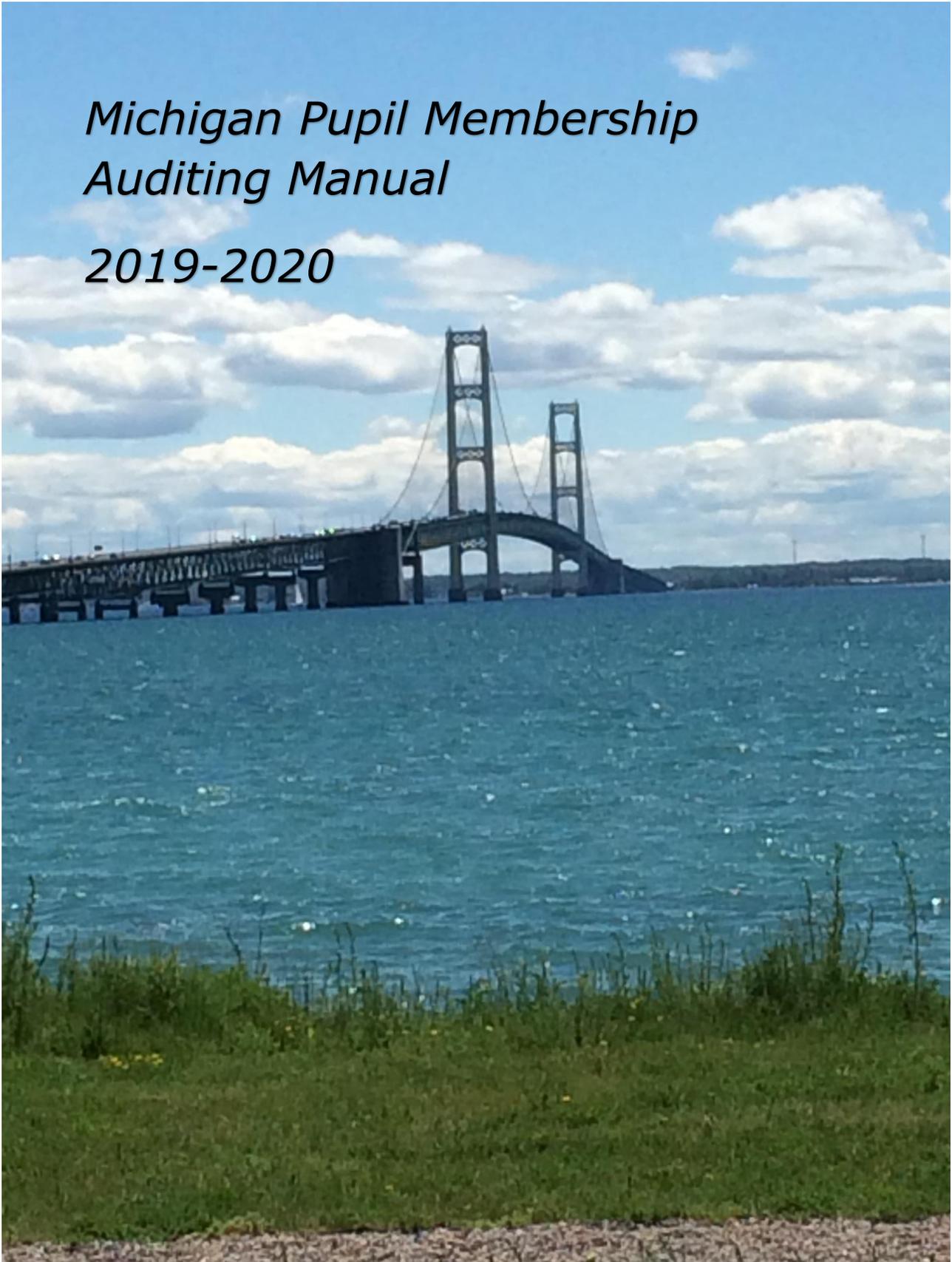


*Michigan Pupil Membership  
Auditing Manual*

*2019-2020*



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# Pupil Membership Auditing Manual

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## INTRODUCTION

This manual is provided as a resource to pupil membership auditors in performing desk and field audits of membership count procedures. Specific forms and programs have been developed to ensure that audits meet standards. These requirements apply to all pupils, including those in adult education programs operated by the Michigan Economic Development Corporation – Workforce Development Agency.

Pursuant to §18(4)(d) and §18(8) of the State School Aid Act, the Michigan Department of Education (Department) approves, publishes, annually reviews, and periodically updates this Pupil Membership Auditing Manual (PMAM) and the Pupil Accounting Manual. MCL 388.1618(4)(d) and 388.1618(8).

As part of the Department's overall supervisory authority for state school aid, the Department conducts a quality control review (QCR) of the intermediate school district's (ISD) pupil membership audit to determine compliance with statutory and manual requirements. The quality control reviewer meets with the ISD pupil membership auditor, reviews the audit documentation, and determines whether an audit adjustment is warranted under applicable law, policy, the Pupil Membership Manual, and the PMAM. The Department provides a report to the ISD and district superintendents summarizing the conclusions of the QCR.

The Department has rewritten Chapters 4 and 5 for this year's PMAM. Chapter 4 updates the informal agency review process following ISD and CPA pupil membership audits to allow for one request for informal agency review, a request that is submitted directly to the State Superintendent. Chapter 5 addresses the QCR process and explains in detail the procedure for requesting informal agency review of an audit manager's decision regarding QCR findings. That chapter also includes a 3-year calendar for QCRs.

Throughout this manual, unless otherwise stated, all references to "district" and "school district" include a traditional public school district or a public school academy.

Please note changes to the Desk Audit and Field Audit Programs. The audit checklists provided in this manual are required to be used and will assist with providing documentation of the audit procedures followed. The checklists are guides that include page references to the requirements for each category. If a procedure is not applicable, "NA" should be entered. As noted in the instructions for each program, the "Working Paper Reference" column must be used to cross reference to supplemental audit workpapers. The ISD pupil membership auditor must retain the audit programs and workpapers along with any relevant documentation.

New to the Manual is an Audit Compliance page. This is designed to make sure that all audit procedures have been performed. The Audit Compliance page should be completed at the end of the audit.

By their very nature, the pupil accounting process and the audit process involve the use of student information that must be protected in accordance with section 1136 of the Revised School Code, MCL 380.1136.

## CHAPTER 1 –GENERAL REQUIREMENTS

### PUPIL MEMBERSHIP AUDITOR

Section 81(5) of the State School Aid Act requires that each intermediate school district (ISD) employ at least one person who is trained in pupil accounting and auditing procedures, rules, and regulations. MCL 388.1681(5). ISDs must document this training.

Section 18(4) of the State School Aid Act mandates that each district, including each public school academy (PSA), and each ISD have a pupil membership audit either by the ISD auditor or a certified public accountant (CPA). MCL 388.1618(4). The Department has conditionally delegated that decision to districts and ISDs. If not a CPA, the auditor must be an employee of the ISD conducting the audit.

If a CPA conducts the audit, the CPA is responsible for the contents of the DS4120 and audit narrative, although the ISD enters them into the Michigan Student Data System (MSDS).

The district, PSA, or ISD (auditee) must:

- Submit the name of its pupil accounting contact person to the ISD auditor.
- Allow the ISD auditor to have access to its pupil accounting records.

The CPA must:

- Perform all steps in the Pupil Membership Auditing Manual, including writing the audit narrative.
- Submit changes to the DS4061 (or an indication of no changes) to the ISD auditor within 20 weeks of the count date.
- Submit a signed narrative to the ISD auditor.
- Allow the ISD auditor to have access to his or her work papers.

The ISD must:

- Forward the Duplicate Unique Identification Code (UIC) Auditor View Report for the district being audited to the CPA four weeks after the MSDS DS4061 submission deadline.
- Enter the DS4120 and audit narrative into MSDS after reviewing the changes to the DS4061 and audit narrative provided by the CPA.

The auditor must annually sign the Code of Ethics and document his/her independence. See [Appendix A](#), Statement of Ethics and Independence. The auditor shall ethically perform auditing procedures and shall not have a conflict of interest regarding the school district, building, or program to be audited. With respect to an ISD's Special Education program, the auditor must be organizationally independent and objective. Examples of situations that may present conflicts of interest include, but are not limited to, the following:

- The auditor is currently employed by the school district, building, or program to be audited.
- The auditor was employed by the school district, building, or program to be audited within the preceding two years.
- The auditor has relatives currently employed by the school district, building, or program.

- The auditor has a personal or financial interest (e.g., service or employment contract) with the school district.

In instances when the auditor is found to have a conflict of interest, the ISD superintendent must be informed and measures must be taken to eliminate the conflict of interest by, for example, reassigning the audit to another auditor or acquiring the services of an outside independent auditor.

## REQUIRED DOCUMENTATION

The district must submit the reports listed below to the pupil membership auditor. The district must also provide all documentation requested by the pupil membership auditor within five business days of the request. Failure to provide requested documentation may result in the loss of membership Full Time Equivalent (FTE).

- 1) District Level Requirements:
  - a) District or Building/Program Calendar
  - b) Attendance Policy, including Excused/Unexcused Absence Policy
  - c) Graduation Requirements
  - d) Requirements for Full-Time Pupil Status
  - e) List of Board-Approved Courses/Curriculum Guides for each grade level
  - f) Master Teacher Schedule
  
- 2) Building or Program Level Requirements:
  - a) Building or Program Master Schedules
    - i) Each teacher's legal name
    - ii) Room locations or numbers
    - iii) Course names and numbers
    - iv) Scheduled days and times of classes
  - b) Building or Program Alpha List - The building/program alpha list must be printed from MSDS and signed by the building principal or authorized representative. The auditor may require the alpha list printed from the district's student information system (SIS) for comparison purposes. The alpha list MUST include the following information as of count day:
    - i) The pupil's legal name
    - ii) The pupil's complete address
    - iii) The pupil's date of birth
    - iv) The district's pupil identification number
    - v) The pupil's grade level or program classification
    - vi) For each pupil, the amount of general education FTE claimed, special education FTE claimed, and total FTE claimed.
    - vii) For each building or program, the alpha list must include separate totals of the general education and special education membership claimed, district-wide grand totals of general education and special education membership claimed, and grand total of the general education and special education membership claimed.
    - viii) The pupil's residency status

- c) Nonconventional Programs – The local school district and pupil membership auditor decide together whether to report nonconventional pupils using separate lists or on the building alpha rosters. It is the district’s responsibility to identify the applicable category for each nonconventional pupil prior to providing this information to the ISD auditor.
  - d) Attendance Records - Attendance records must follow the requirements as defined in the Pupil Accounting Manual.
  - e) Excused Absence Documentation- There must be a separate list indicating which pupils are absent in any class on the count day and their return date(s) within the 10/30-day period or 45-day period for suspended or expelled pupils.
- 3) Individual Pupil Level Requirements:
- a) Enrollment records (CA60)
  - b) Proof of pupil identity and age
  - c) Pupil class schedules as of count day
  - d) Additional student records maintained for auditor review, including transcripts and Educational Development Plans (EDP)
- 4) MSDS Unaudited FTE count DS4061 (listing FTEs by grade and totals for the district). This report is generated through the general application collection in MSDS. It is advisable to print the DS4061 from MSDS to ensure that it is the final certified collection.

## TEACHER CERTIFICATION

Two sections of the State School Aid Act address the use of non-certificated teachers by local school districts, intermediate school districts, and public school academies when engaged in instruction.

Section 6(4) of the State School Aid Act provides that membership is based on the number of full-time equated "pupils in grades K to 12 actually enrolled and in regular daily attendance" on the pupil membership count day and the supplemental count day. MCL 388.1606(4). Section 6(8) defines "pupils in grades K to 12 actually enrolled and in regular daily attendance" to mean "pupils in grades K to 12 in attendance and receiving instruction in all classes for which they are enrolled on the pupil membership count day or the supplemental count day, as applicable." MCL 388.1606(8). It further provides that pupils who are absent from a class and do not meet the 10/30 day rule shall have their membership FTE prorated.

