

MPAAA 2024 Fall Conference

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Frequently Asked Audit Questions



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Border State

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- Question: A student that wants to go to a cosmetology school in Ohio. Is that possible since it is out of state? Would they be able to do this as Work Based Learning or dual enrollment? What is needed in order to ensure requirements are met for pupil accounting?
- Answer: The Postsecondary Enrollment Options Act (**MCL 388.511-388.524**), and the Career and Technical Preparation Act (MCL 388.1901-388.1913) hereafter “dual enrollment acts,” encourage and enable pupils to enroll in courses or programs at postsecondary institutions (universities, community colleges, or independent, nonprofit, degree-granting colleges or universities located within Michigan, **as well as these types of institutions located within 20 miles of a border with this state** and choose to comply with the Postsecondary Enrollment Options Act). Eligibility of pupils, courses, and institutions is defined in Section 21b of the State School Aid Act, MCL 388.1621b, and the dual enrollment acts.
 - Cannot be work based learning (Don’t pay for kids to work in another state)
 - Must be operated by an eligible post secondary educational institution
 - Must be a border district



School of Choice

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- **Question:** In reviewing MDE's SOC definitions and the State School Aid Act of 1979 (388.1705 & 388.1705c) with the ISD, guidance was provided to the local superintendents when their district limited availability in a school, program or grade. There is pushback from a SOC contact person for one district on 'limited' availability in a school, program or grade. I require districts who have limited seats to provide me with the number of seats available for the published notice. The district would like to state, "Taking application in all grades until grade level reaches district capacity", stating that the definitions and legislation does specifically say you need to indicate the number of seats available.
- **Answer:** It is an accurate assessment. The law does not require districts to publish the number of limited seats available. While it is not necessary to indicate the exact number of seats in the advertisement, the district should specify the type of enrollment (limited vs. unlimited) and the building, grade, or program with openings.



Virtual Building Code

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- Question: Three buildings were not approved as instructional facilities for individual virtual building codes. They have to be ancillary facilities under the new guidelines. The district provides me with a list of the centers which are visited every 2 years. I am confident that the sites are being identified correctly according to a memo. As the pupils are being reported under one building and in the EEM, each building is identified along with the local district planning document.
- Answer: Ensure the district is providing you with a list of buildings used for virtual education that are not included on the narrative and that you are periodically visiting these sites to make sure they meet standards (posted the occupancy permit) and are only being used as ancillary facilities.



Substitute Elementary Attendance (delivery)

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- Question: A district is looking for some written guidance regarding whether or not students in an elementary building (or any grade level) are allowed to deliver physical paper attendance down to the office. This information is typically disclosed during an interview with the classroom teachers as it is part of the questionnaire. I was looking in the PAM for some statement that states this is not an allowable practice. If it is not in the PAM, should this be included? Would this be considered a FERPA violation? It also seems that the student is losing valuable instructional time out of their normal scheduled day in addition to performing the duties of an aide.
- Answer: This is not something that is addressed in statute. I wonder if auditors are pulling an interpretation from section 6-A of the PAM, where it is stated that students are not to be placed into a teacher's aide position. In the described, I would not apply this language to a position if it only takes up an incidental amount of instructional time. As long as the teacher is taking the attendance, and they are comfortable with turning custody of said document over to an elementary level student, there is not an issue with the described.
 - Teacher needs to evaluate the cost of losing attendance documentation



Teacher Certs

- Question: We have two individuals listed at Schools as a Teacher of Record both do not have the credentials? Just to verify, we will need to complete FTE deductions for each pupil that had these individuals listed as a Teacher of Record? Thus, utilizing pages 15 and 16 of the Pupil Auditing Manual for FTE deduction calculations.
- Answer: You are correct. The FTE deduct should be for each pupil, for the number of days the teacher was out of compliance.

Calculating Teacher Certification Deduction Examples:

Example A: Elementary teacher began working 1st day of school without certification or permit. Count day for 2022 is October 5. On November 15, the district requests a permit or other certification. Using the district calendar, the ISD auditor will calculate the number of days between the first day of school and the date the teacher received certification. This is the number of days the teacher was "out of compliance" and the number of days used to determine FTE deductions.

School began August 25; count day is October 5; teacher receives permit on November 15; for a total of 56 instructional days out of compliance. Number of school days per district calendar = 180. Number of students in class = 22.

A. Days without certification/noncompliance	B. Days on District Calendar	C. FTE deduction (A/B)	D. Total Deduction
56 days	180	$56/180 = .311$	$22 \times .311 = 6.84$ FTE

NOTE: If the teacher did not work in a self-contained classroom, the deduction would be multiplied by the portion of FTE each student would have received in the course, e.g., 0.17 per hour not in compliance.

Example B: Teacher working 1st day of school without certification or permit. Count day for 2022 is October 5. District pulls a substitute permit for the teacher on October 3. Therefore, the teacher is properly permitted on count day and there is no FTE deduction, because the teacher was certified/permitted on count day.



Outside Auditors

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- Question: Other than the requirements provided in the Pupil Auditing Manual, are you aware of any other MDE regulations or guidance regarding a school district's use of an outside auditor (Certified Public Accountant), as provided in MCL 388.1618(4)?
- Answer: Section 81 of the State School Aid Act requires the auditor to be trained in pupil auditing. Though the act states this for the intermediate school district, the Michigan Pupil Membership Manual requires this for anyone who is performing pupil audits. We also require anyone who is performing audits to attend annually MPAAA offered trainings which includes updates to the manuals and legislation regarding pupil auditing. If the district is looking for a new auditor, the audit manual allows for only **the** ISD auditor for their area or a CPA who is trained in pupil auditing.



