

STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

Report No. 2016-072
January 2016

STEP UP FOR STUDENTS, INC.



Sherrill F. Norman, CPA
Auditor General

Board of Directors and President

During the period March 2014 through February 2015, Mr. Doug Tuthill served as President for Step Up For Students, Inc., and the following individuals served as members of the Board of Directors:

John Kirtley, Chair
Julio Fuentes
Allison Hertog
Patricia Lavesque from September 17, 2014
Alfred "Al" Lawson, Jr.
Deon Long to September 16, 2014
Richard Outram
Paul Sherman
Curtis Stokes

The team leader was Donald D. Hemmingway, CPA, and the audit was supervised by Derek H. Noonan, CPA.

Please address inquiries regarding this report to Marilyn D. Rosetti, CPA, Audit Manager, by e-mail at marilynrosetti@aud.state.fl.us or by telephone at (850) 412-2881.

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STEP UP FOR STUDENTS, INC.

SUMMARY

This operational audit of Step Up For Students, Inc. (Step Up) focused on selected administrative activities and management's performance related to the Florida Tax Credit Scholarship (FTC) and Florida Personal Learning Scholarship Accounts (PLSA) Programs, including Step Up's compliance with applicable laws and rules. Our audit disclosed the following:

Personnel Administration

Finding 1: Step Up did not timely verify that the owners and operators had not filed for personal or corporate-related bankruptcy. Pursuant to State law,¹ a nonprofit scholarship-funding organization whose owner or operator has filed for personal bankruptcy or corporate bankruptcy in the last 7 years is ineligible to provide FTC and PLSA Program scholarships.

Scholarships Accounts Receivable

Finding 2: Procedures for monitoring and collecting receivable balances could be improved.

Related Information

Section 11.45(2)(k), Florida Statutes, requires our audit to include a determination of Step Up's compliance with certain FTC Program provisions. Our audit procedures and tests of selected Step Up records and accounts found that, except as noted in Finding 1, Step Up generally complied with the applicable provisions of Section 1002.395, Florida Statutes.

Section 1002.385(14)(a), Florida Statutes, provides that, as part of our audit, we are to verify the total amount of students served and eligibility of reimbursements made by Step Up for the PLSA Program and transmit that information to the Florida Department of Education. Our audit procedures disclosed that, during the period July 2014 through February 2015,² Step Up served 1,243 students and approved the payment of PLSA Program scholarship awards totaling \$3,969,413 for those students. In addition, our tests of Step Up records found that the PLSA Program scholarship payments selected for audit were eligible PLSA Program disbursements.

BACKGROUND

Step Up For Students, Inc. (Step Up) is a nonprofit scholarship funding organization (SFO), incorporated on February 18, 2000, and operating pursuant to State law.³ Step Up's mission is to provide legislatively authorized K-12 scholarships and related support to give economically disadvantaged families the freedom to choose the best learning options for their children in Florida. The governing body of Step Up is the Board of Directors (Board), composed of seven to ten members who each serve a 3-year term. New members are elected by the Board. The Board sets policy, develops and approves strategic plans

¹ Sections 1002.395(6)(b)6. and 1002.385(2)(e), Florida Statutes.

² Chapter 2014-184, Laws of Florida, created the PLSA Program effective July 1, 2014.

³ Section 1002.395(2)(f), Florida Statutes.

and related resource allocations, and is responsible for the performance of the organization as a whole; whereas, the President is responsible for the organization’s day-to-day operations.

State law⁴ established the Florida Tax Credit Scholarship (FTC) Program to expand educational opportunities for children of families with limited financial resources. The FTC Program provides that eligible nonprofit SFOs may solicit and receive eligible contributions. Such contributions entitle donors to a 100 percent State tax credit against corporate income tax, insurance premium tax, alcoholic beverage excise tax, direct-pay sales tax, and oil and gas severance tax. State law⁵ requires SFOs to use the contributions received for eligible students’ private school tuition, transportation to public schools outside their districts, or transportation to lab schools.

State law⁶ requires the Florida Department of Education (FDOE) to annually verify the eligibility of SFOs, and the FDOE recognized Step Up as an eligible SFO for the 2013-14 and 2014-15 fiscal years. Table 1 shows Step Up’s FTC Program activity for the 2013-14 and 2014-15 fiscal years.