Section 6(8) defines a "class" to mean "a period of time in 1 day when pupils and a certificated teacher, legally qualified substitute teacher or a teacher engaged to teach under the Revised School Code, MCL 380.1233b, are together and instruction is taking place." Thus, the period of time when pupil instruction is not being provided by a certificated teacher or legally qualified substitute teacher is not a "class" and may not be counted for purposes of determining the number of full-time equated pupils.

In addition to the pupil membership provisions in §6, Section 163 defines additional penalties for the use of non-certificated teachers or counselors. §163(3) provides that "If a school official is notified by the department that he or she is employing an individual in violation of this section and knowingly continues to employ that educator, the school official is guilty of a misdemeanor, punishable by a fine of \$1,500.00 for each incidence. This penalty is in addition to all other financial penalties otherwise specified in this article." MCL 388.1763(3).

These statutory provisions require that the use of non-certificated teachers result in both the adjustment of the foundation allowance for any pupil membership FTE associated with the teacher and a school aid adjustment equal to the salary paid during the period of non-certificated employment.

ISD auditors should verify that teachers are appropriately teaching at their grade level certification. If the ISD auditor additionally finds that a teacher is inappropriately teaching a class in which the teacher is not subject area endorsed or permitted, the auditor is required to report this to the Office of Educator Excellence (OEE) following the procedures below.

### **Reporting Procedures:**

If the ISD auditor finds that a teacher may not be properly permitted or certificated, the auditor must notify the OEE for an investigation. When the OEE has completed the investigation and if the teacher has been found not to be in compliance, OEE will notify the MDE Pupil Membership Auditor, who will then notify the ISD auditor. The ISD auditor will make the required FTE adjustments for pupils taught by the non-certified teacher.

MCL 388.1615(4) states: "If the department makes an adjustment under this section based in whole or in part on a membership audit finding that a district or intermediate district employed an educator in violation of certification requirements under the revised school code and rules promulgated by the department, the department shall prorate the adjustment according to the period of noncompliance with the certification requirements."

The FTE adjustments will be pro-rated based on the number of pupils in the class or classes in which the teacher was non-certified and the amount of instructional time for the class. This may be based on number of days the teacher was non-certified or the amount of instructional time the non-certified teacher taught.

### **Teacher of Record**

The teacher of record is a Michigan certified instructor who is responsible for providing instruction, determining instructional methods for each pupil, diagnosing learning needs, assessing pupil learning, prescribing intervention strategies, reporting outcomes, and evaluating the effects of instruction and support strategies. As Section 1231 of the Revised School Code (MCL 380.1231) applies, the teacher of record shall be employed by the district.

### **Mentor**

The mentor is a professional employee of the district who monitors the pupil's progress, ensures the pupil has access to needed technology, is available for assistance, and ensures access to the teacher of record. A mentor may also serve as the teacher of record if the mentor meets the definition of a teacher of record.

## CHAPTER 2 –AUDIT CYCLE, DESK AUDITS AND FIELD AUDITS

### AUDIT CYCLE

The Department requires that each building/program be desk audited for each pupil count. Department policy also requires that all high school buildings or programs be field audited at least once every two school years and that all middle school and elementary school buildings be field audited at least once every four school years. Informed professional judgment allows the auditor to change the high school audit cycle to not less than once every three years based on previous field audit results. The rationale for this must be documented in the audit schedule and work papers and noted in the audit narrative.

At least one building or program must be field audited for each district or PSA each year. There is an exception in §18(4)(b) of the State School Aid Act (MCL 388.1618(4)(b)) that allows a district to conduct the field audit biennially if **all** the following conditions are met:

- The district operates in a single building with fewer than 700 full-time equated pupils.
- The district has stable membership.
- The error rate of the immediately preceding two pupil accounting field audits of the district is less than 2%.

A Field Audit Planning Schedule must be documented in the audit work papers. The count dates of the last field audit should be noted in the audit narrative. The Field Audit Planning Schedule must also be submitted annually to the Pupil Membership Auditor at the Department's Office of Financial Management by November 1. The Field Audit Planning Schedule should show the last count that was field audited and should be carried out to the next anticipated count to be field audited.

Because of a higher potential for errors, certain individual buildings/programs (e.g., new schools and PSAs) may need to be audited more frequently. The auditor may use discretion in increasing the frequency and content of audits. Any deviation in audit frequency must be documented by the auditor. A "program", for defining the audit scope, should be mutually determined by the ISD and the district.

The audit risk, i.e., the risk that the building pupil membership counts may not be accurate, needs to be considered when determining audit frequency. The overall risk assessment for each building and population is based on the auditor's judgment and must be documented. The risk assessment is used to determine the buildings to be audited and the sample size of pupils to be tested.

In determining overall risk of a building or program, the auditor should consider the following.

- The results of the prior field and desk audits. Buildings or programs with error rates over 5% should be considered higher risk.
- The effectiveness of district count procedures and controls.

- The experience of district personnel assigned to process pupil count data. (See the Local District Planning Form.)
- The frequency of pupil absenteeism noted during the count period.
- The number of nonconventional pupils attending the building.

## DESK AUDITS

A desk audit is a limited review of the district's documentation and must be done for each building, in all districts, for every count period. The procedures are listed below. A Desk Audit Checklist is provided in the Appendices to verify all procedures are documented, including workpaper references. ([Appendix D](#)).

Desk audits include:

- Review of the Days, Hours, and Attendance report
- Review Local District Planning Form (used to calculate risk)
- Review of the 75% attendance documentation
- Review of pupil membership alpha lists
- Verification of the documentation that pupils who were absent on count day returned within the required 10/30 day period, or 45-day period for suspended or expelled pupils
- Identification of nonconventional categories that apply to each pupil
- Resolution of duplicate pupil counts
- Verification of residency-related information on the DS4061
- Review of Schools of Choice documentation
- Verification of teacher certification – This should be done for the Fall count. It should be done again for the Spring count if there were significant adjustments after the Fall count.
- Review of MSDS FTE Comparison Report for drop/add analysis explaining unusual increases in Fall membership or decreases in Spring membership.

## CONDUCTING THE DESK AUDIT

1. Review the Pupil Accounting Manual.
2. Review the correspondence file, prior audit work papers, the prior audit report, and any audit or relevant monitoring reports the district received from other sources.
3. Obtain and review the district's excused/unexcused absence policy.
4. Review district/building course catalogs.
5. Confirm that the district certified it was in full compliance with the Days, Hours, and Attendance requirements or obtained the appropriate waivers.
6. Review the Attendance Report to verify compliance to date with the 75% attendance requirement in the current school year.
7. Review the alphabetical lists of membership to verify the following.
  - a. The MSDS-generated certified final alpha list was submitted for audit.

- b. The printed list from the district's student information system (SIS) compares to the MSDS-generated list.
- c. The alphabetical lists of membership are signed by the building principal or authorized representative. For electronic audits, an affidavit signed by the building principal verifying accuracy of the alpha lists is acceptable.

Attendance is required to be taken daily. When taking attendance electronically, the district should print the attendance from the district's student information system (SIS) and give the ISD auditor read-only access to the SIS.

- d. Verify General Education FTEs on alpha list match the DS4061.
- e. Pupils who were absent on the count day are identified on separate lists.
- f. Pupils in nonconventional categories are identified on separate lists.

It is the district's responsibility to determine the applicable category for each nonconventional pupil. The auditor should determine whether the documentation provided by the district supports the FTE claimed for the nonconventional category selected.

- 8. Perform the following procedures to resolve FTE conflicts. Adjust FTE counts so that no pupil has an FTE that exceeds 1.0, unless the pupil is enrolled in a middle college and meets the requirements in item 8 below. Also, see exception for the Dropout Recovery Program of Section 23a of the State School Aid Act (MCL 388.1623a) addressed in section 5-Q-A of the Pupil Accounting Manual.
  - a. Obtain a status report of unresolved FTE conflicts from the district. Using the FTE Conflict Detection function in MSDS, districts should have identified and resolved as many of the FTE conflicts as possible before the close of the FTE Conflict Resolution process, which ends six weeks after count day.
  - b. At the end of the sixth week, obtain supporting documentation for unresolved FTE conflicts.
  - c. Work with districts to make FTE conflict adjustments within the ISD as needed and work with other ISD auditors for FTE conflict adjustments needed in other ISDs. Verify that the conflicts have been resolved before certifying the district's audit narrative.
  - d. If unable to resolve FTE conflicts, contact the Department's Pupil Membership Auditor. Do not leave conflicts unresolved.
- 9. A pupil enrolled in a middle college may be counted for more than a total of 1.0 FTE if all the following requirements are met:
  - a. The pupil is enrolled in more than the minimum number of instructional days (180) and hours (1,098).
  - b. The pupil is expected and on-track to complete the 5-year program with a high school diploma and at least 60 transferable college credits or an associate degree.
  - c. The membership is exceeded due to the pupil's enrollment in courses specified as part of the early middle college program.

10. Review the Drop/Add lists provided by the district to determine the accuracy of pupils dropped or added near the count day. Review the Drop/Add lists between the Fall and Spring count days to determine the accuracy of differences in FTE counts. Auditors should use the FTE Comparison Report in MSDS. For a district whose Fall count is much higher than the Spring count, perform and document the measures taken to determine possible reasons for the difference.
11. Review the Special Education Worksheets A and B to verify all the following.
  - a. Teacher codes have been included.
  - b. Associated regular education FTE amounts, if any, have been reported in the proper column.
  - c. The resident districts have been identified for pupils being educated outside of their districts of residence.
  - d. FTE totals have been correctly calculated.
  - e. All pupils listed on the worksheets have been identified on the alphabetical lists of membership.
12. Verify the accuracy of FTEs reported in the Additional Information on K-12 Pupils.
  - a. Special Education and General Education FTE. MCL 388.1624. This field only appears on the DS4120 for PSAs and the value must be entered by the ISD.
  - b. New grade levels for the Fall count that have never been offered previously.
13. Verify that the information in the residency-related sections of the DS4061 report matches the residency information on the Pupil Alpha Lists.
14. Schools of Choice may be audited in the desk audit or field audit, depending on where the district's records are maintained. If conducting the Schools of Choice audit during the desk review, which is common when the district records are maintained centrally, verify that:
  - a. The district has signed cooperative agreements for a sample of §105c Special Education pupils accepted since the last field audit. MCL 388.1705c.
  - b. The district certified either that it complied with or that it did not comply with schools of choice provisions in the State School Aid Act.
  - c. If noncompliance exists, report the noncompliance to the Department's Schools of Choice consultant for implementation of the 5% penalty. MCL 388.1705(20) and MCL 388.1705c(20).
15. Evaluate the results of the desk audit and determine if changes need to be made to the district's risk assessment.
16. For the Fall count, verify that all teachers hired by the district are properly certified. For the Spring count, perform these procedures for teachers added after the Fall count.

- a. Request the Master Teacher Schedule from the district. The schedule should include all buildings, as some teachers are scheduled for more than one building. The schedule should also include long-term substitute teachers. If the Master Teacher Schedule is not in Excel format, it is suggested that it be converted to Excel to make for easier searches.
- b. The Center for Educational Performance and Information (CEPI) makes a Registry of Educational Personnel (REP) report available in Excel within the MSDS application for each district in the ISD. Run the report in MSDS.
- c. Compare the Master Teacher Schedule with the REP report. If a teacher is included on the Master Teacher Schedule but not on the REP report, check the Michigan Online Educator Certification System (MOECS) for certification. If a teacher is included on the REP report but not on the Master Teacher Schedule, verify with the district that the teacher is in fact not teaching and therefore is correctly not included on the Master Teacher Schedule.
- d. If a teacher is not properly certificated/credentialed, the ISD auditor shall follow the procedures listed in the Teacher Certification section of this manual. Any FTE adjustments should be made at the student level. Though this may be time consuming, it will simplify §25e adjustments and provide tracking of other audit procedures.

Two sections of the State School Aid Act address the use of non-certificated teachers by local school districts, intermediate school districts, and public school academies when engaged in instruction. See the Teacher Certification section of this manual.

These statutory provisions require that the use of non-certificated teachers result in both the adjustment of the foundation allowance for any pupil membership FTE associated with the teacher and a school aid adjustment equal to the salary paid during the period of non-certificated employment.

