

Sec. 5.8.1. GENERAL PRINCIPLES.

The Superintendent of Life School is charged with developing and implementing the monitoring systems described in this Policy.

Sec. 5.8.2. STATE REQUIREMENTS.

The Superintendent or designee shall develop and implement a system to monitor Life School's compliance with the following state requirements:

Sec. 5.8.2.1. Financial Solvency.

The Superintendent or designee shall monitor Life School's financial solvency through the use of historical, budgeted and projected financial and other relevant data. In developing the monitoring system for financial solvency, the Superintendent shall consider the impact of the charter instructional plan for the current fiscal year and the long-term strategic plan for the subsequent three fiscal years. Additionally, the Superintendent shall consider conservative estimates of student enrollment, student attendance and revenue projections based upon historical data for the last five academic and fiscal years and data for the current and subsequent academic and fiscal year.

Sec. 5.8.2.2. Financial Accountability Rating System of Texas (FIRST).

The Superintendent or designee shall monitor the finances and operation of Life School to attain a favorable School Financial Integrity Rating System of Texas (FIRST) rating. In developing the monitoring system for financial solvency, the Superintendent shall consider the adequacy of the system of internal controls to ensure that it enables Life School to achieve compliance with applicable legal requirements. To the degree appropriate and necessary, the Superintendent may consult with Life School's independent auditor or other qualified professional to identify potential issues that may result in an unfavorable FIRST rating.

Sec. 5.8.2.3. Indirect Cost Limitation.

The Superintendent or designee shall monitor the budgeted and actual expenditures for special allotments to ensure that the minimum required amount of state funds for each special program is expended. In developing the monitoring system for limiting the amount of indirect costs charged to each special program, the Superintendent shall consider the charter instructional plan and the total amount of common costs incurred to support Life School's instructional and instructionally-related program and the special programs required by the state.

Sec. 5.8.3. FEDERAL REQUIREMENTS.

The Superintendent or designee shall develop and implement or cause to have developed and implemented a system to monitor compliance with the following federal requirements.

Sec. 5.8.3.1. Mandatory disclosures.

The Superintendent or designee shall disclose, in a timely manner, to the Board all violations of federal criminal law involving fraud, bribery, or gratuity violations potentially affecting a federal award. Subsequently, the Board or its designee shall disclose, in a timely manner, the identified violations in writing to the federal awarding agency or pass-through entity.

Sec. 5.8.3.2. Maintenance of Effort.

The Superintendent or designee shall monitor Life School's finances to ensure that the minimal fiscal effort required by the federal government for general and special education is attained. In developing the monitoring system for Maintenance of Effort (MOE), the Superintendent shall consider the impact of the charter instructional plan for the current fiscal year.

Sec. 5.8.3.2.1. General Education.

In assessing Life School's compliance with the federal MOE requirement for programs funded pursuant to the Every Student Succeeds Act, the Superintendent or designee may consider the impact of exceptional or uncontrollable circumstances or a precipitous decline in financial resources.

Sec. 5.8.3.2.2. Special Education.

In assessing Life School's compliance with the federal MOE requirement for programs funded pursuant to the Individuals with Disabilities Education Act (IDEA), the Superintendent or designee may consider the impact of changes in staff and student enrollment, the termination of an exceptionally costly program provided to a particular child, the termination of costly expenditures for long-term purchases, and Life School's participation in the high cost grant program.

Sec. 5.8.3.3. Supplement; Not Supplant.

The Superintendent or designee shall monitor Life School's finances to ensure that federal funds are expended to supplement and not supplant non-federal sources of funding. In developing the monitoring system for the proper use of federal funds, the Superintendent shall consider the charter instructional plan, the approved budget and subsequent amendments, the identified needs of the students enrolled in Life School, and the actual method of funding for a particular cost for the prior and current academic years.

Sec. 5.8.3.4. Excess Cost.

The Superintendent or designee shall monitor the finances and operation of each individual Life School campus to ensure that federal funds are used only to pay the excess cost of providing special education and related services to students with disabilities.

Sec. 5.8.3.5. SHARS.

The Superintendent or designee shall monitor Life School's participation in the School Health and Related Services (SHARS) program and ensure that requests for reimbursement from the Medicaid program administered by the Texas Health and Human Services Commission conform to applicable legal requirements and are properly documented.

Sec. 5.8.3.6. Comparability of Services.

The Superintendent or designee shall monitor Life School's compliance with the comparability of services requirement under the Every Student Succeeds Act by ensuring that Life School uses local and state funds to provide comparable or substantially comparable services, as applicable, at each campus or to provide services at Title I, Part A campuses with higher percentages of low income students that are equal to or greater than the services provided at Title I, Part A campuses with lower percentages of low-income students.

Sec. 5.8.3.7. Coordinated Early Intervening Services.

If Life School is identified as having significant disproportionality based on race or ethnicity, the Superintendent or designee shall ensure that Life School reserves the required amount of IDEA Part B funds and uses the reserved amount to carry out authorized activities.

Sec. 5.8.3.8. Indirect Costs.

The Superintendent or designee shall ensure that Life School requests an indirect cost rate and applies the rate to its federal grant expenses in accordance with applicable requirements.

Sec. 5.8.4. MONITORING SYSTEMS.

The Superintendent or designee shall develop or cause to have developed monitoring systems that are based upon the regulatory models implemented by the Texas Education Agency.

Sec. 5.8.5. REQUIREMENT TO BE EXCEEDED.

To the degree feasible, the Superintendent or designee should develop monitoring systems that include additional data and indicators beyond those used by the Texas Education Agency in its regulatory models.

Sec. 5.8.6. DATA TO BE USED.

To the degree feasible, the Superintendent or designee should develop or cause to have developed monitoring systems that include historical, budgeted, actual and projected data to be periodically updated to include actual, year-to-date data and revised projections.

Sec. 5.8.7. MONITORING TIMELINE.

To the degree feasible, the Superintendent or designee should develop or cause to have developed monitoring systems that produce results at the beginning, middle and end of the fiscal year.

Sec. 5.8.8. CORRECTIVE ACTION PLAN.

Upon identifying a potential instance of noncompliance, the Superintendent or designee shall prepare a plan that addresses the condition(s) that resulted or may result in the School's failure to comply with the fiscal requirements addressed by this policy.

Sec. 5.8.9. REPORT TO THE BOARD.

The Superintendent or designee shall regularly report to the Board the status of Life School's compliance with the critical state and federal fiscal requirements addressed by this policy. In the event that an instance or potential instance of noncompliance is identified, the Superintendent or designee shall inform the Board of Life School's corrective action plan undertaken or to be undertaken.

Sec. 5.8.10. ADMINISTRATIVE PROCEDURES.

The Superintendent shall prepare administrative procedures as required to implement this policy.