

February 26, 2020

Bulletin No. 20-035

TO: Chief Business Officials and Directors of Fiscal Services
Charter School Sponsoring School Districts & Charters

Subject: **CHARTER SCHOOLS**
2019/20 SECOND INTERIM FINANCIAL REPORT
Due to Sponsoring District on or before March 15th

Education Code Sections 42100 and 47604.33 require charter schools to provide budget, interims, annual financial statements, and audit reports to their sponsoring district and the County Superintendent of Schools Office. Statute requires **charter school's Second Interim Financial Report be submitted on or before March 15th**. District review of charter Second Interim Reports are requested by Business Advisory Services on or before March 27, 2020. Districts may modify the date charter reports are due to them, to allow sufficient time for their review by the deadline. Charters are encouraged to coordinate with their sponsoring district to ensure accurate and timely reporting submission.

Required reporting templates are available on the San Bernardino County Schools Charter School Financial Information webpage at: <http://www.sbcss.k12.ca.us/index.php/business-services/business-advisory-services/charter-schools-financial>. The Excel workbook consists of worksheets for 2019/20 Budget, First Interim and Second Interim Financial Reports. Optionally, districts may allow charters to use the State SACS Software located on the California Department of Education website at <http://www.cde.ca.gov/fg/sf/fr/>.

** Since originally released for Adopted Budget, several formula errors have been identified in the **FY19-20 – Charter BUDGET and INTERIM Reporting Template**. The errors were corrected during the First Interim reporting cycle and a revised worksheet has been posted. If you did not use the updated template at First Interim, charters will need to download the revision and re-enter the Adopted Budget and First Interim data from their original worksheet into the revised worksheet. **

Workshops were held in November for Charter School Reporting. The power point presentation from the workshop is posted on the webpage noted above. If you were not able to attend the workshop, you are encouraged to download the presentations for guidance and reference.

At a minimum, charters must submit the following Second Interim Reports **to the sponsoring district**. Districts may require additional reports and/or supporting documentation:

Electronic Excel files (**PDFs will NOT be accepted**)

- Budget/Interim Worksheet
- LCFF calculator (using the most recent FCMAT release)

Hard copies

- Signed Interim Certification

The worksheets have been designed to populate other worksheets of the workbook wherever possible. Some of the features are:

- Completing the Charter Name and Number on Certification page will populate all other schedules.
- Budget worksheet information will populate the Adopted Budget columns of the Second Interim Financial Report's worksheet.
- Data Entry cells are highlighted in a blue/green color (depending on your monitor).
- Cells with formulas are locked.

As you complete these worksheets, please be conscious of the unrestricted or restricted regulations associated with the revenue the charter has received. Refer to the California School Accounting Manual for in depth explanations of various codes and accounting treatments.

The first column of the report refers to the charter's adopted budget. Amounts reflected in this column **must** be those adopted on or before July 1st and submitted to your sponsoring district.

You should have a final 2018/19 audit report, include any audit adjustments with your Second Interim Report. These adjustments will be reported as "Adjustments for Audit" on line 52 of the Unrestricted and/or Restricted tab.

Districts will review budgets for reasonableness and solvency. Districts should request supporting documents to validate numbers reported. Charters must provide evidence of their ability to maintain sufficient fund and cash balances for the current and two subsequent fiscal years. If the charter is unable to meet their recommended reserve requirements in the 2019/20 or two subsequent fiscal years as established in their Memorandum of Understanding with their authorizing district, the charter will be required to submit a Board approved fiscal action plan detailing the anticipated reductions or revenue enhancements that the charter will make to ensure recommended reserve requirements are met in all years. The charter should work with their authorizing district to determine the specific requirements to show solvency.

The district review worksheet can be found on the Charter School Financial Information webpage. Upon review of the charter's report, districts should send a letter to the charter summarizing their findings and documenting any requests for additional information or action.

Districts must forward the following, to Business Advisory Services, on or before March 27, 2020:

Electronic Excel files: **e-mail to** BAS@sbcss.net

- District Review Worksheet
- Charter Interim Worksheet (all tabs completed)
- Charter LCFF Calculator

Hard copies: **send to Chrisann Gerfers, Business Advisory Services**

- District Summary Review (signed)
- Charter Interim Certification (signed)

Hard or Electronic Copy

- District response letter to Charter itemizing items found in Detail Review

Page 3

Questions regarding the charter school's Second Interim Financial Report should be directed to the individual sponsoring district's business liaison. Questions regarding the reporting template may be directed to Annette Baker (909) 386-9675.

Sincerely,

Ted Alejandre
County Superintendent of Schools

Thomas G. Cassida, Jr.

Director
Business Advisory Services

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