#### EXIT CONFERENCE AND AUDIT ADJUSTMENTS

1. Before completion of the audit, the pupil membership auditor shall contact appropriate local district personnel to discuss the following.
  - a. Opportunity for the local district to clarify issues or provide additional documentation for questions identified during the audit.
  - b. General findings: a general comment or an opportunity for the auditor to assist the local school district in identifying ways to improve its documentation or counting procedures to maximize or accurately report FTE memberships.
  - c. Specific findings, along with the associated FTE adjustments: A specific audit finding is a violation of the State School Aid Act, Revised School Code, Pupil Accounting Administrative Rules, or Pupil Accounting Manual that results in the loss of FTE.
  - d. District appeal procedures.

2. If a pupil is added as a result of the desk review, the district must enroll the pupil in MSDS and report the enrollment via the Student Record Maintenance (SRM) collection. The district shall also provide a new alpha list to the ISD auditor as proof of the correction.
3. The ISD auditor shall record FTE adjustments on the FTE Adjustment Form (See [Appendix G](#)).
4. In the MSDS, make all DS4061/4120 adjustments at the student, not aggregate level.

### FIELD AUDITS

In addition to the requirements of the desk audit, the field audit requires the ISD auditor to visit the district building being audited to review pupil membership records in depth. Specific procedures are found in the Conducting the Field Audit section of this manual.

A field audit also requires the auditor to interview a **minimum of 5%** of school district pupil accounting personnel and teachers to determine the possibility that pupil accounting records may have been intentionally altered to secure unfair or unlawful gain.

The auditor determines the risk for each population of pupils:

Population I	Conventional pupils in attendance on count day
Population II	Conventional pupils absent on count day
Population III	Pupils included in nonconventional categories

The auditor selects a sample and examines a percentage of each population of pupils based on the determined risk. All pupils in nonconventional categories are sampled in separate populations by categories to determine that all count requirements have been met. (See specific audit steps for each nonconventional category.)

The Field Audit Checklist ([Appendix E](#)) provides standardization and allows the auditor to perform the necessary procedures in an effective and efficient manner. This checklist does not constitute complete audit documentation. The auditor has discretion in developing alternative audit checklists but must:

- 1) Adequately document the work performed.
- 2) Meet minimum audit standards.
- 3) Include all workpaper references on the documentation.

## RISK ASSESSMENT AND SAMPLE SELECTION

Perform the following planning steps before doing the field audit:

1. Review the Local District Planning Form ([Appendix B](#)). The form should be completed by school district personnel and reviewed by the pupil membership auditor.
2. Select and document the buildings for audit based on the audit cycle and a Building Risk Assessment ([Appendix C](#)). Selection criteria should include types of pupils, prior audit findings, rotation schedule, and potential for error.

Obtain a list of the pupils in the following three categories for each building:

Population I	Conventional pupils in attendance on count day
Population II	Conventional pupils absent on count day
Population III	Pupils included in nonconventional categories

It is the district's responsibility to determine the applicable category for each nonconventional pupil. The auditor should determine whether documentation provided by the district supports the FTE claimed for the nonconventional category selected.

3. Discuss the buildings/programs to be audited and the timing of the audit with responsible local district personnel. Also, provide the local district with a list of items that will need to be available during the field audit. Discussions should also include availability of workspace for the auditors, access to pupil membership records, and assistance to be furnished by the local district.
4. The Field Audit Planning Schedule must include all buildings for each district in the ISD. At a minimum, it should identify for each building the most recent count for which a field audit was conducted and the schedule for the next field audit. The Planning Schedule must be sent annually to the Pupil Membership Auditor in the Department's Office of Financial Management Audits Unit by November 1.
5. Determine sample size. A minimum sample must be selected from each population based on the risk assessment at each building in which a field audit is performed. The percentages for Population III should be applied to each category of nonconventional pupils.

<b>Population</b>	<b>High Risk</b>	<b>Moderate Risk</b>	<b>Low Risk</b>
Population I	15%	10%	2%
Population II	20%	15%	10%
Population III	20%	15%	10%

If the result is not a whole number, the auditor shall round up to the next whole number. Auditors may select samples larger than the minimum.

The building audit procedures allow for alternative sample sizes beginning with 60 if a building with a low-risk assessment has over 600 pupil records, or if a moderate or high risk assessment increases the minimum sample size to more than 60.

### CONDUCTING THE FIELD AUDIT

1. Perform the steps identified for "All Populations," "Population I," "Population II," and "Population III."
2. Using the Sample Summary and Analysis (See [Appendix F](#)), determine and evaluate each population error rate according to the following:
  - a. Errors in each population are accumulated on a head count basis regardless of the FTE impact. For example, an error of an understatement of .5 FTE and an error of an overstatement of .5 FTE are summarized as two errors, although the cumulative FTE error is zero. The error rate is calculated by dividing the cumulative total number of pupil records in error by the cumulative total number of sample items reviewed.
  - b. If the initial sample was less than 60 and the error rate is 5% or greater, the auditor IS REQUIRED to expand the sample in increments to 25%, 40%, 55%, and 75% of the population. If the sample error rate is still 5% or greater at the 75% increment, the auditor IS REQUIRED to expand to a 100% review of the population.
  - c. If the initial sample selected was 60 or more, the auditor may stop if there is one error or no errors. If there are two or more errors, the auditor IS REQUIRED to expand the sample to 90 and then to 180 and 360 records as follows. If 90 pupil records are reviewed and there are 3 or more errors, the auditor IS REQUIRED to expand the sample to 180 items. If 180 pupil records are reviewed and there are 7 or more errors, the auditor IS REQUIRED to expand the sample to 360 items. If 360 pupil records are reviewed and there are 14 or more errors, the auditor IS REQUIRED to expand to a 100% review of the population.
  - d. If errors are isolated, informed professional judgment allows the auditor to focus sample expansion on the subpopulations with the isolated errors. The auditor is encouraged to request that the district identify and correct the isolated errors before expanding the sample.
3. Determine and document the entire building/program error rate. This will be calculated by dividing the total number (on a head count basis) of errors noted in Populations I, II, and III by the total number (on a head count basis) of sample items reviewed in Populations I, II, and III.
  - a. If the building/program error rate is determined to equal or exceed 5% but is less than 10%, the auditor makes a judgment as to whether audit testing should be expanded to audit other like buildings in the district or to audit the same building again for the next pupil membership count.
  - b. If the building/program error rate is determined to equal or exceed 10%, the auditor IS REQUIRED to audit at least one other like building in the district or, if there is no other like building in the district, the auditor shall audit the same building again for the next pupil membership count.

- c. In all cases when an auditor has determined that the building/program error rate is equal to or exceeds 10%, the auditor IS REQUIRED to report the planned sample expansion to the Pupil Membership Auditor at the Department's Office of Financial Management – Audits.
4. Conduct face-to-face interviews with a sample of teachers and pupil accounting personnel to inquire whether they are aware of any inappropriate alterations of their attendance records or any other teacher's attendance records. For a sample Staff Interview form see [Appendix I](#).

## EXIT CONFERENCE AND AUDIT ADJUSTMENTS

1. Before completion of the audit, the pupil membership auditor shall contact appropriate local district personnel to discuss the following.
  - a. Opportunity for the local district to clarify issues or provide additional documentation for questions identified during the audit.
  - b. General findings – a general comment or an opportunity for the auditor to assist the local school district in identifying ways to improve its documentation or counting procedures to maximize or accurately report FTE memberships.
  - c. Specific findings, along with the associated FTE adjustments. A specific audit finding is a violation of the State School Aid Act, Revised School Code, Pupil Accounting Administrative Rules, or Pupil Accounting Manual that results in the loss of FTE.
  - d. District appeal procedures.
2. If a pupil is added as a result of the audit, the district shall enroll the pupil in MSDS and report the enrollment via the SRM collection. The district shall also provide a new alpha list to the ISD auditor as proof of the correction.
3. The ISD auditor shall record FTE adjustments on the FTE Adjustment Form (See [Appendix G](#)).
4. In MSDS, make all DS4061/4120 adjustments at the student level, not the aggregate level.

## SPECIFIC AUDIT PROCEDURES

### ALL POPULATIONS

#### **Complete the following audit steps for all populations:**

1. Pupil Enrollment: Verify that the pupil was enrolled on or before the count date. If the pupil enrolled after count day, the district may be able to claim membership for the pupil under Pupil Accounting Manual 5-Q-B, Section 25e Pupil Membership Transfers.
2. Pupil Age Requirement: Verify that the pupil met one of the following:
  - a. Pupil was at least five years of age on September 1 of the school year. Alternatively, if a child did not meet the minimum age requirement to be eligible to attend school under §1147 of the revised school code, MCL 380.1147, but will be five years of age not later than December 1, the district may count the child in membership if the parent or legal guardian has notified the district in writing that he or she intends to enroll the child in kindergarten for the school year.
  - b. Pupil was less than 20 years of age on September 1 of the school year, **has not achieved a high school diploma or high school equivalency credential**, and does not meet the special education exception.
  - c. Pupil was less than 22 years of age as of September 1 of the school year, **has not achieved a high school diploma or high school equivalency credential**, had dropped out of school, and is enrolled in a public school academy or an alternative education high school diploma program that is primarily focused on educating pupils with extreme barriers to education, such as being homeless as defined under 42 USC 11302. See the Pupil Accounting Manual for a list of examples.
  - d. Pupil was enrolled in and receiving instruction in a special education program or service approved by the department, has not achieved (met all the requirements to be eligible to receive) a high school diploma, and was less than 26 years of age as of September 1. An individual who has obtained a GED certificate may be counted if s/he was a student with a disability as defined in R 340.1702 of the Michigan Administrative Code. A special education certificate of completion is not a high school diploma for these purposes.
  - e. Pupil was in an alternative education program where adult education participants are educated in the same program or classroom and was at least 16 years of age on September 1, of the school year.
3. **Verify the local school district verified the identity and birth date of every pupil enrolling in the district for the first time. The pupil's identity and birth date may be verified through a variety of methods as outlined in the Pupil Accounting Manual.**
4. Verify that the district determined the residency status of the pupils as prescribed in the Pupil Accounting Manual. **Beginning with the 2020-2021 school year, a district is required to retain a copy of the document or documents used to verify residency as part of the enrollment record for each newly enrolled resident pupil and shall retain the document or documents used to verify that a nonresident pupil is eligible to enroll in the district.**
5. **Verify each pupil had a complete current class schedule in effect on the count day.**
6. Attendance Records:

- a. Verify that the teacher of record recorded attendance on a class-by-class basis for buildings or programs in which the pupils change classrooms.
- b. Verify that the teacher of record signed the source attendance document, regardless of the format. The document shall include the name of the class, class period, and dates. Teachers shall sign automated data collection attendance documents, preferably daily, but at a minimum on a weekly basis. If the record is in pencil, the teacher of record must total the daily attendance in ink.
- c. If the district has permission from the ISD auditor to participate in "green auditing":
  - i. Obtain electronic access to the local district attendance records for review during the audit process.
  - ii. Obtain a certification document from the district that contains the names and dated signatures of all teachers of record, attesting to the accuracy of the electronic attendance documentation or file(s).

## POPULATION I – CONVENTIONAL PUPILS PRESENT ON THE COUNT DAY

1. Complete the audit steps for “All Populations.”
2. Determine the total of building Population I pupils. (This should be on the building or program alpha list.)
3. Select a sample from the alpha list on a head count basis. The sample may target known risk areas. See “Risk Assessment and Sample Selection” in Chapter 3 of this manual.
4. Verify that the pupil was in attendance and received instruction in all classes on the count day. Attendance records must be taken on a class-by-class basis for buildings/programs in which the pupils change classrooms (such as high schools and middle schools).

EXCEPTION: Class-by-class attendance taking is not required for middle school pupils moving from class to class in a group as opposed to individually moving to various classes.

5. Determine and evaluate the audit error rate. See Chapter 3, Conducting the Field Audit and [Appendix F](#), Sample Summary and Analysis.