Table 1
Step Up FTC Program Activities
For the 2013-14 and 2014-15 Fiscal Years

	2013-14	2014-15
Contributions collected	\$290 million	\$333 million
Total scholarships paid	\$275 million	\$348 million
Number of students awarded scholarships	59,822	69,671
Number of private schools paid	1,429	1,533

Source: Step Up records.

For the 2013-14 and 2014-15 fiscal years, eligible students received from the FTC Program maximum scholarship awards of \$4,880 and \$5,272, respectively, to attend eligible private schools or \$500 for transportation to out-of-district public schools or to lab schools.

Additionally, effective July 1, 2014, State law⁷ established the Florida Personal Learning Scholarship Accounts (PLSA) Program to help meet the educational needs of students who have a specified intellectual disability such as autism, cerebral palsy, or Down syndrome. State law requires the PLSA Program moneys to be used for:

- Instructional materials including digital devices and other assistive technology devices;
- Curriculum and any required supplemental materials;
- Specialized services by approved providers selected by the parent;
- Enrollment in an eligible private school, an eligible postsecondary institute, an authorized private tutoring program, or a virtual instruction program offered by an FDOE-approved provider;
- Examination fees for specified tests and assessments;

⁴ Chapter 2001-255, Laws of Florida, and Section 1002.395(3)(a), Florida Statutes.

⁵ Section 1002.395(6)(d), Florida Statutes.

⁶ Section 1002.395(9)(b), Florida Statutes.

⁷ Chapter 2014-184, Laws of Florida, and Section 1002.385(1), Florida Statutes.

- Contributions to the Prepaid College Program; and
- Contracted services provided by a public school.

As an SFO participating in the FTC Program, Step Up qualified to participate in the PLSA program. According to Step Up, for the 2014-15 fiscal year, Step Up disbursed \$7 million of PLSA Program scholarship awards for the benefit of 1,575 eligible students. The scholarship award amounts ranged from \$9,095 to \$10,982, depending on the student's county of residence and grade level.

FINDINGS AND RECOMMENDATIONS

PERSONNEL ADMINISTRATION

Finding 1: Owner and Operator Background Checks

State law⁸ defines an owner or operator as an SFO owner, president, officer, or director or a person with equivalent decision-making authority over an SFO. State law⁹ also requires SFOs to comply with certain background check requirements, such as level 2 background screenings¹⁰ for all owners and operators prior to employment or engagement to provide services and at least once every 5 years thereafter. Additionally, background checks are to include a determination of whether SFO owners or operators filed, within the last 7 years, for personal bankruptcy or corporate bankruptcy in a corporation of which he or she owned more than 20 percent as such bankruptcies disqualify SFOs from eligibility to participate in the FTC and PLSA Programs.¹¹

The Board appointed the President, Chief Financial Officer, and Vice President of Operations as Step Up owners or operators. Our review disclosed that, although Step Up timely performed the required background screenings for these three individuals, Step Up had not verified whether the individuals met the eligibility requirement related to personal or corporate-related bankruptcies. Subsequent to our inquiry, Step Up established a written procedure for determining whether owners or operators filed for bankruptcy and verified that there were no bankruptcies associated with the three individuals. The timely performance of background checks, including a determination of whether owners and operators meet the eligibility requirements related to bankruptcies, is necessary to demonstrate the SFO's eligibility to participate in the FTC and PLSA Programs.

Recommendation: Step Up should continue efforts to ensure eligibility to participate in the FTC and PLSA Programs by timely verifying whether owners and operators had any personal or corporate-related bankruptcies in the last 7 years.

⁸ Section 1002.395(2)(i)1., Florida Statutes.

⁹ Section 1002.395(6)(b), Florida Statutes.

¹⁰ As defined in Chapter 435, Florida Statutes, a level 2 background screening includes, but need not be limited to, fingerprinting for Statewide criminal history records checks through the Florida Department of Law Enforcement, and national criminal history records checks through the Federal Bureau of Investigation, and may include local criminal records checks through local law enforcement agencies.

¹¹ Sections 1002.395(6)(b)6. and 1002.385(2)(e), Florida Statutes.

