charter's application

## General Statute guidelines used in Phase 0 concerning enrollment growth: G.S. 115C-218.7(b)

- Enrollment growth of greater than twenty percent (20%) shall be considered a **material revision** of the charter and shall align with SESSION LAW 2020-3 SENATE BILL 704, Low-Performing Schools.
- Enrollment growth of **greater than thirty percent (30%)** shall be considered a material revision of the charter for any charter school and shall align with SESSION LAW 2020-3 SENATE BILL 704, Low-Performing Schools.



## Phase 0 Material Increase in ADM or Grade - continued

The State Board **may approve** such additional **enrollment growth of greater than thirty percent (30%) only if it finds ALL the following:**

- The actual enrollment of the charter school is within ten percent (10%) of its maximum authorized enrollment.
- The charter school has commitments for ninety percent (90%) of the requested maximum growth.
- The charter school is not currently identified as low-performing.
- The charter school meets generally accepted standards of fiscal management.
- The charter school is, at the time of the request for the enrollment increase, substantially in compliance with State law, federal law, the charter school's own bylaws, and the provisions set forth in its charter granted by the State Board.

## Phase 0 Material Increase in ADM or Grade - continued

**General Statute guidelines used in Phase 0 concerning grade expansion: G.S. 115C-218.8. Nonmaterial revisions of charters.**

It **shall not be considered a material revision** of a charter and shall not require prior approval of the State Board for a charter school to do any of the following:

- Notify the Office of Charter Schools in making or requesting appropriate adjustments within CSADM.
- Increase its enrollment during the charter school's second year of operation and annually thereafter in accordance with G.S. 115C-218.7(b).
- Increase its enrollment during the charter school's second year of operation and annually thereafter in accordance with planned growth as authorized in its charter.
- **Expand to offer ONE grade higher or lower than the charter school currently offers if the charter school has (i) operated for at least three years, (ii) aligns with SESSION LAW 2020-3 SENATE BILL 704, Low-Performing Schools, and (iii) has been in financial compliance as required by the State Board.**

## Phase I. ADM Projection Initial Submission

- Phase I collection is to **specifically provide the maximum ADM** allowable for each school and to **improve the accuracy of the budget process.**
- The accuracy of this number is **critical to ensure adequate funding is available for the upcoming year and to minimize the disruption to charter and LEA funding.**

## Phase II. Final Verification: Initial ADM

- Phase II is **used for the first installment of the annual allotment** and **will be the maximum actual ADM** that the charter school may be **funded on the next school year.**

# Forms Available in EPICENTER next week

- ACH Bank Account Authorization
- Bill Code Action Form
- CICS Application to Request Access
- eMFTS Access (for Charter Schools ONLY)
- License-Salary Request Access
- RACF02 – Site Security Officer Form
- RACF03 –UserID Maintenance Form
- Upload your Signed Bank Letter with Banking Information

# Cash Management for Independent Public Schools

# Cash Request

## Expenditures

- payroll/salaries
- utilities, rent

Accounts Payable = A request for Cash/Funds



*key request*

## Cash Management System

-State Funds and Federal Funds

-Cash Calendar- Funds Requirement Date (FRD)

-3 days –State Funds

-7 days –Federal Funds

*deposit funds*

**Bank Account**

# Cash Calendar

- Always review the cash calendar in the Cash Management System so that you request the state and federal cash based upon the Funds Requirement date (FRD)
- The FRD is the date the funds will be deposited into your bank account.
- Cash Request is for your monthly payroll and monthly general expenditures.

# **Cash Impact related to Accurate Coding of Expenditures**



# Chart of Accounts

- Provides a list of allowable codes for the grant.
- Shows how the grants were expended.
- This is the financial communication between the charter schools and DPI.
- Used as a basis for audits and Federal Reporting.