## POPULATION II – CONVENTIONAL PUPILS ABSENT ON ALL OR PART OF COUNT DAY

1. Complete the audit steps for “All Populations.”
2. Determine the total of building Population II pupils. (This should be on the building or program alpha list and on the count day absence list.)
3. Select a sample of these pupils on a head count basis. The sample may target known risk areas. See “Risk Assessment and Sample Selection” in Chapter 3 of this manual.
4. For pupils absent from one or more classes on the count day, verify that either:
  - a. The pupil had an authorized, documented, excused absence on the count day and attended all classes claimed for membership at least once within 30 calendar days after the count day, or was expelled or suspended and returned within 45 calendar days after the count day, or
  - b. The pupil had an unexcused absence on the count day, was enrolled and in attendance prior to the count day, and attended all classes claimed for membership at least once during one of the next 10 consecutive school days after the count day.

Practical Note: Some auditors find it more efficient to select and test all pupils in a sample of the teacher attendance records rather than to select individual pupils for testing. The sample size drawn should be based on risk (e.g., 10% for low risk) and may target known risk areas. Auditors should attempt to draw a representative sample and should consider whether very small or large classes will bias the sample. The auditor should document the sample selection process. Auditors should compare all Population II pupils in the sample teacher records to the Population II documentation provided for audit. This is a test of the accuracy of the district’s Population II lists and a general finding should be written if a discrepancy is noted. The auditor should perform Steps 4(a) and 4(b) above for the Population II pupils and, in cases of noncompliance with the 10/30 day rule, expand that individual pupil record audit to class-by-class for return date verification. The auditor should count the Population II pupils in the teacher attendance books selected and document that a sufficient Population II sample was achieved (e.g., 10% for low risk). Auditors using this optional method will find it efficient to test Population I pupils using the same teacher attendance records.

5. Determine and evaluate the audit error rate. See Chapter 3, Conducting the Field Audit.

### POPULATION III – NONCONVENTIONAL PUPILS

1. Complete the audit steps for "All Populations."
2. Determine the total of building Population III pupils. Nonconventional pupils are described in Sections 5 and 6 of the Pupil Accounting Manual.  

It is the district's responsibility to determine the applicable category for each nonconventional pupil. The auditor should determine whether the documentation provided by the district supports the FTE claimed for the nonconventional category selected.
3. Select a sample of these pupils on a head count basis by applying the risk percentage to each category of Population III pupils. The initial sample will be 20% for high risk, 15% for moderate risk, and 10% for low risk. The sample may target known risk areas. See "Risk Assessment and Sample Selection" in Chapter 3 of this manual.
4. From the sample population of pupils, verify each of the items listed for each Population III section below. Perform the following audit steps for the nonconventional pupils for the category designated by the district.
5. Determine and evaluate the audit error rate. See Chapter 3, Conducting the Field Audit and [Appendix F](#), Sample Summary and Analysis.

## 5-A: ALTERNATIVE EDUCATION PROGRAMS

From the population of pupils designated as 5-A, Alternative Education Programs, review each sampled membership to verify that:

1. The pupil and teacher certified for the grade level, or an individual working under a valid substitute permit, authorization, or approval issued by the Department, were present and engaged in instruction.
2. The pupil was enrolled in and attending courses that are earning credit toward a high school diploma or a **high school equivalency certificate**.
3. Attendance was taken and documentation was provided to ensure that the pupil attended the number of hours scheduled.
4. The pupil did not generate more FTE per course than would be generated by a pupil in a traditional classroom setting.
5. The course was approved by the board of education of a school district or the board of directors of a public school academy.
6. For a learning lab, the pupil was scheduled for a specified number of lab hours per week. A weekly sign-in and sign-out sheet that documents the actual number of hours per week that the pupil attended was provided to the ISD auditor.
7. The pupil was at least 16 years of age on September 1 of the school year if the pupil was educated in the same program or classroom as adult education participants.

## 5-B: COOPERATIVE EDUCATION PROGRAMS

From the population of pupils designated as 5-B, Cooperative Education Programs, review each sampled membership to verify that:

1. The pupil and teacher certified for the grade level, or an individual working under a valid substitute permit, authorization, or approval issued by the Department, were present and engaged in instruction.
2. The course was board-approved and counts toward earning a high school diploma.
3. A written agreement exists between the involved districts to provide certain educational programs. A copy of the agreement was maintained and details the following:
  - a. A program alpha list with the pupil's legal name and UIC number and the resident district name.
  - b. The name of the district that will fulfill the pupil reporting requirements.
  - c. Attendance records for cooperative education pupils.
  - d. A program schedule showing the sum of hours scheduled for the year.
  - e. The sum of the FTE counted by the educating district and the resident district must not exceed 1.0 FTE.
  - f. The residency related information for non-resident cooperative education pupils was reported in the MSDS.

### 5-C: HOME-BASED PUPILS

From the population of pupils designated as 5-C, Home-Based Pupils, review each sampled membership to verify that:

1. The district provided at least two nonconsecutive one-hour periods of individualized (one-on-one) instruction per week to the pupil under the supervision of a grade-level certified teacher, or an individual working under a valid substitute permit, authorization, or approval issued by the Department.
2. The district provided instructional materials, resources, and supplies that are comparable to those otherwise provided in the district's alternative education program.
3. Course content was comparable to that of the alternative education program.
4. Credit earned was awarded and placed on the pupil's transcript.
5. Pupil instruction is required each week of the count period if the pupil is being counted for membership unless the pupil has a documented excused absence that prevents the pupil from receiving services during a week, or if instruction has been canceled district-wide for three or more days during a week of the count period. If a pupil is temporarily unable to receive services, the teacher shall document the reason for the interruption in services and have the parent initial the documentation for the district's records. If a pupil is unable to participate in home-based services during the count period, no FTE shall be claimed.
6. For additional rules regarding home-based pupil instruction see the Pupil Accounting Manual.

## 5-D: HOMEBOUND AND HOSPITALIZED PUPILS

From the population of pupils designated as 5-D, Homebound and Hospitalized Pupils, review each sampled membership to verify that:

1. The membership was supported by written certification of an appropriate physician, hospital, or licensed treatment facility, evidenced by one of the following:
  - a. Written certification from the pupil's attending physician verifying that the pupil has a medical condition that requires the pupil to be hospitalized or confined to home during regular school hours for a period longer than five consecutive school days. The certification must be by a physician who is an MD or a DO. Psychologists, chiropractors, or other professionals may not certify a person as eligible.
  - b. Written certification from a hospital or a licensed treatment facility verifying that the pupil has a medical condition that requires the pupil to be hospitalized in the facility during regular school hours for a period of longer than five consecutive school days.
2. A certified teacher or an individual working under a valid substitute permit, authorization, or approval issued by the Department provided instruction as follows:
  - a. For a general education pupil, a certified teacher provided a minimum of two 45-minute periods of pupil instruction per week.
  - b. For a special education pupil, a certified teacher provided a minimum of two one-hour, nonconsecutive periods of instructional services per week. A certified special education teacher must provide instructional service if specifically required by the pupil's IEP.

Pupil instruction is required each week of the count period if the pupil is being counted for membership unless the pupil has a documented excused absence that prevents the pupil from receiving services during a week, or if instruction has been canceled district-wide for three or more days during a week of the count period. If a pupil is temporarily unable to receive homebound/hospitalized services, district records must show the teacher documented the reason for the interruption in services and the parent initialed the documentation. If a pupil is unable to participate in homebound/hospitalized services during the count period, no FTE shall be claimed.

Under Administrative Rule 340.1746, the district is required to provide a special education homebound/hospitalized pupil with a minimum of 2 nonconsecutive hours of instruction per week during the count period. If the pupil does not receive the minimum instructional service due to an occurrence beyond the provider's control, the district may request a deviation from the Office of Special Education for the opportunity to "make up" the lost instructional time. See the Pupil Accounting Manual for specific instructions.

3. Appropriate attendance records show the dates and amount of time the pupil received homebound/hospitalized services. Attendance records must be signed by the certified teacher providing the service.
4. The teacher of record (the district program or classroom teacher to whom the enrolled pupil was originally assigned within the district) must have:
  - a. Recorded the pupil as having an absence on the count day.

- b. Provided the instructional content to the pupil through the homebound/hospitalized teacher.
- c. Provided all necessary instructional materials such as textbooks and work pages.
- d. Given the grade or credit for the class or subject.

## 5-E: NONPUBLIC AND HOMESCHOOLED PUPILS

From the population of pupils designated as 5-E, Nonpublic and Homeschooled Pupils, review each sampled membership to verify that:

1. The pupil and teacher certified for the grade level, or an individual working under a valid substitute permit, authorization, or approval issued by the Department, were present and engaged in instruction.
2. If instruction was provided at the nonpublic school site, the nonpublic school is registered with the Department as a nonpublic school and meets all state reporting requirements for nonpublic schools.
3. The course was part of the pupil's class schedule and not an extracurricular activity.
4. The curricular offering is offered and available to full-time pupils in the minor's grade level or age group in the district or public school academy at a public school site.
5. The curricular offering is restricted to nonessential elective courses.
6. The pupil was not counted as more than 0.75 of a full-time equated membership.
7. The course length and grading system must be like that of the course offered to public school pupils.
8. Daily attendance records were maintained by the certified teacher who was identified as the teacher of record for the course.
9. The nonpublic or home school pupil was enrolled and attending courses provided at a district, public school academy, or intermediate district site; or the nonpublic pupil was enrolled and attending courses provided by a district, public school academy, or intermediate district at the nonpublic school site; or the homeschooled pupil was enrolled and attending courses provided by his or her resident district at the nonpublic school site.
10. Nonessential Courses, as defined in the State School Aid Act, MCL 388.1766b, are: Grades 1-8, a course other than a mathematics, science, social studies, and English language arts course required by the district for grade progression. Nonessential courses in grades 9 to 12 are those other than algebra 1, algebra 2, English 9-12, geometry, biology, chemistry, physics, economics, geography, American history, world history, the Constitution, government, and civics, or courses that fulfill the same credit requirement as these courses. Nonessential elective courses include courses offered by the local district for high school credit that are also capable of generating postsecondary credit, including, at a minimum, advanced placement and international baccalaureate courses. College level courses taken by high school students for college credit are nonessential courses. Remedial courses for any grade in the above-listed essential courses are considered essential.
11. Optional Learning Experiences are those that provide academic enrichment or supervised activities that enhance a pupil's understanding of content provided in the traditional or virtual environment. Optional learning experiences are learning opportunities that accompany a nonessential course being claimed for state aid under this section. These optional experiences must also be available to a majority of full-time public school pupils of the same age and grade level.

12. At the conclusion of the school year, a district that has counted any pupil or pupils in membership under Section 166b of the State School Aid Act (MCL 388.1766b) shall report in the Teacher Student Data Link (TSDL) a complete listing of all courses provided to all pupils in membership (not just those enrolled under Section 166b), each pupil's course enrollment information using local coding and the school codes for the exchange of data (SCEDs), and the names of the teacher of record and mentor for each course.

Note: Failure to comply with each of these reporting requirements must result in a deduction in the amount of the FTE membership claimed for pupils enrolled under Section 166b.

## 5-F: PART-TIME PUPILS

From the population of pupils designated as 5-F, Part-Time Pupils, review each sampled membership to verify that:

1. The pupil and grade-level certificated teacher for the grade level or an individual working under a valid substitute permit, authorization, or approval issued by the Department, were present and engaged in instruction.
2. The pupil is enrolled and attending one or more classes in the district.
3. The sum of the total FTE for a pupil who is enrolled in more than one district does not exceed 1.0 FTE.
  - a. If the sum of the hours the pupil is enrolled and attending in both districts exceeds the minimum required hours, use the sum of the hours from both districts as the denominator to calculate the FTE.
  - b. If the sum of the hours the pupil is enrolled and attending in both districts is less than the minimum required hours, use the minimum required hours as the denominator.
4. The nonresident pupil who does not qualify for an exemption under MCL 388.1606(6) of the State School Aid Act must have the permission of the resident district if the nonresident pupil is receiving more than one-half of his or her education from the district counting the membership FTE.