Finding 2: Scholarship Accounts Receivable and Collections

Effective internal controls over accounts receivable include timely monitoring and effective collection efforts. The FTC Program provides scholarship tuition checks that jointly list as payees the parents or guardians and the selected school of attendance. The SFOs mail the checks to the schools and parents or guardians are required to endorse the checks for the school to deposit. However, if the student fails to enroll or meet FTC Program attendance requirements, or if the school is not in compliance with FTC Program regulations, the school must return the funds to the SFO.¹²

Step Up's written policies and procedures provide that the Controller or Chief Operating Officer is responsible for determining whether to seek reimbursement from schools for uncollected receivables or consider the accounts uncollectible and write off the balances. For the 2013-14 fiscal year, the Controller determined that \$166,376 of FTC Program accounts receivable for 28 schools was uncollectible and approved the write-off of these receivables.

Step Up established FTC Program accounts receivable for various schools with students who failed to enroll or meet attendance requirements or otherwise did not comply with FTC Program regulations. As of February 28, 2015, Step Up's FTC Program accounts receivable balance totaled \$1,223,315. Of this amount, \$533,428 (44 percent) had been outstanding for more than 120 days and was due from a total of 249 schools. As of February 28, 2015, the amounts due from these schools had been outstanding from 121 to 1,590 days (average of 533 days).

In response to our inquiries regarding Step Up's collection activities, Step Up personnel indicated that they periodically e-mailed schools that had unpaid balances for 120 days or more and, if payment was not subsequently received within 1 month, they contacted the school by telephone. Step Up personnel also indicated that, when necessary, they would request the FDOE's assistance in collecting delinquent accounts receivable and, in April 2015, the FDOE began to assist with SFO receivable collection efforts and to disallow FTC Program funding if schools did not timely repay receivable balances. However, Step Up's written policies and procedures did not establish specific actions or related timelines for collecting or writing off receivables, requesting FDOE assistance with collecting past-due accounts, documenting collection efforts, or reporting delinquent receivables or accounts written off to the President or Board.

As part of our audit, we selected the three schools with the largest receivable balances. At February 28, 2015, the receivable balances for these three schools totaled \$47,473, \$31,699, and \$23,295, respectively; collectively represented 19 percent of Step Up's accounts receivable outstanding over 120 days; and were significantly more than 120 days past due. For these receivable balances, we found that, although Step Up periodically sent invoices and statements to the schools, Step Up records did not evidence documented timely and concerted collection efforts, such as monthly written communications requesting payment and describing adverse consequences for nonpayment.

¹² Section 1002.395(12)(b), Florida Statutes, requires the SFO to pay the scholarship by individual warrant made payable to the student's parent, who restrictively endorses the warrant to the private school. Consequently, an SFO is unable to reduce any future student scholarship payments to a private school by unpaid receivables due from the private school.

Additionally, we found that four other schools, with receivable balances totaling \$7,075, ceased operations during the period June 2013 through July 2014. Step Up wrote off unpaid receivable balances totaling \$11,422 as of June 30, 2015, which included the unpaid receivable balances for these four schools and six others.

Without timely and effective receivable collection efforts, including timely contacting the FDOE for assistance, there is an increased risk that Step Up may not collect receivables, decreasing amounts available to fund scholarships. Documentation of collection efforts and periodically reporting to the President and the Board the delinquent accounts receivable and amounts written off would promote accountability for Step Up operations.

Recommendation: Step Up should enhance policies and procedures to ensure the timely and effective monitoring and collection of amounts due to the FTC Program. Such policies and procedures could include specific actions or related timelines for collecting or writing off receivables and requesting FDOE assistance with collecting past-due accounts and should require documentation of collection efforts. Additionally, for appropriate accountability of operations, Step Up personnel should periodically report delinquent accounts receivable and amounts written off to the President and the Board.

RELATED INFORMATION

As described in the ***OBJECTIVES, SCOPE, AND METHODOLOGY*** section of this report, we performed procedures to determine Step Up's compliance with various statutory provisions related to the FTC Program. Except as noted in Finding 1, our audit procedures and tests of selected Step Up records and accounts found that Step Up generally complied with the applicable provisions of Section 1002.395, Florida Statutes.