3rd Party Enrollment - Question

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- Question: District A utilize a 3rd party company, School Financial Solutions East. Should the 3rd party be enrolling or maintaining any records? Should the 3rd party have access to their SIS?
- Answer: Michigan Compiled Law requires the educating districts to enroll their students. It has been our experience when third party vendors get involved the districts may or may not know all students that are enrolled. CA60s are the responsibility of the district and contain personally identifiable information that is not allowed to be shared outside the school district. That is in the FERPA laws.
- The nonpublic does not, however, if the student is being claimed for any FTE, the teacher must be appropriately placed (grade level and content area). According to the Revised School Code (380.1231) and the State School Aid Act (MCL 388.1763) the Board of a school district MUST contract with teachers. The only exception to this rule is for a public-school academy who contracts with a management company. This exception does not allow a district to contract with a third party for the hiring of teachers. According to an Attorney General opinion, a public school cannot contract with a third party to hire teachers. Teachers MUST be hired by the board of a district.



FTE Conflict

- Question: I have a couple of districts who claimed students based on the student enrolling in their district before count with an intent to start after count. However, the students were in attendance at the exiting district on count day and those districts claimed the student, as well, because the student was in attendance on count day.
 - Student A enrolled at District A on 2/14/24 or prior, with a start date after count and District A claimed a full 1.00 FTE.
 - Student A was enrolled and in attendance at District B on the 2/14/24 count day, so District B claimed a full 1.00 FTE. District B didn't drop the student until after count because the student was in attendance on count day.
- Answer: Since the student was in attendance on count day in District B, District B is able to claim the full FTE. Had the student been "absent" from District B and never returned, but subsequently attended District A within the appropriate timeframe, then District A would be able to claim the FTE.



Attendance and Grades

- Question: Can a TA, parapro, etc., take attendance? In this case, the TA would be entering the attendance into PowerSchool rather than the teacher of record or substitute. Can you confirm whether this is acceptable practice?
- Answer: Only a teacher of record or substitute teacher can record student attendance and then that attendance record is also regularly certified as accurate by the teacher of record or substitute teacher. The teacher of record could take attendance in a hand-written format, then have it transferred to the SIS by a TA or para. The teacher of record would still need to verify it for accuracy and sign off on it monthly.
- Question: A teacher leaves a district mid year. There is a substitute in the classroom. The principal wants access to enter student grades for the class. This doesn't seem like best practice. Is this acceptable or should the substitute or perhaps a counselor enter grades? I cannot find this specifically mentioned in the PAM.
- Answer: From the pupil accounting standpoint, we aren't really concerned with who enters grades.



Attendance and Grades

- Question: Student A enters district A as an elementary student. Student A stays with the same district through elementary, middle and high school, but changes buildings from an elementary building to the middle school and then to the high school. Does each building **within the same district** have to see a birth certificate or should the birth certificate obtained in elementary school travel to the new building?
- Answer: Yes, proof of identity is only required upon initial enrollment and only needs to be verified by the building where the student first enrolls. A student who attends a district from K all the way through 12 is not required to verify every year or when transitioning from elementary to middle school and again to high school.
- PAM page 1-6
- Section 1135 of the Revised School Code (MCL 380.1135) requires:
 - (1) Upon enrollment of a student for the first time in a local school district, public school academy, or intermediate school district, the local school district, public school academy, or intermediate school district shall notify in writing the person enrolling the student that within 30 days he or she shall provide to the local school district, public school academy, or intermediate school district either of the following:
 - (a) A copy of the student's birth certificate.
 - (b) Other reliable proof, as determined by the local school district, public school academy, or intermediate school district, of the student's identity and age, and an affidavit explaining the inability to produce a copy of the birth certificate.



GE Paid Work-Based Learning

- Question: Is there an actual cap on the number of hours a HS student can work in a GE paid work-based learning experience? I am seeing that Federal Regulations for employing a minor have to be followed, the student must work at least 4 hours a week for the number of weeks required to earn credit in a traditional course, that the work-based learning experience cannot equal more than 0.50 of the student's FTE and the district cannot REQUIRE the student to work more than 10 hours a week, but I am not seeing a specific cap on the number of hours the student can work.
- Answer: You hit all of the marks for the WBLE. There is a cap that comes from the Youth Employment rules. The employer is governed by Youth Employment rules, regulations and guidelines regarding the hours; therefore, 16/17 year old minors are not allowed to work more than 24 hours per week when school is in session and no more than 48 when school is not regularly in session (summer vacation, Xmas and/or winter break and/or Spring vacation period) when school is out a complete week or more (7 consecutive days or more). ([Source](#)) ([MCL 409.111](#))



Work-Based Attendance

- Question: Could you please provide some additional guidance on what qualifies as attendance for work-based learning? I find that there is a lot of detail with respect to many of the 5-P requirements (training plan, training agreement, insurance, safety training, site visits, etc.), but no definition of what is required to ***verify pupil attendance***.
- Answer: Attendance needs to be taken on a daily basis. A time sheet would work, or the host teacher could take attendance and it could be reported in the SIS like all other attendance. As the auditor, you should work with the district to provide you with an attendance method that works for both you and the district. MDE does not prescribe exactly how attendance should be taken, only that it is required. We leave that to the district policy and the ISD auditor discretion since you must verify the attendance. Whatever method used must be verifiable for any outside interested party such as during the QCR or a review by the Office of Auditor General.



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Residency

- **Question:** One of my districts has a senior who has a dad living in the district, mom just moved to another border State. Dad does not want him to use his address for residency and he lives with his mom and plans to drive in every day. Can he continue attending school in the Michigan district for his senior year?
- **Answer:** If he cannot use dad's address, he can continue to attend the Michigan district, but Michigan district cannot claim the FTE.



Questions





Presenter Contact

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