5-G-A: POSTSECONDARY AND CAREER AND TECHNICAL EDUCATION  
DUAL ENROLLMENT

From the population of pupils designated as 5-G-A, Postsecondary and Career and Technical Education Dual Enrollment, review each sampled membership to verify that:

1. The pupil was enrolled in one of grades 9-12, or the district has determined it to be in the best educational interest of a pupil in another grade level.
2. The pupil was concurrently enrolled in and attending at least one high school course.
3. The eligible postsecondary institution has submitted to the district, on behalf of the eligible pupil, a notice indicating the course(s) in which the pupil is enrolled, the hours of enrollment, and a list of eligible charges.
4. The district paid the eligible charges related to the pupil's postsecondary enrollment up to a prorated part of the statewide pupil-weighted average foundation that is allocated to each course.
5. The postsecondary education course or career and technical preparation course is included in the pupil's schedule during the count period. The course may be scheduled to occur outside of the regular school year if the pupil is registered for the course and the course has been paid in full.
6. The postsecondary course(s) must be academic in nature or applicable to career preparation. The postsecondary course(s) must apply toward the satisfaction of certificate, degree, or program completion requirements, and may not be in the subject areas of physical education, theology, divinity, or religious education. Hobby craft and recreational courses are not eligible under the dual enrollment acts.
7. The pupil does not participate in intercollegiate athletics at the postsecondary institution while he or she is enrolled under the dual enrollment acts.
8. The pupil has not enrolled in high school for more than four school years, including the school year in which the pupil seeks to enroll in an eligible course under the dual enrollment acts, unless the pupil was eligible under Administrative Rule 388.153.
9. The pupil was enrolled in no more than a total of 10 postsecondary courses as defined in MCL 388.513(1)(d) and 388.1903(1)(e), unless the district has elected to support a pupil's enrollment beyond this limit and a written agreement between the district and postsecondary institution exists for the individual pupil to waive this limit.
10. If the pupil was enrolled under the Postsecondary Enrollment Options Act, MCL 388.511 to 388.524, the postsecondary course was not offered by the local public school in which the eligible pupil was enrolled, unless the course was unavailable to the eligible pupil due to a scheduling conflict beyond the eligible pupil's control, or the district has determined it to be in the pupil's best educational interest to support the enrollment.
11. If the pupil was enrolled under the Career and Technical Preparation Act, MCL 388.1901 to 388.1913, the career and technical preparation program was not offered through the school district, intermediate school district, area vocational-technical education program, or state-approved nonpublic school in which the pupil was enrolled, or the course was unavailable to the eligible pupil due to a scheduling conflict beyond the eligible pupil's control.

### 5-G-B: EARLY MIDDLE COLLEGE PUPILS

From the population of pupils designated as 5-G-B, Early Middle College Pupils, review each sampled membership to verify that:

1. The pupil may be considered full-time if one of the following was satisfied:
  - a. The combined number of classes in which the pupil was enrolled and attending at the high school and at an eligible postsecondary institution equaled the number of scheduled classes per day at the high school necessary to reach the minimum required hours for a full-time pupil. Actual hours of instruction do not need to be calculated.
  - b. The combined number of classes in which the pupil was enrolled and attending at the high school and at an eligible postsecondary institution equaled the number of scheduled classes per day at the high school necessary to meet the minimum instructional time requirements of a reduced schedule. Actual hours of instruction do not need to be calculated.
  - c. The sum of the actual instructional hours in which the pupil was enrolled and attending at the high school and at an eligible postsecondary institution plus the actual travel time met the minimum number of hours required to meet a reduced schedule.
  - d. The pupil met the postsecondary institution's definition of a full-time college pupil.
2. The pupil was enrolled in a school district that had a separate designation in the Educational Entity Master (EEM) indicating that the district provides an early/middle college school or early/middle college program.
3. The pupil was reported with participation code of "3500" in the Michigan Student Data System (MSDS) by the CEPI fall general collection deadline in which the pupil was enrolled in grade 11.
4. The pupil has not satisfied all graduation requirements.
5. The pupil is enrolled in at least one high school math or math related class in a school district in Michigan during the pupil's final year; the course may be one offered by the postsecondary institution during the pupil's final year if high school credit is also awarded.
6. The pupil was not a foreign exchange pupil enrolled under a cultural exchange program.
7. The pupil had at least one parent or legal guardian who was a Michigan resident.
8. A pupil enrolled in an early middle college may be counted for more than a total of 1.0 FTE if all the following requirements are met:
  - a. The pupil is enrolled in more than the minimum number of instructional days (180) and hours (1,098).
  - b. The pupil is expected and on-track to complete the 5-year program with a high school diploma, and at least 60 transferable college credits or an associate degree.
  - c. The membership is exceeded due to the pupil's enrollment in courses specified as part of the early middle college program.

## 5-G-C POSTSECONDARY GIFTED AND TALENTED PROGRAMS

Whether the district pays for the gifted and talented instruction or takes a pro-rated, part-time FTE for the "release" time, all gifted and talented postsecondary partner program pupils must be reported to the ISD auditor as "Pop III 5-G-C".

From the population of pupils designated as 5-G-C, Postsecondary Gifted and Talented, review each sampled membership to verify:

1. A **grade-level** certificated teacher is assigned as the teacher of record for the gifted and talented course. The college professor cannot act as the teacher of record for a course that does not earn college credit.
2. The course is part of the pupil's class schedule and is not an extracurricular activity.
3. The district shall pay the full course tuition or the minimum tuition amount (based on the formula in the Pupil Accounting Manual), whichever is less.
4. On days when the gifted and talented course does not meet off-site, pupils shall report to class with the assigned teacher of record and attendance must be taken.
5. On successful completion of a gifted and talented postsecondary partner course, the district awarded academic credit toward grade progression or graduation requirements.
6. Transportation does not have to be provided, but, if transportation is provided, the cost of transportation may not be used to offset the minimum tuition amount.

## 5-H: REDUCED SCHEDULE PUPILS

From the population of pupils designated as 5-H, Reduced Schedule Pupils, review each sampled membership to verify that:

1. The pupil and/or pupil's parent/guardian submitted a written request for a reduced schedule that details the reason that a reduced schedule would be in the best educational interest of the pupil. If the pupil is less than 18 years of age, the request must be signed by both the pupil and the pupil's parent or legal guardian. If the pupil is 18 years of age or older, the request must be signed by the pupil.
2. The local school district's counselor, or other authorized representative, evaluated the reason for the request and determined that a reduced schedule was in the best educational interest of the pupil. The local school district's counselor or other authorized representative shall sign and date the documentation of the approved reduced schedule.
3. The local school district scheduled the pupil for at least 80% of the required minimum number of hours of instruction for the school year or, in the case of a district that operates on a four blocks per day schedule, the district scheduled the pupil for at least 75% of the required minimum number of hours of instruction for the school year.
4. IEP Reduced Schedule – Special education pupils are to attend the same number of days and hours as are required of any pupil to be counted for a full FTE. The IEP team may shorten the school day for a pupil with disabilities on an individual pupil basis. If the IEP team shortens the day for a medical or emotional reason, the pupil is eligible to be counted for 1.0 FTE. The medical or emotional reason must be documented in the pupil's record or IEP.

The documentation supporting an IEP reduced schedule must be provided by a physician as defined in section 17001(1) of the Public Health Code, 1978 PA 368, MCL 333.17001(1). According to the Public Health Code:

- "Physician" means an individual licensed under Article 15 of the Public Health Code to engage in the practice of medicine.
- "Practice of medicine" means the diagnosis, treatment, prevention, cure, or relieving of a human disease, ailment, defect, complaint, or other physical or mental condition, by attendance, advice, device, diagnostic test, or other means, or offering, undertaking, attempting to do, or holding oneself out as able to do, any of these acts.

Note: This documentation may no longer be provided by a school social worker or school psychologist due to changes in the rules related to the licensing for school social workers and school psychologists.

For additional information regarding Reduced Schedule eligibility, see the Pupil Accounting Manual, Section 5-H.

## 5-I: SECTIONS 105 AND 105c SCHOOLS OF CHOICE

From the population of pupils designated as 5-I, Sections 105 and 105c Schools of Choice, review each sampled membership to verify that:

1. The district has evidence that the pupil met one of the following criteria:
  - a. The pupil was a nonresident, but was a resident of another district within the same ISD. The local district may only count this pupil in membership if all Schools of Choice Section 105 requirements have been met.
  - b. The pupil was a nonresident, but was a resident of another district within an ISD that is contiguous to the educating district's ISD. The local district may only count this pupil in membership if all Schools of Choice Section 105c requirements have been met.
  - c. The pupil was enrolled in and attended the district in the school year or semester immediately preceding the school year or semester in question under Sections 105 or 105c.
  - d. The pupil has been enrolled continuously in the district as a Section 105 or 105c pupil since the year in which the district began enrolling pupils under Sections 105 and 105c.
  - e. A district shall give preference to a school-age pupil who resides in the same household as a pupil who was enrolled in and attended the district the immediately preceding school year or semester.
2. A local school district that enrolls a special education pupil under a Schools of Choice Program will become that pupil's resident district for purposes of developing and implementing an individualized education plan (IEP), and will become responsible for the education of and providing (or arranging for the provision of) services for the pupil.

Section 105c (contiguous) contains an additional requirement that the choice district shall enter into a written cooperative agreement with the special education pupil's resident district as to the payment of added costs associated with the pupil's programs and as to how services will be handled. The written agreement must address how the agreement must be amended in the event of significant changes in the costs or level of special education programs or services required by the pupil.

If a nonresident pupil was enrolled under Section 105c, Schools of Choice, and that pupil subsequently is determined eligible for special education services, the district shall enter into a written cooperative agreement with the special education pupil's resident district as to the payment of added costs for programs and services.

If it is determined that a pupil is eligible for special education services prior to the pupil being enrolled under Section 105c by the district for the first time, and the district and resident district fail to reach a written agreement regarding the coverage of added costs of special education programs and services for the pupil, the pupil shall not be enrolled.

3. A local school district may enroll and count in membership a nonresident pupil as a parent paid tuition pupil in those buildings and/or programs that are not designated as choice programs or may enroll and count in membership a nonresident pupil in a choice program after the specific deadlines have passed. To count the pupil in membership,

approval from the resident district must be obtained. This pupil is not considered a Schools of Choice pupil.

4. A district shall continue to allow a pupil who was enrolled and in attendance in the district until the pupil graduates from high school, even if the pupil subsequently changes resident districts, if the pupil continues to be a resident of Michigan. This does not prohibit a district from expelling a pupil for disciplinary reasons.
5. The district met pre-enrollment requirements as described in the PAM. A district found to be in noncompliance with the statutes established under Sections 105 and/or 105c of the State School Aid Act is subject to forfeiture of 5% of the district's entire state school aid for the year in question.

## 5-K: SPECIAL EDUCATION EARLY CHILDHOOD PROGRAMS AND SERVICES

From the population of pupils designated as 5-K, Special Education Early Childhood Programs and Services, review each sampled membership to verify that:

1. For pupils educated under Administrative Rule 340.1754 (Special Education programs):
  - a. The pupil's IEP was on file and effective as of the count day.
  - b. The pupil was enrolled and receiving instruction on or before the count day.
  - c. The pupil was enrolled in a bona fide program as described in the Pupil Accounting Manual on or before the count day.
  - d. The FTE was calculated by determining the number of instructional hours scheduled and provided and dividing that number by 450.
  - e. For a pupil who was five years of age, attended kindergarten, and had an IEP, the membership was split equitably between Special Education and General Education.
  
2. For pupils educated under Administrative Rule 340.1755 (Special Education services):
  - a. The pupil's IEP or IFSP for Michigan Special Education eligible pupils was on file and effective as of the count day.
  - b. The pupil was assigned to an approved or endorsed early childhood Special Education teacher or approved related service provider on or before the count day.
  - c. The pupil was scheduled for a minimum of 72 hours during the school year and documentation is available that such services were provided. Pupils not receiving the minimum 72 hours of services within one school year are ineligible to be counted for membership purposes.
  - d. The pupil's IEP identified Rule 340.1755 services, including the frequency, duration, and location of the services.
  - e. For pupils receiving services from related staff, there is documentation that the related staff worked under the educational direction of an approved or endorsed early childhood Special Education teacher.
  - f. FTE was calculated by determining the number of instructional hours scheduled and provided and dividing that number by 180.
  