In addition, as also described in the ***OBJECTIVES, SCOPE, AND METHODOLOGY*** section of this report, we performed procedures to verify the number of students who received PLSA Program scholarships during the period July 2014 through February 2015,¹³ and examined documentation for selected scholarship payments to determine whether the payments were eligible under the PLSA Program requirements. Our procedures disclosed that, during the period July 2014 through February 2015, Step Up approved, for the benefit of 1,243 students, PLSA Program scholarship award payments totaling \$3,969,413. In addition, our tests of Step Up records found that the PLSA Program scholarship payments selected for audit were eligible PLSA Program disbursements.

OBJECTIVES, SCOPE, AND METHODOLOGY

The Auditor General conducts operational audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government

¹³ Chapter 2014-184, Laws of Florida, created the PLSA Program effective July 1, 2014.

operations. State law¹⁴ requires us to conduct annual operational audits of the accounts and records of SFOs participating in the FTC and PLSA Programs.¹⁵

We conducted this operational audit from March 2015 through June 2015, in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

An audit by its nature does not include a review of all records and actions of entity management, staff, and vendors, and, as a consequence, cannot be relied upon to identify all instances of noncompliance, fraud, waste, abuse, or inefficiency.

The objectives of this operational audit were to:

- Evaluate management's performance in establishing and maintaining internal controls, including controls designed to prevent and detect fraud, waste, and abuse, and in administering assigned responsibilities in accordance with applicable laws, including applicable provisions of Section 1002.395, Florida Statutes; rules; regulations; contracts; grant agreements; and other guidelines.
- Examine internal controls designed and placed in operation to promote and encourage the achievement of management's control objectives in the categories of compliance, economic and efficient operations, reliability of records and reports, and the safeguarding of assets, and identify weaknesses in those controls.

This audit was designed to identify, for those programs, activities, or functions included within the scope of the audit, deficiencies in management's internal controls, instances of noncompliance with applicable laws, rules, regulations, contracts, grant agreements, and other guidelines, and instances of inefficient or ineffective operational policies, procedures, or practices. The focus of this audit was to identify problems so that they may be corrected in such a way as to improve government accountability and efficiency and the stewardship of management. Professional judgment has been used in determining significance and audit risk and in selecting the particular transactions, legal compliance matters, records, and controls considered.

For those programs, activities, and functions included within the scope of our audit, our audit work included, but was not limited to, communicating to management and those charged with governance the scope, objectives, timing, overall methodology, and reporting of our audit; obtaining an understanding of the program, activity, or function; exercising professional judgment in considering significance and audit risk in the design and execution of the research, interviews, tests, analyses, and other procedures included in the audit methodology; obtaining reasonable assurance of the overall sufficiency and appropriateness of the evidence gathered in support of our audit's findings and conclusions; and reporting on the results of the audit as required by governing laws and auditing standards.

Our audit included the selection and examination of various records and transactions occurring from March 2014 through February 2015, and selected actions taken subsequent thereto. Unless otherwise

¹⁴ Sections 11.45(2)(k) and 1002.385(14)(a), Florida Statutes.

¹⁵ Sections 1002.385 and 1002.395, Florida Statutes.

indicated in this report, these records and transactions were not selected with the intent of statistically projecting the results, although we have presented for perspective, where practicable, information concerning relevant population value or size and quantifications relative to the items selected for examination. Specifically, we:

