

**TITLE 210. STATE DEPARTMENT OF EDUCATION
CHAPTER 40. GRANTS AND PROGRAMS-IN-AID**

SUBCHAPTER 87. RULES FOR PAYMENTS TO CHARTER SCHOOLS

210:40-87-3. Distribution and reporting of state appropriated funds to charter school sponsors and charter schools Guidelines for payment

(a) **Distribution and disbursement.** Distribution and disbursement of all State Aid allocations and any other state appropriated revenue to a charter school and its sponsor in accordance with the requirements of 70 O.S. § 3-142 shall be conducted in accordance with the following provisions:

(1) Requirements for distribution of funds; sponsor administrative costs. The State Department of Education shall not distribute state appropriated funds to a charter school sponsor for disbursement to its charter school until all of the following requirements have been met:

(A) The charter school sponsor must provide the State Department of Education with financial records documenting any state funds retained by the sponsor for administrative services rendered during the previous fiscal year. Fees for administrative services shall comply with the provisions of 70 O.S. § 3-142.

(B) Financial transactions for all state appropriated funds for the previous fiscal year have been reported to the State Department of Education by the charter school sponsor and/or the charter school in accordance with the requirements of 70 O.S. § 5-135.2.

(C) In addition to the above requirements, prior to the charter school's initial year of operation, the charter school sponsor shall ensure that the charter school has met all of the following requirements no later than June 30 prior to the charter school's initial year of operation:

(i) The charter school shall submit a copy of the approved and executed charter school charter and a copy of the approved and executed contract with the sponsor to the State Department of Education;

(ii) The charter school shall provide the State Department of Education with documentation that it has established and will maintain a student information system that meets the requirements of 70 O.S. § 18-200.1;

(iii) The charter school shall provide the State Department of Education with documentation that it has established an approved financial accounting system that meets the requirements of the Oklahoma Cost Accounting System (OCAS); and

(iv) The charter school shall have been issued a county and district identification number from the Accreditation Division of the State Department of Education.

(2) Distribution to charter school. A charter school sponsor shall distribute state flow-through funding to the charter school within ten (10) business days from the date of receipt of funds by electronic transfer from the State Department of Education.

(3) Effect of disbursement. Disbursement of funds to a charter school from the charter school's sponsor shall result in each the charter school having fiscal control over the funds received.

(b) **Reporting requirements.** Charter school sponsors and charter schools shall meet the following reporting requirements:

(1) Annual statement of income and expenditures. Every sponsor of a charter school and every charter school shall annually prepare and submit a statement of actual income and expenditures as follows:

(A) Charter school sponsors. No later than September 1 of each year, every sponsor of a charter school shall prepare a statement of actual income and expenditures of the sponsor for the fiscal year that ended on the preceding June 30 and transmit the income and expenditure data to the State Department of Education in accordance with the requirements of 70 O.S. § 5-135.2. The Department of Education shall post the income and expenditure data on the Department's website in a form that is accessible to the public.

(B) Charter schools. No later than September 1 of each year, every charter school shall prepare a statement of actual income and expenditures for the fiscal year that ended on the preceding June 30 and transmit the income and expenditure data to the State Department of Education in accordance with the requirements of 70 O.S. § 5-135 and 5-135.2. The Department of Education shall post the income and expenditure data on the Department's website in a form that is accessible to the public.

(2) Financial statement and estimate of needs. No later than October 1 of each year, every charter school shall prepare and submit the following to its sponsor and the State Department of Education:

(A) A sworn financial statement showing the true fiscal condition of the charter school as of the close of the previous fiscal year ended June 30 that meets the requirements of 68 O.S. § 3002; and

(B) A written itemized statement of estimated needs and probable income from all sources for the current fiscal year that meets the requirements of 68 O.S. § 3002.

(3) Amendments to charter school charter or sponsorship contract affecting state funding. Within thirty (30) calendar days of the date of execution of any amendment of a charter school's charter and/or contract for sponsorship, the charter school shall notify the State Department of Education in writing of any modifications to terms of the charter/contract that could affect or potentially affect calculation and/or distribution of state funding. Examples of modifications include, but shall not be limited to amendments to the following terms:

(A) Requirements and procedures for program and financial audits;

(B) Grade levels served by the charter school;

(C) School day of early childhood and kindergarten programs (e.g., half-day or full-day);

(D) Minimum or maximum numbers of pupils served;

(E) Participation in state employee benefit programs (e.g., OTRS); and

(F) Provisions specifying disposition of property acquired by the charter school upon expiration or termination of a contract for sponsorship.

(4) Required reports upon closure of a charter school. Upon expiration or termination of contract for charter school sponsorship, or upon failure of the charter school to continue operations, the charter school sponsor shall be responsible for ensuring that the State Department of Education is provided with a final accounting of the charter school operations that includes a statement of income and expenditures of the charter school, and an itemized statement detailing the disposition of all charter school real and personal property. All statements required pursuant to the provisions of this paragraph shall be provided to the State Department of Education no later than ninety (90) days from the date of termination or

expiration of the contract for sponsorship or the last date classes are held by the charter school, whichever occurs first.

~~During the first year of a charter school's operation, a sponsoring school district shall disburse funding to a charter school in as equal as practicable monthly installments as possible from the effective date of its contract with the sponsoring school district, provided that the first payment shall not be made more than thirty (30) days prior to the commencement of instruction or July 1, whichever shall first occur.~~

~~(b) For fiscal years subsequent to a charter school's first year of operation, a sponsoring school district shall disburse funding to a charter school in as equal as practicable monthly installments as possible. Each charter school shall receive the State Aid Formula and state appropriated funds generated by their students. The State Department of Education shall provide the calculations used to determine such payments to the charter school.~~

~~(c) By the 15th of the following month, the district shall disburse to each charter school site the generated amount of state appropriated and state aid formula funds.~~

~~(d) Home districts receiving federal funds will disburse to the charter school by the identified student population the charter school's proportionate share of the federal funds. These funds will be disbursed by the 15th of the month following receipt of the reimbursement funds by the home district. However, if the home district and the charter school can agree for the district to provide services, no transfer of funds will occur.~~

~~(e) Disbursement shall result in each charter school having fiscal control over the funds received.~~