# UERS: GS115C-12(18)

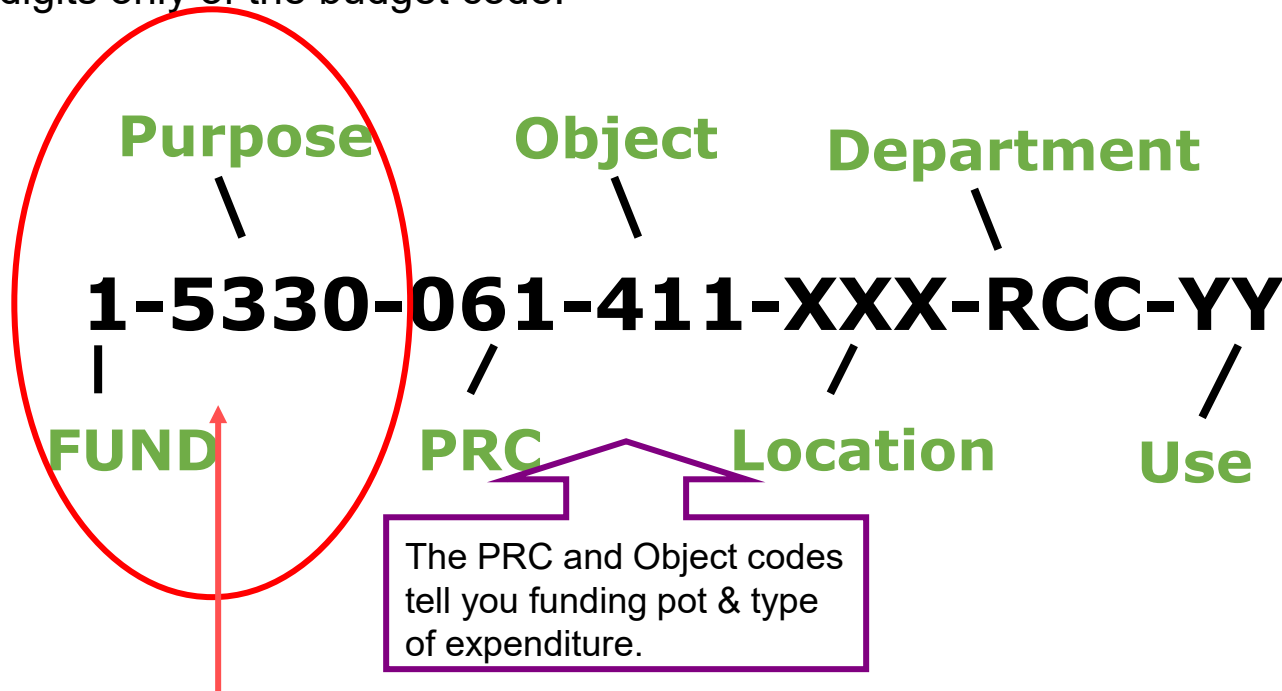
- Uniform Education Reporting System
- Why we have a UNIFORM Chart of Accounts
- Why we have Standard Required Reporting of:
  - Student Data
  - Personnel Data
  - Fiscal Data
- This applies to ALL PSUs (Public School Units)
- Enables DPI to provide consistent reporting and “apples to apples” data for many interested groups.

# Reports and Resources related to COA items

- Reports:
  - Invalid Account Codes
  - Cash Zero-Out report
  - Budget Reconciliation Report
  - Cash Reconciliation Report
- COA Website supporting documents
- Allotment Policy Manual
- General Statutes
- Federal Program Guidance