- Reviewed applicable laws, rules, regulations, and Step Up's policies and procedures applicable to the FTC and PLSA Programs and interviewed Step Up personnel to gain an understanding of Step Up's scholarship-related operations.
- Obtained an understanding of Step Up's internal controls and evaluated the effectiveness of key FTC and PLSA Program processes, policies, and procedures for ensuring compliance with significant governing laws, economic and efficient operations, reliability of records and reports, and the safeguarding of assets.
- Determined whether all seven of Step Up's bank accounts used for the FTC and PLSA Program moneys were administered through a qualified public depository pursuant to Section 1002.395(14), Florida Statutes, and whether separate accounts were established for scholarship and operating funds as required by Section 1002.395(6)(k), Florida Statutes. Determined whether Step Up periodically reviewed banking agreements for sufficiency of providing adequate safeguards. Reviewed Step Up's controls for electronic transfers and transmitting funds via Automated Clearing House to students for the PLSA Program.
- Examined Step Up's records as of March 2014, July 2014, November 2014, and February 2015 to determine whether funds invested (approximately \$78 million as of February 28, 2015) complied with Step Up's investment policy and Section 17.57(2), Florida Statutes.
- Examined documentation to determine whether Step Up performed required level 2 background screenings and verified that there were no bankruptcies associated with the three Step Up owners or operators as required by Section 1002.395(6), Florida Statutes.
- From the population of 82,977 students who received FTC Program scholarship awards during the period March 2014 through February 2015, examined documentation for 60 students to determine whether Step Up documented student program eligibility as required by Section 1002.395(6)(j)3., Florida Statutes.
- From the population of FTC Program scholarship payments totaling \$332 million made during the period March 2014 through February 2015, examined Step Up documentation for scholarship payments totaling approximately \$265,000 made on behalf of 60 students to determine whether the payments were made to eligible private schools or were used for transportation to a public school outside of the recipient's district or to a lab school pursuant to Section 1002.395(6)(b), Florida Statutes.
- From the population of 356 eligible private schools paid a total of \$181 million from FTC Program moneys, examined documentation for 5 schools that collectively received \$2 million during the 2013-14 fiscal year to determine whether Step Up adequately monitored the performance of agreed-upon procedures for applicable private schools pursuant to Section 1002.395(8)(e), Florida Statutes.
- Examined Step Up documentation to determine whether FTC reports required to be filed on March 15, 2014, August 15, 2014, October 15, 2014, and January 15, 2015, and the PLSA Program report required to be submitted on January 30, 2015, were timely submitted to the FDOE and contained the information required by Sections 1002.395(9)(m) and 1002.385(9)(d), Florida Statutes, and State Board of Education Rules 6A-6.0960(2)(b) and 6A-6.0961(6), Florida Administrative Code, respectively.

- Examined Step Up's records for the 2013-14 fiscal year to determine whether Step Up complied with carryforward limitations on unexpended FTC Program moneys pursuant to Section 1002.395(6)(j)2., Florida Statutes.
- Confirmed with the surety that the surety bond Step Up obtained pursuant to its 2015-16 fiscal year renewal application submitted to the FDOE in September 2014 was still maintained as of April 2015 and was in the amount required by Section 1002.395(6)(p), Florida Statutes.
- Examined Step Up's financial audit report for the 2012-13 fiscal year to determine whether Step Up was eligible, pursuant to Section 1002.395(6)(j)1., Florida Statutes, to use FTC Program moneys for administrative expenses for the 2013-14 fiscal year, and to verify that such expenses did not exceed 3 percent of eligible contributions received during the 2013-14 fiscal year. From the population of administrative expenses totaling \$9.6 million and eligible to be charged to the FTC Program for the 2013-14 fiscal year, examined Step Up documentation for 22 expenses totaling \$2.3 million to determine whether the expenses were not prohibited pursuant to Section 1002.395(6)(j)1., Florida Statutes, and were reasonable and necessary to operate the FTC Program.
- Examined documentation for selected delinquent accounts receivable and balances written off to determine whether Step Up's collection efforts complied with established policies and procedures and good business practices.
- Examined Step Up records supporting the population of 1,371 students who were determined by Step Up to be eligible for PLSA Program scholarships during the period July 2014 through February 2015, as well as documentation for 30 students to verify the number of students served and to determine whether Step Up ensured compliance with applicable Program eligibility requirements established in Section 1002.385(3)(a), Florida Statutes, and State Board of Education Rule 6A-6.0961(5)(a), Florida Administrative Code.
- From the population of PLSA Program scholarship approved disbursements totaling \$3,969,413 during the period July 2014 through February 2015, examined documentation for 30 scholarship payments totaling approximately \$45,000 to determine whether the payments were eligible PLSA Program disbursements.
- Examined Step Up's records to determine whether PLSA Program moneys were used for administrative purposes.
- Determined whether Step Up had established procedures to notify parents of PLSA Program scholarship awards and to provide a date for parents to confirm initial or continuing program participation pursuant to Section 1002.385(12)(b) and (c), Florida Statutes.
- Reviewed Step Up's policies and procedures for the return of unused PLSA Program funds to the FDOE and determined whether any amounts were required to be returned pursuant to Section 1002.385(12)(g) and (13)(c), Florida Statutes.
- Communicated on an interim basis with applicable officials to ensure the timely resolution of issues involving controls and noncompliance.
- Performed various other auditing procedures, including analytical procedures, as necessary, to accomplish objectives of the audit.
- Prepared and submitted for management response the findings and recommendations that are included in this report and which describe the matters requiring corrective actions. Management's response is included in this report under the heading **MANAGEMENT'S RESPONSE**.

