



## **Consortium of Florida Education Foundations** **Member Policy: Matching Grant Fiscal Accountability** *Amended 6/8/23*

### **Purpose**

The School District Education Foundation Matching Grant Program has been a cornerstone of the success of Florida's local education foundations since 2000. The Consortium is responsible for executing the program on a state level and meeting all State of Florida requirements for program implementation and accountability. Member foundations accessing matching grant funds participate in annual training and acknowledge by signature the various requirements regarding the appropriate use of funds and reporting. One such requirement foundations agree to is to facilitate an effective audit unless they are under the threshold of having less than \$250,000 \*in annual revenue. If they are below that threshold, they must submit a letter to request an exemption from this requirement. The integrity and accountability of the program is only as strong as the local programs funded in each school district. Therefore, the goal of this policy is to strengthen and enhance the level of fiscal accountability for member foundations of all sizes and require specific internal financial practices for smaller foundations that do not have annual independent audits.

### **Member Matching Grant Fiscal Accountability Policies**

- The Consortium requires participating foundations to annually submit a copy of their most recent audit completed within the last year and a management letter prior to applying for matching grant funds for that year. In instances where findings are noted in the audit, the Consortium will require documentation that the appropriate measures have been taken to assure compliance with Generally Accepted Accounting Principles (GAAP). For more information on GAAP, you may visit: <https://fasab.gov/accounting-standards/>
- OR-
- Foundations under the \$250,000 revenue audit threshold\* can request an exemption to the audit requirement annually, but they will agree to specific measures to ensure appropriate oversight in accordance with GAAP. The Consortium Finance Committee will be responsible for detailing these requirements which may include appropriate documentation and may be but are not be limited to: Providing year-end financials, providing assurances from two or more foundation leaders (executive director, president, treasurer) detailing the internal control measures in place and confirming the ability to provide full documentation of project expenditures. Foundations with revenue above this threshold may request an exemption from the audit requirement due to exceptional circumstances (e.g., receipt of one-time donations due to disaster scenario) but may be required to provide other documentation as cited above and/or other accounting assurances. The Consortium Executive Committee is responsible for approving such requests and determining level of assurance required by the foundation.

**-AND-**

- Each year the Consortium will select one project from 1/5 of program participants and request back-up documentation of expenditures to submit with their final project reports by June 30. These projects will be chosen randomly from foundations that have not been part of this spot check process in the past five years. This spot-check will be documented and available upon request to the Florida Department of Education Program Manager who oversees the program. Foundations whose projects have been selected for a spot check will be notified in writing at the time of mid-year evaluation due date. If a situation warrants, and at the Consortium's discretion, additional projects may be subject to this spot check in any single grant year.
- Since fiscal accountability is an important part of grant oversight, failure to follow these policies will result in retaining future grant funding until the foundation complies. Foundations will be provided their first round allocation for the year following non-compliance and will have until the certification deadline to comply. Non-compliance is defined as foundations not submitting their audit, letter of exemption, or expenditure documentation by the required deadlines. Should foundations still be in non-compliance, their first round allocation will be forfeited and rolled into second round funding for all foundations in compliance to access.

*Deadlines:*

- Audit or Letter of Exemption request must be submitted prior to certification of cash received deadline as outlined in Program timeline.
- Project expenditure documentation is due with project evaluation on June 30 of current grant year.

\* Note: This threshold amount is the one called for in FSS 1001.453 for K-12 Direct Support Organizations (DSOs). Foundations recognized by their school districts as DSOs are subject to all terms of this Florida statute. For purposes of the Matching Grant Program, the Consortium holds all participants to the same standard as called for in this statute.