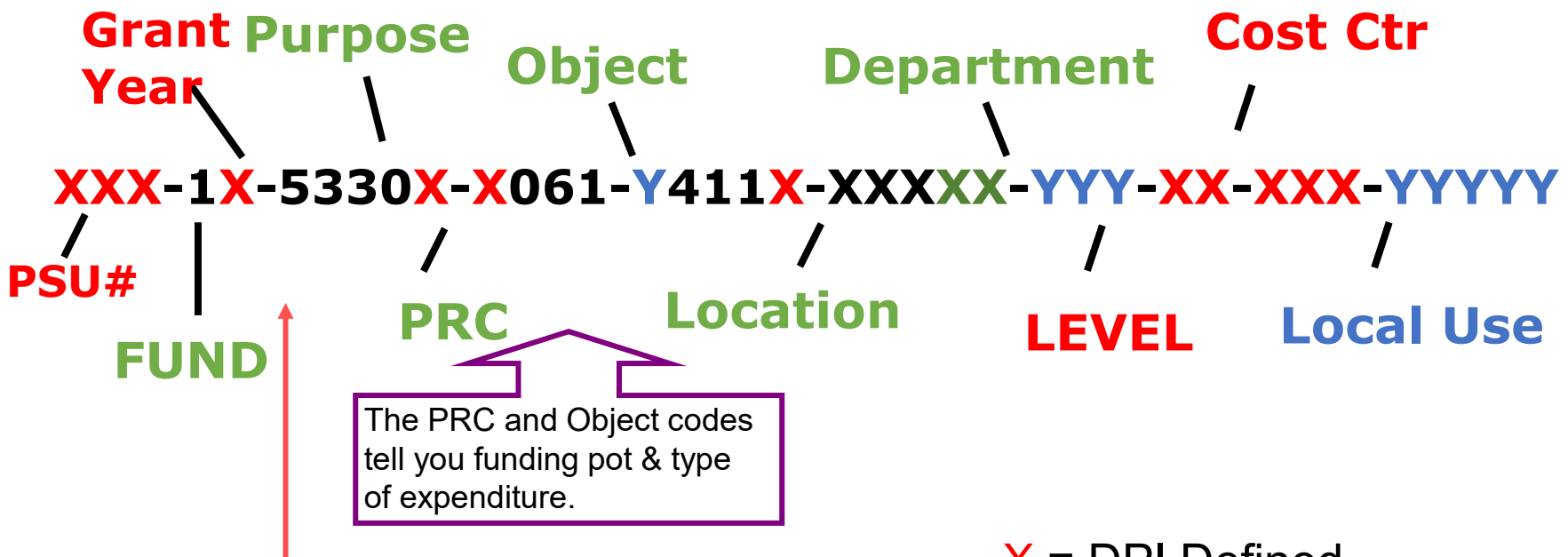
# The Budget Breakdown or Budget Code – CURRENT COA

The budget code is defined by the NC Department of Public Instruction under UERS General Statutes. LEAs can define the last 5 digits only of the budget code.



# The Budget Breakdown or Budget Code – NEW COA

The budget code is defined by the NC Department of Public Instruction under UERS General Statutes. This is currently used by the new ERP systems but will be mandated for all by **July 1, 2023 structurally and with data beginning July 1, 2024.**



Most Board of Education's Budget Resolution during the fiscal year is at the Fund-Purpose Code level of the Budget Code.

**X** = DPI Defined  
**Y** = PSU Defined

# Learn the Definitions - Tips

- The COA documents on our website:
  - [Chart of Accounts | NC DPI](#)
- Download the Excel Version to your desktop, occasionally update – easy to filter and sort as you need.
- Consider printing a booklet of the definitions for easy reference for you and your staff, others, that expend state and federal funds.
- Understand the Other PRCs for tracking other state and federal grants that are recorded in other local funds.

# Invalid Account Codes

- Your software vendors should have your financial systems set-up to ensure your expenditures post to valid account codes for State and Federal funds.
  - ***This is a requirement under GS 115C-18: Uniform Education Reporting System (UERS) requirements.***
- If a PSU overrides that edit, the invalid account codes will not be recognized by DPI and therefore, those expenditures will not receive cash during the monthly “zero-out” process.
- Please correct any invalid account codes timely.
  - ***Should you have expenditures reflected in invalid codes at the end of the fiscal year this likely will cause you to revert those funds.***

# What if a PSU needs a Code?

Should the PSU encounter a situation where there appears to not be an account code that works for their circumstance under a particular PRC then they may request DPI's consideration for adding a code.

Consider the following:

- First, is the expenditure allowable based on the authoritative legislation (state or federal)?
- Does the Purpose/Object combination make sense?
- Why does the PSU need this code and how will it be used?
- Is this a 1-time exception or a recurring expenditure?



# Impact of Improper Coding

- Use of Invalid Codes: the Expenditures are DROPPED from the files.
- Zero-out process will not honor those expenditures and pull back cash requested to support those checks.
- Since cash is based on monthly expenditures vs monthly cash this could create some lag in funding or checks not being honored by your bank.
- Improper Coding or using invalid codes:
- Expenditures post to the incorrect Program (PRC).
- Funds could revert (be lost forever) or not carryover sufficiently.
- Expenditure could create an audit exception due to invalid expense and need to be refunded.