3. For pupils educated under Administrative Rule 340.1862 (Individualized Family Service Plan):
  - a. The pupil's IFSP was on file and effective as of the count day.
  - b. The pupil was assigned to an approved or endorsed early childhood Special Education teacher or approved related service staff on or before the count day.
  - c. The pupil was scheduled for a minimum of 72 hours during one calendar year and documentation is available that such services were provided.
  - d. The pupil's IFSP identified Rule 340.1862 services, including the frequency, duration, and location of the services and it indicated the child was eligible for Michigan mandatory special education.

- e. For pupils receiving services from related staff, there is documentation that the related staff worked under the educational direction of an approved or endorsed early childhood Special Education teacher.
- f. FTE was calculated by determining the number of instructional hours scheduled and provided and dividing that number by 180.

## 5-L: SPECIAL EDUCATION PUPIL TRANSITION SERVICES

From the population of pupils designated as 5-L, Special Education Pupil Transition Services, review each sampled membership to verify that:

1. The pupil was assigned to a grade-level Special Education certified teacher employed by the educating district or an individual working under a valid substitute permit, authorization, or approval issued by the Department.
2. The pupil met the 1,098 hours requirement to be counted full-time. Less than 1,098 hours results in a prorated FTE.
3. Work Activity Center Services: In addition to the above, membership for pupils receiving Work Activity Center Services must also be based on the following:
  - a. The activities in which the pupil engages for the deviated wage portion of his/her work activity center services were incidental to the instructional program (i.e., less than 50% of the pupil's school time).
  - b. If the pupil is engaged in activities where a deviated wage is paid for more than 50% of the time in a work activity center service, the time does not count toward membership, because the pupil is in the Work Activity Center primarily for therapy or employment and not for the purpose of receiving instruction. A pupil who attends school less than 50% of his/her time may only be counted for the time instruction is received under the direct supervision of a teacher.
4. Transition Community Living Experience (TCLE): In addition to 1-3 above, membership for pupils receiving transition community living experiences must be based on the following:
  - a. By the pupil membership count day, the district must have in place a training plan and training agreement with the community living experience site that set forth expectations and standards of attainment. The community living experience must align with the pupil's postsecondary goals as described in the pupil's IEP.
  - b. The community living experience component must have been approved by the local school board and must contain learning objectives and standards for determining pupil progress. The learning objectives cannot be general, such as punctuality, developing good work habits, and other general employability skills.
  - c. The community living experience must have been monitored by a designated school Special Education teacher.
  - d. The community living experience must be documented on the pupil's schedule and a grade or credit must be given based upon the assessment of progress towards the achievement of the pupil's school goals.
  - e. The community living experience site must have taken pupil attendance and maintained verified records of that attendance.

### 5-M: SPLIT-SCHEDULE PUPILS

From the population of pupils designated as 5-M, Split-Schedule Pupils, review each sampled membership to verify that:

1. The district has determined the total number of instructional hours provided to the student by adding together the hours at each building/program.
2. Each building has claimed the appropriate FTE by dividing the number of hours in that building by the total number of hours provided to the pupil district wide.
3. The total FTE for the student (sum of all buildings/programs) may not be more than 1.0 FTE.

## 5-N: PUPILS WITH SUSPENSIONS AND EXPULSIONS

From the population of pupils designated as 5-N, Pupils with Suspensions and Expulsions, review each sampled membership to verify that:

1. Short-term Suspensions (10 days or less):
  - a. The attendance book of the teacher of record shows the pupil was absent from class due to suspension.
  - b. The pupil was supervised by a grade-level certified teacher, or an individual working under a valid substitute permit, authorization, or approval issued by the Department, with attendance taken where the pupil was served.
2. Long-term Suspensions or Expulsions (up to 180 days): Membership of pupils under this section is prorated based on the minimum number of required hours of pupil instruction. (For more information, see the Pupil Accounting Manual.)
  - a. Attendance was taken where the pupil was served.
  - b. Pupil instruction was provided by a grade-level certified teacher, or an individual working under a valid substitute permit, authorization, or approval issued by the Department.
  - c. Instruction was academic in nature and led to credit toward grade progression or a high school diploma.
  - d. Nonresident pupils enrolled in and attending an alternative education program who have been suspended or expelled from the resident district may be counted for membership purposes without a release from the resident district.
3. Permanently Expelled (State Mandated Expulsions):
  - a. The pupil was enrolled in the district for the purpose of receiving instruction.
  - b. The district worked with the pupil to develop an instruction plan for self-study.
  - c. The district provided the textbooks and other instructional materials.
  - d. A grade-level certified teacher, or an individual working under a valid substitute permit, authorization, or approval issued by the Department, provided a minimum of two non-consecutive hours of direct pupil instruction per week.

## 5-O-A: DISTANCE LEARNING AND INDEPENDENT STUDIES

From the population of pupils designated as 5-O-A, Distance Learning, and Independent Studies review each sampled membership to verify that:

1. A teacher certified for the grade level, or an individual working under a valid substitute permit, authorization, or approval issued by the Department, is identified as the teacher of record.
2. The pupil was enrolled in the course and the course title (as published in the course catalog or list) or board-approved course name is reflected on the pupil's class schedule and transcript.
3. The course generates credit toward a high school diploma or grade progression. Earned credit is recorded on the pupil's transcript.
4. The course is academic in nature and was approved by the board of education of the school district or board of directors of the public school academy.
5. The course generates an amount of FTE that is comparable to the FTE that the course would generate if offered through a traditional format.
6. Grade Eligibility
  - a. Distance learning: K-12
  - b. Independent study: 9-12
7. Course Limits:
  - a. Distance learning: No limit
  - b. Independent study: Two courses per semester or trimester
8. If the course is an independent study, the pupil must be concurrently enrolled and attending at least one other course offered by the district in which credit is earned and regular attendance is required.

## 5-O-B: OFFLINE SEAT TIME WAIVER PROGRAMS

From the population of pupils designated as 5-O-B, Offline Seat Time Waiver Programs, review each sampled membership to verify that:

1. A certified teacher, or an individual working under a valid substitute permit, authorization, or approval issued by the department, was assigned and involved in the instructional process as described in the Pupil Accounting Manual.
2. Each pupil has a course-specific class schedule that includes each enrolled course with the actual course name at the time of the count.
3. The pupil was enrolled in the course and the course title (as published in the course catalog or list) or board-approved course name is reflected on the pupil's class schedule and transcript.
4. The course is capable of generating credit toward a high school diploma. Earned credit is recorded on the pupil's transcript.
5. A mentor, employed by the district, is assigned to the pupil.
6. The participation requirement is satisfied for membership purposes. The method for determining participation is identified in the district's seat-time waiver implementation plan and the ISD pupil membership auditor agrees to the method.
7. Each course counts as one class on the pupil's schedule and generates comparable portion of FTE as an on-site course offered by the district unless the instructional time is determined to be less, in which case the FTE is prorated.
8. All seat-time waiver participants must meet the requirements defined for specific programs or course types in which they are enrolled, including those in legislation, administrative rules, and the Pupil Accounting Manual.

## 5-O-C: CYBER SCHOOLS

From the population of pupils designated as 5-O-C, Cyber Schools, review each sampled membership to verify that:

1. The pupil was enrolled in the participating district and attending on the pupil membership count day(s).
2. The cyber school provides full-time instruction and each pupil has a schedule based on the school's criteria for a full-time pupil.
3. The pupil participated in each scheduled course on count day to satisfy the participation requirement. If absent on count day, the pupil must attend and participate in class during the next 10 consecutive school days if the absence was unexcused, or during the next 30 calendar days if the absence was excused.
4. For a pupil who is not learning sequentially, one or more of the following must be met to satisfy the attendance requirement:
  - a. The pupil attended a live lesson from the teacher.
  - b. The pupil logged into a lesson or lesson activity and the login was documented.
  - c. The pupil and teacher engaged in a subject-oriented telephone conversation.
  - d. There is documentation of an email dialogue between the pupil and teacher.
  - e. There is documentation of activity or work between the learning coach and pupil.
  - f. An alternate form of attendance as determined and agreed upon by the Cyber School and pupil membership auditor was met.
5. For a pupil using sequential learning, the participation requirement may be satisfied as follows:
  - a. The pupil and the teacher of record or mentor must complete a two-way interaction for one course per week for each of the four week count period. Two-way interaction must be relevant to the course progress or course content of one of the courses on the pupil's schedule.

-OR-

- b. The pupil must complete a combination of one or more of the following activities for each scheduled course on count day:
  - Documented attendance in a virtual course where synchronous (live) instruction occurred with the teacher.
  - Documented completion of a course assignment.
  - Documented completion of a course lesson or lesson activity.
  - Documented pupil access to an on-going lesson; this is not a login.
  - Documented physical attendance on count day in each scheduled course may be used for pupil who will attend at least 50% of the instructional

time for each scheduled course, on-site, face-to-face with the teacher of record.

6. The method used to satisfy the attendance requirement must be documented. The documentation must be provided to the ISD auditor upon request.

Note: For pupils using sequential learning, "each scheduled course" refers to the courses currently being attempted by the pupil, rather than every course on the pupil's schedule for the entire term. The district must provide to the pupil membership auditor proof of payment for each course included on the pupil's class schedule.

## 5-O-D: VIRTUAL LEARNING OPTIONS

The requirements in this section apply unless the virtual learning is a supplemental component of a course or unless it is an eligible virtual course under Section 5-A, Section 5-G-A, or Section 5 G-B.

From the population of pupils designated as 5-O-D, Virtual Learning Options, review each sampled membership to verify that:

1. The pupil had parent or legal guardian consent for enrollment in the virtual course(s). Consent is not required if the pupil is at least age 18 or an emancipated minor.
2. Each course was selected from the course syllabus published in the statewide virtual course catalog maintained by the Michigan Virtual (MVU) or from the district or intermediate school district catalog or listing of board-approved courses.
3. Except for a course provided by a community college, a grade-level certified teacher, or an individual working under a valid substitute permit, authorization, or approval issued by the Department, was assigned and involved in the instructional process as described in the Pupil Accounting Manual.
4. The pupil was enrolled in the course on count day and the course title (as published in the course catalog or listing) or board-approved course name was reflected on the pupil's class schedule and transcript.
5. If the pupil is enrolled in more than two virtual courses in an academic term, semester, or trimester, the district will work with the pupil to develop an educational development plan (EDP) following the Department guidance. The district shall maintain a copy of the plan on file and shall provide the plan to the pupil membership auditor upon request.
6. The course must be capable of generating credit toward a high school diploma. Earned credit is recorded on the pupil's transcript.
7. A mentor was assigned to the pupil. The mentor's contact information was given to the course provider.
8. The course must not generate more FTE than a comparable course if offered in a traditional format by the district. Enrollment in one or more virtual courses shall not result in a pupil being counted for more than 1.0 FTE.
9. The participation requirement was satisfied for membership purposes.
  - a. The pupil and the teacher of record or mentor completed a two-way interaction for one course per week for each week of the four-week count period, OR
  - b. The pupil completed a combination of one or more of the following activities for each scheduled course on count day:
    - i. Documented attendance in a virtual course where synchronous (live) instruction occurred with the teacher.
    - ii. Documented completion of a course assignment.
    - iii. Documented completion of a course lesson or lesson activity.
    - iv. Documented pupil access to an on-going lesson; this is not a login.

- v. Documented physical attendance on count day in each course may be used for pupils who will attend at least 50% of the instructional time on-site, face-to-face with the teacher of record.

