



BOARD OF EDUCATION

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November 9, 2019

Office of the New York State Comptroller
Division of Local Government & School Accountability
PSU – CAP Submission
110 State Street, 12th Floor
Albany, New York 12236

Unit Name: Buffalo City School District
Audit Report Title: Charter School Tuition Billing – August 2019.
Audit Report Number: 2019M-122

For each recommendation included in the audit report, the following are our corrective actions taken or proposed.

Audit Recommendation #1 for Board:

Consult with legal counsel concerning options available for addressing prior overpayments.

Implementation Plan of Action:

1. The District's General Counsel has recommended that a letter be sent to each charter school outlining the issues previously communicated to charter schools May 1, 2019. Included in the letter will be a calculation of prior years' overpayments owed to the District based upon incorrect billings for SPED tuitions, and a request to reimburse the District for these overpayments. Meanwhile, the District's General Counsel is researching additional options available for addressing the return of prior overpayments.

Implementation Date:

1. A letter including the calculations for prior year overpayments will be sent to each charter school by November 30, 2019, requesting reimbursement for prior years' overpayments.

Persons responsible for Implementation:

Nate Kuzma – General Counsel
Geoffrey Pritchard – CFO
James Barnes – Deputy CFO

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Audit Recommendation #2 for Board and District officials:

Develop and adopt written policies and procedures for charter school tuition billing.

Implementation Plan of Action:

1. The District has an existing policy, #3160 – *Charter Schools*, which will be revised to include specific language that addresses the findings of this audit, particularly with respect to special education related invoicing received from the charter schools.
2. A detailed charter school department procedure manual is currently being developed. This document will outline the steps to be followed for charter school student enrollment and tracking along with the review of charter school invoicing.

Implementation Dates:

1. The policy revision is anticipated to be submitted to the board in December 2019, to be tabled, and approved in January 2020.
2. The District anticipates completing the charter school department procedure manual by December 31, 2019. The manual will be revised again if necessary after the charter school policy is revised, and again annually in December in conjunction with updates to the State Aid Handbook.

Persons responsible for Implementation:

Geoffrey Pritchard - CFO
James Barnes – Deputy CFO

Audit Recommendation #3 for District officials:

Perform thorough review of tuition invoices to ensure that billings are accurate.

Implementation Plan of Action:

1. The District has put in place procedures to ensure that all invoices received from charter schools comply with the most up to date formulae and rates for calculating SPED tuition charges. The District has processed 3 of the 6 annual invoices for the 2019-2020 school year. In any instance where the correct formulae and/or rates are not used, the District has revised the invoices and communicated those changes to the charter schools. Please note – the Private Excess Cost Aid (PECA) set aside calculation worksheet for 2019-2020 has not yet been published as of October 31, 2019, but will be incorporated into procedures when released by the State.

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Implementation Date:

1. The process for reviewing invoices, which will also be included in the procedure manual discussed in Audit Recommendation #2, was implemented in May 2019.

Persons responsible for Implementation:

James Barnes – Deputy CFO
John Bowen – Senior Budget Examiner
Kimberly German – Management Analyst

Audit Recommendation #4 for District officials:

Review the SED State aid handbook and PECA set-aside calculation worksheet annually to ensure the updated formulae and rates are used in charter school tuition billing.

Implementation Plan of Action:

1. The District has reviewed the SED State aid handbook including the 2019-2020 Consumer Price Index (CPI) to be used in all 2019-2020 SPED tuition calculations and incorporated into the charter school department procedure manual. Please note – the PECA set aside worksheet for 2019-2020 has not yet been published as of October 31, 2019.

Implementation Date:

1. Review of the most current SED State aid handbook and PECA set-aside calculation worksheet was completed in September 2019, and will be completed annually going forward.

Person responsible for Implementation:

James Barnes – Deputy CFO
John Bowen – Senior Budget Examiner
Kimberly German – Management Analyst

Audit Recommendation #5 for District officials:

Work with charter schools so that the annually updated SED worksheet is used for charter school billing.

Implementation Plan of Action:

1. A written communication was sent to all charter schools on May 1, 2019 outlining the audit findings and the proper method for calculating and billing SPED tuitions using the State provided PECA set aside calculation worksheet.

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2. The District will conduct a training session for charter schools after the publication of the 2019-2020 PECA set aside calculation worksheet and on an annual basis going forward.

Implementation Dates:

1. The initial written communication to charter schools outlining the audit findings and the proper method for calculating and billing SPED tuitions using the State provided PECA set aside calculation worksheet was completed on May 1, 2019.
2. The first training session will be conducted soon after the publication of the 2019-2020 PECA set aside calculation worksheet. This is expected to take place December 2019, and annually going forward.

Persons responsible for Implementation:

James Barnes – Deputy CFO
John Bowen – Senior Budget Examiner
Kimberly German – Management Analyst

Respectfully Submitted,

Dr. Kriner Cash
Superintendent

Sharon Belton-Cottman
Board President