# Why and What is the Cash Zero-Out?

- Under Federal and State guidelines cash should not be drawn and held for more than 3 days in advance of checks being cut against that cash draw. This is the “3-day rule”.
- Due to the nature of how expenditure data is received; currently, by the state, which is monthly, we use 2 methods to help control and to help the PSUs meet this cash allowability window:
  - *Cash Request Calendar*
  - *Monthly Cash Zero-out*
- The monthly cash zero-out matches cash requested by the PSUs over the month against actual expenditures (via checks cut) for the month.
  - *DPI then pulls back excess cash drawn or provides cash, should expenditures be greater than cash drawn for the month*
- It is incumbent upon the PSU to ensure they are managing this “3-day” rule and should NOT be relying upon the state to manage this for them.
- The Zero-out process will not absolve the PSU of any potential audit finding related to inappropriate cash management when it comes to federal and/or state funds.

# Zero Out Process

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After Data File (reception of UERS required monthly files), School Business Accounting staff match cash requested for the month against the MTD expenditures presented in the Monthly Financial Report File (MFR).

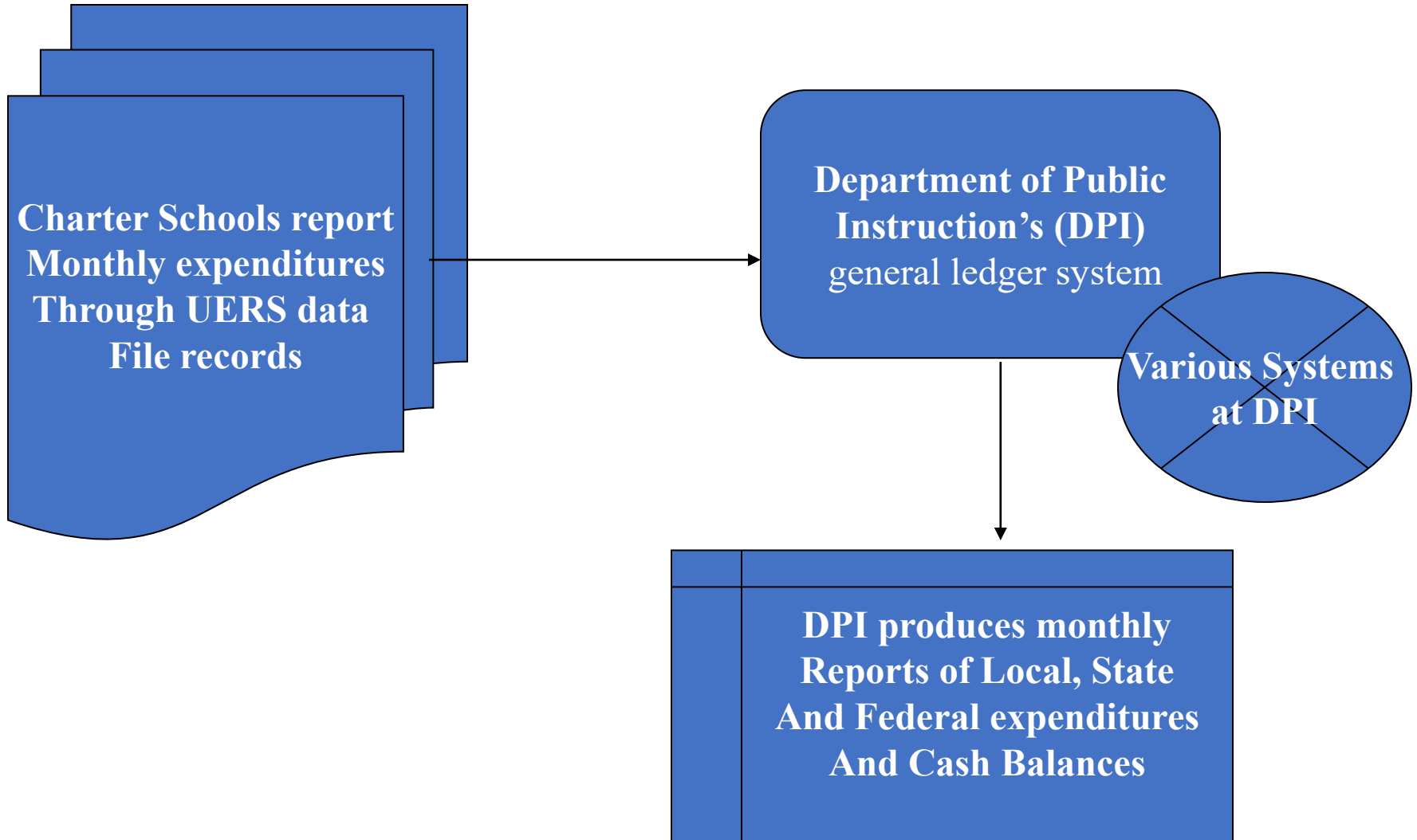
## A. **Negative Certification-** more funds requested than recorded expenditures