**Notes:**

1. A pupil who enrolls in a virtual course under this section is not required to maintain regular daily physical attendance in a concurrent course.
2. The 10/30-day rule may be applied to pupils who are scheduled to attend at least 50% of the instructional time on-site, face-to-face with the teacher of record, who were scheduled to be in physical attendance on count day; membership will be prorated if the physical attendance requirement was not met for a course unless another participation requirement was satisfied.
3. For pupils using sequential learning, "each scheduled course" refers to the courses currently being attempted by the pupil, rather than every course on the pupil's schedule for the entire term. The district must provide proof of payment for each course included on the pupil's class schedule to the pupil membership auditor. If the pupil is taking more than 2 virtual courses, the district, in collaboration with the pupil and following the Department guidance found here, must create an educational development plan (EDP) that reflects the expected attempt dates for all schedule courses.
4. Synchronous Instruction is often referred to as live or real-time instruction. It is the simultaneous participation in a virtual course by the pupil and teacher, such as providing live instruction through a virtual application like Skype. This type of instruction may place the pupil and teacher in locations separate from each other.
5. For a pupil who transitions from an online environment where weekly two-way interactions are required, to a seated environment where regular attendance is required, physical attendance in scheduled courses may be considered when determining if this requirement is satisfied.
6. If a pupil who is enrolled under this section exits the district prior to the end of the count period, the district may retain the pupil in membership if the participation requirement was satisfied for the week(s) of the pupil's enrollment.
7. Unless two-way interaction is used to establish participation, membership is allowed only for courses in which one of the above alternative participation activities occurred on the count day.

**Educational Development Plans (EDP):**

An EDP is not required for pupils enrolled under Section 166b. See the Pupil Accounting Manual for an example of the information required to be included in an EDP.

## 5-P: WORK-BASED LEARNING EXPERIENCES, APPRENTICESHIPS, AND INTERNSHIPS

From the population of pupils designated as 5-P, Work-Based Learning Experiences, Apprenticeships, and Internships, review each sampled membership to verify that:

1. The pupil was enrolled in grades 9-12.
2. The experience was monitored by a grade-level certified teacher or an individual working under a valid substitute permit, authorization, or approval issued by the Department. Special education pupils enrolled under this section must be monitored by a teacher certified in special education. For CTE Work-Based Learning, the teacher must be a person who is CTE-endorsed or has extensive knowledge of career and technical education.
3. For an internship or work experience qualifying for credit under this section, the activity was determined to be academically appropriate by the school board. The pupil's parent or legal guardian granted permission that the pupil be excused from at least 1 period of instructional time during each day of the internship or work experience. If the experience causes the pupil to receive less than full-time instructional hours, the membership must not be prorated.
4. For general education non-CTE Work-Based Learning, a professional employee of the district conducts site visits once every nine weeks. For special education non-CTE Work-Based Learning, a professional employee of the district conducts site visits once every 30 days. For CTE Work-Based Learning, a vocationally certified teacher/coordinator conducts site visits every nine weeks.
5. The pupil was eligible to receive credit toward a high school diploma for the experience.
6. The pupil attends the internship or work experience at least 4 hours per week for the same number of weeks as are necessary to earn credit in a traditional course in that school district or public school academy. The school board or board of directors, or its designee, must not require a pupil to attend the internship or work experience more than 10 hours per week.
7. The experience did not generate more than one-half of the pupil's membership up to .5 FTE.
8. The district had a written training agreement and training plan in place by the count date.
9. The employer or certified teacher/coordinator maintained and verified records of the pupil's attendance throughout the duration of the training agreement.
10. Safety instruction appropriate to the placement was provided by the district or employer and documented in either the training plan or training agreement.
11. The district verified that the pupil was covered under workers' disability compensation and general liability insurance. The liability information is included on the training agreement/training plan form.

12. Federal and state regulations regarding the employment of minors were followed. A minor pupil age 16 or older is allowed not more than 24 hours of work per week while school is in session (MCL 409.111). A minor pupil under the age of 16 shall not be employed more than a combined school and work week of 48 hours during the period when school is in session. (MCL 409.110). Training agreements cannot be written to exempt pupils from provisions of federal child labor regulations, except for those detailed in Child Labor Bulletin 101 (rev. November 2016), Child Labor Provisions for Nonagricultural Occupations under the Fair Labor Standards Act, issued by the Wage and Hour Division of the United States Department of Labor.
13. The district must provide written certification acknowledging compliance with program-level requirements found in the work-based learning companion document.
14. If the pupil membership auditor finds that components of the training agreement or training plan are incomplete, a general finding will be issued and the Department will be notified.

## 5-Q-A: SECTION 23a DROPOUT RECOVERY PROGRAM

From the population of pupils designated as 5-Q-A, Section 23a Dropout Recovery Program, review each sampled membership to verify that:

1. The pupil was counted as 1/12<sup>th</sup> of an FTE for each month that the pupil was enrolled in the dropout recovery program and in full attendance.
2. The pupil was not counted for more than 1.0 FTE under this section.
3. The pupil was in full attendance for a month.
4. The dropout recovery program only enrolled eligible pupils.
5. The pupil met at least one of the following criteria:
  - a. The pupil had been expelled from school under the mandatory expulsion provisions in §1311 or §1311a of the Revised School Code.
  - b. The pupil was suspended or expelled from school under a local policy.
  - c. The pupil was referred by a court.
  - d. The pupil was pregnant or a parent.
  - e. The pupil was previously a dropout.
  - f. The pupil was determined by the district to be at risk of dropping out.
6. The dropout recovery program provided an advocate. All of the following apply:
  - a. An advocate may serve in that role for more than one pupil but no more than 50 pupils.
  - b. An advocate may be employed by the district or may be provided by an education management organization that is partnering with the district.
  - c. Before an individual was assigned to be an advocate, the district complied with §1230 and §1230a of the Revised School Code with respect to that individual.
7. The program developed a written personalized learning plan that was in place on or before the first school day of the month for the first month the pupil participated in the program.
8. The program monitored the pupil's progress against the written learning plan.
9. The program required each pupil to make satisfactory monthly progress as defined by the district.
10. The program reported the pupil's progress results to the partner district at least monthly.
11. The program was operated on or off a district school campus. The program may be operated using distance learning online only if the program provided a computer and Internet access for each eligible pupil participating in the program.
12. The program was operated throughout the entire calendar year (12-month program).
13. If the district partnered with an education management organization, the organization had a dropout recovery program partnership relationship with at least one other district.

14. Not later than 30 days after the end of a month, the district operating the program reported to the Center for Educational Performance and Information (CEPI) the number of pupils who were enrolled in the program and were in full attendance for the month.

## 5-Q-B: SECTION 25e PUPIL MEMBERSHIP TRANSFERS

From the population of pupils designated as 5-Q-B, Section 25e Pupil Membership Transfers, review each sampled membership to verify that:

1. The pupil was claimed by another district for all or part of an FTE on the pupil membership count day.
2. The pupil transfer occurred between the pupil membership count day and supplemental count day of the current school year.
3. The pupil satisfied the residency requirement of §6(4) of the State School Aid Act or met one of the exceptions provided in §6(6) of the State School Aid Act in the district making the claim under this section.
4. The request for a membership transfer under Section 25e was submitted not more than 30 days after the pupil enrolled in the district.

The process for review of §25e requests is as follows.

1. The district requests a §25e transfer adjustment by submitting an SRM in MSDS. The request is made in the §25 component of the SRM. Auditors do not have editing capabilities in the §25e transfer request application.
2. The pupil membership auditor must review §25e transfer requests at least monthly. It is recommended that such review occur on a weekly basis.
3. Timing of approval or denial
  - a. Approval or denial of any §25e transfer request does not occur before the deadline for local district or ISD certification. This ensures that the pupil membership auditor has obtained a copy of the DS4061 before any FTE adjustments are made for §25e transfer requests.
  - b. Approval or denial of any §25e transfer request does not occur sooner than one week after the SRM submission. This ensures that the local district or ISD has the opportunity to dispute any adjustments.
4. During each review of §25e transfer requests, the pupil membership auditor selects a 10% random sample of requests from each district for audit.
5. Based on documentation submitted by the local district or ISD, the pupil membership auditor verifies membership, enrollment, and first day of attendance for each pupil in the 10% random sample.
6. If there is an error rate of greater than 10% in the 10% random sample, the pupil membership auditor must expand the sample size to 20%. If the error rate is still greater than 10%, the sample size must continue to be expanded by 10% increments until the error rate is not greater than 10%.
7. The pupil membership auditor reviews each SRM to verify that it was submitted by the local district or ISD within 30 days of the pupil's first day of attendance. An SRM submission that does not conform to this requirement is denied. This does not apply,

however, to a corrected SRM submitted to MSDS by a local district or ISD. Such submissions are not subject to the 30-day requirement.

8. The pupil membership auditor approves or denies all §25e transfer requests by April 1.
9. The portion of the FTE for which a pupil is enrolled in one or more online courses under §21f shall not be counted or transferred under the pupil transfer process under §25e.

## 5-Q-C VISA PROGRAM PUPILS

This section applies to noncitizens of the United States who are in this country under visas allowing them to study here. These individuals include individuals holding F-1 visas (student visas) and those participating in exchange visitor programs who hold J-1 visas (exchange visitor visas).

All of the following requirements must be met for membership purposes:

1. The pupil has not met all requirements to be eligible to receive a high school diploma or a high school equivalency certificate such as a General Educational Development (GED) in the United States and has not received an equivalent credential in his/her home country.
2. The pupil meets the age of enrollment requirements established by the State School Aid Act, MCL 388.1606 (4)(I), and the age and identity have been verified in accordance with the Revised School Code (MCL 380.1135).
3. The pupil and grade-level certified teacher, or an individual working under a valid substitute permit, authorization, or approval issued by the Department, were present and engaged in instruction.
4. The pupil was enrolled in all courses on or before count day.
5. The pupil's class schedule and transcript reflect all course titles (as published in the course catalog or list) or board-approved course names.
6. The courses are capable of generating credit toward a high school diploma. Earned credit is recorded on the pupil's transcript.

## 6-A: EXPERIENTIAL LEARNING COURSES

From the population of pupils designated as 6-A, Experiential Learning Courses, review each sampled membership to verify that:

1. The pupil was enrolled in grades 9 to 12.
2. Instruction was provided by the teacher of record who is a grade-level certified teacher, or an individual working under a valid substitute permit, authorization, or approval issued by the Department.
3. The course is a combination of instruction and direct experience.
4. The primary responsibility of the teacher of record of the course must be delivering instruction to the enrolled pupils. The teacher shall not be concurrently teaching another course.
5. A grade and credit are given based upon assessment of more than general employability skills.
6. Attendance was taken and documented for both the classroom instruction and the direct experience components of the course.
7. The experience was a local school board-approved curriculum/course.
8. The board-approved curriculum and course had identifiable content standards and expectations and were progressive in nature.
9. The learning objectives were not general employability skills, such as punctuality and developing good work habits.
10. The experiential learning course was not used as the sole course requirement for eligibility to participate in dual enrollment.
11. The pupil was limited to one experiential learning course per semester.
12. The pupil did not replace an employee.
13. The pupil had an educational development plan (EDP) in place.

## 6-B: PEER-TO-PEER ELECTIVE COURSE CREDIT PROGRAM

From the population of pupils designated as 6-B, Peer-to-Peer Elective Course Credit Program, review each sampled membership to verify that:

1. The pupil was enrolled in grades 6-12.
2. The curriculum was approved by the local board of education.
3. Instructional objectives were established by the approved peer-to-peer support curricular content.
4. The peer-to-peer pupil was provided a course syllabus.
5. The peer-to-peer teacher provided lesson plans and the grading criteria for each peer-to-peer course or credit.
6. The teacher recorded daily attendance for the peer-to-peer pupil.
7. The teacher of record completed pupil assessment and grading.

## CHAPTER 3 – AUDIT REPORTS AND REPAYMENTS

### AUDIT REPORTS

1. The pupil membership audit narrative report must be built in MSDS. It is recommended that auditors build the narrative as they adjust the audited count (DS4120) so that the two are in balance. They must balance before the narrative can be certified. See the MSDS District User Training Manual for more information. According to §18 of the State School Aid Act (MCL 388.1618), the narratives are due to the Department on November 1 after the close of the school year. For example, the October 2019 and February 2020 narratives are due on November 1, 2020. The final audited count report (DS4120) is a public record and is available to any interested party.
2. Print the completed narrative and give it to the ISD Superintendent and District Superintendent. It is advisable to offer a period in which to provide feedback.