AUTHORITY

Section 11.45(2)(k), Florida Statutes, requires the Auditor General to annually conduct an operational audit of the accounts and records of eligible nonprofit scholarship-funding organizations receiving eligible contributions under Section 1002.395, Florida Statutes, including any contracts for services with related entities. Similarly, Section 1002.385(14)(a), Florida Statutes, requires the Auditor General to annually conduct an operational audit of the accounts and records of each eligible scholarship funding organization that participates in the Florida Personal Learning Scholarship Accounts Program. Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our operational audit.



Sherrill F. Norman, CPA
Auditor General

MANAGEMENT'S RESPONSE



January 8, 2016

Ms. Sherrill F. Norman
Auditor General
Claude Denson Pepper Building, Suite G74
111 West Madison Street
Tallahassee, FL 32399-1450

Re: Response to Preliminary and Tentative Findings

Dear Ms. Norman,

Enclosed is our response to the preliminary and tentative audit findings and recommendations that we received on November 19, 2015.

We would again like to express our appreciation to your office and all of your staff involved with the audit for the professionalism with which the audit was conducted. During their time in our offices between late March and mid-June 2015, the team was very detailed and thorough in their questions and research in all areas. We take very seriously our commitment to the integrity of the programs we administer, and to the families we serve, as well as the donors who put their trust in us. Our organizational focus on continuous improvement is only enhanced by the recommendations that your team has made, and we are grateful for that.

If you have any questions regarding our responses, please do not hesitate to let us know.

Sincerely,


Doug Tuthill
President
Step Up For Students

c: Board member

Step Up For Students Response to Preliminary and Tentative Findings

Finding No. 1:

Personnel Administration: Step Up did not timely verify that the owners and operators had not filed for personal or corporate-related bankruptcy. Pursuant to State law, a nonprofit scholarship-funding organization whose owner or operator has filed for personal bankruptcy or corporate bankruptcy in the last 7 years is ineligible to provide FTC and PLSA Program scholarships.

Recommendation: Step Up should continue efforts to ensure eligibility to participate in the FTC and PLSA Programs by timely verifying whether owners and operators had any personal or corporate-related bankruptcies in the last 7 years.

Step Up has implemented enhanced procedures to ensure that the bankruptcy checks are performed timely through our human resources department, both upon hire of a new owner/operator, as defined by our governing by-laws, and with an annual review to ensure any updates are performed as needed.

Finding No 2:

Scholarship Accounts Receivable: Procedures for monitoring and collecting receivable balances could be improved

Recommendation: Step Up should enhance policies and procedures to ensure the timely and effective monitoring and collection of amounts due to the FTC Program. Such policies and procedures could include specific actions or related timelines for collecting or writing off receivables and requesting FDOE assistance with collecting past-due accounts. Additionally, for appropriate accountability of operations, Step Up personnel should periodically report delinquent accounts receivable and amounts written off to the President and the Board.

Step Up wishes to point out that the outstanding accounts receivable balance is small when compared to the volume of scholarship monies distributed over the period since the date of the earliest outstanding balance. The accounts receivables balance of \$1.2 million as of February 28, 2015 represents .0011% of the overall scholarship dollars distributed during that time.

Step Up takes our responsibility as a steward of donor funds very seriously. Because scholarship funds are paid on a per student basis and delivered to the schools, Step Up does not have the legislative authority to withhold scholarship money due to a specific student in order to recoup money owed by a school. Doing so would harm the individual student who rightfully is owed the scholarship money. Therefore, our collection efforts have been with the schools directly.

We do acknowledge that collection efforts needed to be enhanced, and such strengthened actions were put in place in January 2015. In addition, Step Up has implemented new formal procedures with participating schools for the 2015-16 school year, that include specific actions and related timelines for collecting receivables and requesting FDOE assistance with collecting past-due accounts. Step Up personnel have been periodically reporting delinquent accounts receivable and amounts written off to the President and the Board since June 2015, and have put in place practices to ensure this continues.