



October 29, 2022

Commissioner Manny Diaz Jr.  
Florida Department of Education, Office of the Commissioner  
Turlington Building, Suite 1514  
325 West Gaines Street  
Tallahassee, FL 32399

Dear Commissioner Diaz:

We hereby submit the initial results of the 2021-2022 financial accountability report review for private schools that participate in the Florida Tax Credit Scholarship for low-income students, the Family Empowerment Scholarship for Educational Options, the Family Empowerment Scholarship–Unique Abilities, and the Hope Scholarship through Step Up For Students.

This financial accountability requirement is described in Florida Statute 1002.421(1)(q) and requires each school receiving more than \$250,000 of scholarship funds in a single year to engage an independent Certified Public Accountant (CPA) to complete a report that focuses on the use of the scholarship funds and the systems, financial procedures and controls in place at the school. The CPA must complete Agreed-Upon Procedures that are filed with the commissioner and submit an accountability report to the Scholarship Funding Organization (SFO) that provides the majority of the school's scholarship funds. The deadline for that submission is September 15<sup>th</sup> following the end of that Fiscal Year. In turn, the SFO must notify the commissioner by October 30<sup>th</sup> of that year of a school's failure to submit a report and of any material exceptions reported by a CPA.

For the 2021-2022 school year, Step Up For Students identified 1,439 schools that received more than \$250,000 of scholarship funds. A total of 1,425 private schools throughout the state served 191,616 scholarship students and received funding from Step Up For Students programs. This represents 136 additional schools, or a ten percent increase when compared to the prior year. We have communicated with these schools through emails, phone calls, and hosted webinars to notify them of their obligations under the law.

As of this date, we have yet to receive reports from 97 schools. Of the 97 not received, 82 are verified with the CPAs as "in progress". The schools and CPAs continue to work to complete their reports and satisfy the financial accountability reporting requirement.

**[www.StepUpForStudents.org](http://www.StepUpForStudents.org)**  
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Of the 1326 reports that we received, 359 or 25 percent, contained material exceptions that ranged from inadequate segregation of duties to not utilizing an operating budget. Of those schools with material exceptions reported, 305 or 85 percent of those schools have submitted corrective action plans as of October 26, 2022.

There were 15 schools that submitted incomplete reports. Per the existing departmental policy, they have been granted until December 15<sup>th</sup> to complete the incomplete sections of their reports. We will notify you by December 19<sup>th</sup> whether any of these schools have reports that contain material exceptions. We are also attaching the following Appendices for your reference:

Appendix I

- The schools with clean reports,
- The schools with incomplete reports,
- The schools with material exceptions with corrective action plans
- The schools with material exceptions without corrective action plans
- The schools that did not file a report with a breakdown of schools confirmed contract and in progress with a CPA.

We thank you for your support of our programs and promoting education choice.

Sincerely,

A handwritten signature in black ink, appearing to read 'WR', is positioned below the word 'Sincerely,'.

Willie Ross, Director of Program Accounting  
Step Up For Students

Enclosure (1)