Total Cash Certifications	\$320,000
Total Expenditures	<u>\$305,500</u>
Zero Out Amount pulled funds back	\$ 14,500

## B. **Positive Certification-** not enough funds to cover the recorded expenditures

Total Expenditures	\$305,500
Total Cash Certifications	<u>\$300,000</u>
Zero Out Amount certified funds	\$ 5,500

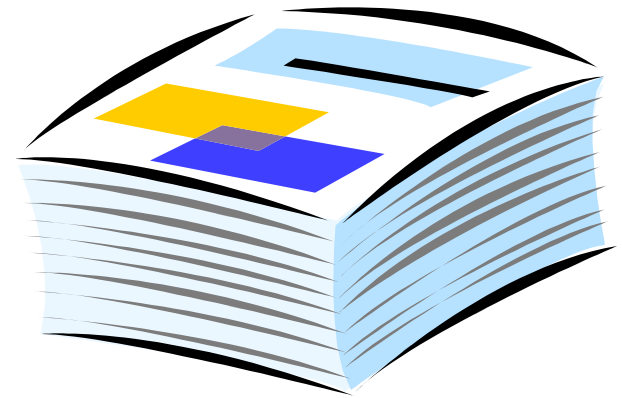
# Monthly Financial Reports



# Monthly Financial Reports

Access reports via WINSCP Software (key reports that IPS must review)

- JHA 305 - Local Account Balance Reconciliation
- JHA 705 - Budget Balance Reconciliation
- JHA 714 - Cash Balance Report
- Monitor - Monthly Monitoring Report



# Monthly Financial Reports

- By the 12<sup>th</sup> day of the following month, the latest monthly financial reports should be in WINSCP.
- Review the monthly JHA705EG and JHA714EG reports and compare them to your general ledger reports.

# Other Key Items to Remember

# Reminders

- Review the due dates of the monthly data files. The next due date for July 2023 data files, is [August 2, 2023](#).
- Upload the three data files each month. They are the Accounts Payable, Payroll and MFR files. DPI will need all three data files each month.
- Review each data files for their format layout, no negative checks or make sure data files are in the correct period.



# KEY RESOURCES

## **Financial and Business Services web site (BOOKMARK)**

[www.dpi.nc.gov/districts-schools/district-operations/financial-and-business-services](http://www.dpi.nc.gov/districts-schools/district-operations/financial-and-business-services)

## **Charter School Average Daily Membership Projection System (CSADM)**

<https://www.dpi.nc.gov/districts-schools/district-operations/financial-and-business-services/independent-public-schools-operations#csadm-1619>

## **Charter school NCID administrators**

[https://it.nc.gov/ncid-administrators/detail/lea-admin/Charter\\_Schools\\_000](https://it.nc.gov/ncid-administrators/detail/lea-admin/Charter_Schools_000)

## **Financial and Business Services, Independent Public-School Operations–IPS** (charter schools, lab schools, and one regional school)

<https://www.dpi.nc.gov/districts-schools/district-operations/financial-and-business-services/independent-public-schools-operations>

# Thank You

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- For additional questions on CSADM & Reporting, please send an email to [felicia.atkinson@dpi.nc.gov](mailto:felicia.atkinson@dpi.nc.gov)
- For additional questions on Cash Management & Chart of Accounts, please send an email to [roxane.bernard@dpi.nc.gov](mailto:roxane.bernard@dpi.nc.gov)