### REPAYMENTS

ISD audit state aid adjustments will be made prior to any audit review decisions. §15(2) of the State School Aid Act, MCL 388.1615(2), states that:

If the result of an audit conducted by or for the department affects the current fiscal year membership, affected payments shall be adjusted in the current fiscal year deduction due to an adjustment made as a result of an audit conducted by or for the department, or as a result of information obtained by the department from the district, an intermediate district, the department of treasury, or the office of auditor general, must be deducted from the district's apportionments when the adjustment is finalized.

At the request of the district and upon the district presenting evidence satisfactory to the department of the hardship, the department may grant up to an additional 4 years for the adjustment and may advance payments to the district otherwise authorized under this article if the district would otherwise experience a significant hardship in satisfying its financial obligations. However, a district that has presented satisfactory evidence of hardship and is undergoing an extended adjustment during 2018-2019 may continue to use the period of extended adjustment as originally granted by the department.

## **CHAPTER 4 – INFORMAL AGENCY REVIEW OF INTERMEDIATE SCHOOL DISTRICT AND CERTIFIED PUBLIC ACCOUNTANT PUPIL MEMBERSHIP AUDITS**

Section 18(4) of the State School Aid Act, MCL 388.1618(4), requires an intermediate school district (ISD) or certified public accountant (CPA) audit of each district's pupil accounting records at least annually and at such other times as determined by the department. The ISD or CPA audit includes a review of district-provided documentation to substantiate membership data submitted to the Michigan Student Data System (MSDS). Following the audit, the ISD auditor or the CPA may adjust a pupil membership count in accordance with statutes, administrative rules, the Pupil Accounting Manual, the Pupil Membership Auditing Manual (PMAM), and department policies. A district may request informal agency review of an adverse ISD or CPA audit adjustment as described below.

- A. A district may file a written request for informal agency review of an adverse ISD or CPA audit adjustment with the department no later than 30 days after the date of the decision. The request for informal agency review must include a detailed description of each pupil membership or part of a full-time equated (FTE) membership in dispute and the rationale for and legal references supporting the district's position. With the request for informal agency review, the district may submit only documents that were available to the ISD auditor or the CPA. The district sends the request for informal agency review by email to:  
[MDE-SuperintendentAppeals@michigan.gov](mailto:MDE-SuperintendentAppeals@michigan.gov) or by mail to: State Superintendent, Michigan Department of Education, 608 W. Allegan Street, PO Box 30008, Lansing MI 48909.
- B. The district provides a copy of the request for informal agency review to the ISD auditor or the CPA.
- C. The state superintendent or designee offers the district the option to present its request for informal agency review entirely in writing or at an informal review conference at the department or by way of a conference call. Attendees at a review conference include the designee of the state superintendent; a representative or representatives of the district; and, in the discretion of the state superintendent or designee, representatives of the ISD or the CPA, department staff, and other individuals.
- D. In the exercise of discretion, the state superintendent or designee may accept or request additional documents from the district and from the ISD auditor or the CPA, direct further investigation by the ISD auditor or the CPA and by the department, and consult with and rely on the expertise of department staff.

- E. The informal agency review includes, but is not limited to, consideration of available materials, the district's written request for informal agency review, and arguments made at the review conference, if any.
- F. The state superintendent issues a final written decision, affirming, reversing, or modifying the audit adjustments of the ISD auditor or the CPA, and provides a copy of the decision to the district and to the ISD auditor or the CPA. Based on review of available materials, the state superintendent may, in the exercise of discretion, refer the matter to appropriate local, state, or federal authorities as applicable.
- G. The final written decision of the state superintendent is the final agency decision for purposes of judicial review or appeal and the district may not file further requests for department review regarding the matter.
- H. The department makes the appropriate FTE adjustments, if any, in MSDS in accordance with the final agency decision and notifies the ISD, the CPA, if applicable, and the district of the adjustments.

## **CHAPTER 5 – QUALITY CONTROL REVIEW OF PUPIL MEMBERSHIP AUDITS AND INFORMAL AGENCY REVIEW OF QUALITY CONTROL REVIEW DECISIONS**

In the exercise of its supervisory authority over the distribution of state school aid, MCL 388.1618(4), the department conducts quality control reviews (QCRs) of ISD and CPA pupil membership audits to determine compliance with statutes, administrative rules, the Pupil Accounting Manual, the Pupil Membership Auditing Manual (PMAM), and department policies. QCRs ensure that the department complies with the April 2005 report of a performance audit by the Office of the Auditor General (OAG) of the department’s pupil membership accounting and auditing procedures.<sup>1</sup> As recognized by the OAG at that time, the department has “oversight responsibility to ensure that the distribution of State school aid funding is based on reliable and verified pupil membership counts submitted by local school districts.” The OAG recommended that the department resume the QCR process for pupil membership audits to help ensure that the department consistently evaluates pupil membership accounting and auditing functions and that the department takes appropriate corrective action when it finds material noncompliance.

Another purpose of the QCR process is to provide training and technical assistance to pupil membership auditors. Following a QCR, the department may adjust a pupil membership count or supplemental count as described in section A below, with informal agency review available upon request as described in section B.

### **A. Quality Control Review**

1. The department’s Office of Financial Management plans QCRs on a three-year schedule for all ISDs and CPAs that conduct pupil membership audits of school districts. The department may revise the schedule in its discretion based on reasons that include, but are not limited to, the following:
  - a. An ISD auditor or a CPA requests a QCR outside the three-year schedule.
  - b. The department identifies conditions that may affect pupil accounting accuracy and that demonstrate the need for additional oversight by the department.
  - c. Complaints or concerns that arise within the department or that come to the department from external sources demonstrate the need for additional oversight by the department.
  - d. A QCR discloses significant deficiencies that the department determines justify annual QCRs until correction of the deficiencies.

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<sup>1</sup> The report is available at: [https://audgen.michigan.gov/finalpdfs/04\\_05/r3140004.pdf](https://audgen.michigan.gov/finalpdfs/04_05/r3140004.pdf).

2. The tentative QCR schedule is as follows:

YEAR 1 - (beginning 2020)	YEAR 2 - (beginning 2021)	YEAR 3 - (beginning 2022)
Allegan Area ESA	Alpena-Montmorency-Alcona ESD	Calhoun ISD
Bay-Arenac ISD	Barry ISD	Clinton County RESA
Cheboygan-Otsego-Presque Isle ESD	Berrien RESA	Eaton RESA
Copper Country ISD	Branch ISD	Genesee ISD
Delta-Schoolcraft ISD	Charlevoix-Emmet ISD	Ingham ISD
Dickinson-Iron ISD	Clare-Gladwin RESD	Ionia County ISD
Eastern Upper Peninsula ISD	C.O.O.R. ISD	Livingston ESA
Gogebic-Ontonagon ISD	Gratiot-Isabella RESD	Monroe County ISD
Hillsdale County ISD	Huron ISD	Montcalm Area ISD
Jackson County ISD	Iosco RESA	Oakland Schools
Kalamazoo RESA	Lapeer County ISD	Ottawa Area ISD
Kent ISD	Lewis Cass ISD	Shiawassee RESD
Lenawee ISD	Manistee ISD	St. Clair County RESA
Macomb ISD	Mecosta-Osceola ISD	Van Buren ISD
Marquette-Alger RESA	Midland County ESA	Washtenaw ISD
Menominee County ISD	Newaygo County RESA	Wayne RESA
Muskegon Area ISD	Sanilac ISD	Darnell & Meyering, CPA
Saginaw ISD	St. Joseph County ISD	
Tuscola ISD	Traverse Bay Area ISD	
Wexford-Missaukee ISD	West Shore ESD	

3. The department determines which districts it will review in a QCR based on a combination of risk factors and the field audits conducted by the ISD auditor or the CPA. The department chooses a minimum of two districts for each QCR, taking into consideration whether a program is of high risk, the proximity in time of a school district's last QCR, previous QCR outcomes, and previous ISD or CPA audit outcomes.
4. Based on consideration of available documentation and communication with the selected districts and the ISD auditor or the CPA, the individual who conducts the department's QCR determines whether an audit adjustment is warranted under applicable statutes, administrative rules, the Pupil Accounting Manual, the PMAM, and department policies. The QCR findings identify memberships in dispute and explain membership adjustments.
5. The individual who conducts the department's QCR presents to the department audit manager all materials considered by that individual and the proposed QCR findings.

6. In the exercise of discretion, the audit manager may consult with and request additional documents from the selected districts and the ISD auditor or the CPA, direct further investigation by the ISD auditor or the CPA and by the individual who conducted the QCR, and consult with and rely on the expertise of department staff.
7. The audit manager approves, approves in part, or disapproves the QCR findings; notifies the districts and the ISD auditor or the CPA of the audit manager's decision; and, as applicable, informs the district of the 30-day timeline for requesting informal agency review.
8. The department pupil auditor notifies the CPA who conducted the audit, if applicable, and the ISD auditor of the decision to make FTE adjustments. The ISD auditor makes the appropriate FTE adjustments in the Michigan School Data System (MSDS).

#### B. Informal agency review of QCR decision

1. A district may file a written request for informal agency review of an FTE adjustment that is based on an adverse audit manager's QCR decision with the department no later than 30 days after the date of the decision. The request for informal agency review must include a detailed description of each pupil membership or part of a full-time equated (FTE) membership in dispute and the rationale for and legal references supporting the district's position. With the request for informal agency review, the district may submit only the documents that were available to the ISD auditor or the CPA, to the individual who conducted the QCR, or to the Department Audit Manager. The district sends the request for informal agency review by email to: [MDE-SuperintendentAppeals@michigan.gov](mailto:MDE-SuperintendentAppeals@michigan.gov) or by mail to: State Superintendent, Michigan Department of Education, 608 W. Allegan Street, PO Box 30008, Lansing MI 48909.
2. The district provides a copy of the request for informal agency review to the ISD auditor or the CPA.
3. The state superintendent or designee offers the district the option to present its request for informal agency review entirely in writing or at an informal review conference at the department or by way of a conference call. Attendees at a review conference include the designee of the state superintendent; a representative or representatives of the district; and, in the discretion of the state superintendent or designee, representatives of the ISD or the CPA, department staff, and other individuals.
4. In the exercise of discretion, the state superintendent or designee may accept or request additional documents from the selected districts, the ISD auditor or the CPA, the individual who conducted the QCR, and the audit manager; direct

- further investigation by the ISD auditor or the CPA and by the department; and consult with and rely on the expertise of department staff.
5. The informal agency review includes, but is not limited to, consideration of available materials, the district's written request for informal agency review, and arguments made at the review conference, if any.
  6. The state superintendent issues a final written decision, affirming, reversing, or modifying the decision of the audit manager, and provides a copy of the decision to the district and to the ISD auditor or the CPA. Based on review of available materials, the state superintendent may, in the exercise of discretion, refer the matter to appropriate local, state, or federal authorities as applicable.
  7. The final written decision of the state superintendent is the final agency decision for purposes of judicial review or appeal and the district may not file further requests for department review regarding the matter.
  8. The department makes the appropriate FTE adjustments, if any, in MSDS in accordance with the final agency decision and notifies the ISD, the CPA, if applicable, and the district of the adjustments.

## **CHAPTER 6- EXIT STATUS, DROP-OUT RATE, AND GRADUATION RATE AUDIT**

### INTRODUCTION

ISD audit responsibilities include audits of pupil exit statuses and other pupil data used in calculating annual graduation and pupil dropout rates.

MSDS is the source for data used in calculating graduation and dropout rates. Data from MSDS are populated into the Graduation and Dropout (GAD) Application for the purpose of auditing pupil exit statuses.

### AUDITS OF ACTIVE COHORTS

Auditors review all submitted data on an annual basis. An annual audit ensures that auditors are not auditing multiple pupil exit code changes throughout the year and ensures that there are not conflicts between auditor findings and submitted data.

The annual audit can be done as a desk or a field audit. A small sample of exit codes is selected from each high school building scheduled for a field audit of FTE in that school year.

If the audit is performed by a CPA rather than the ISD auditor, the ISD will provide the CPA with the necessary pupil reports. CPAs should request this data in a timely manner.

Technical Summary	Example
a. The GAD Application is updated each October after the final disposition is reported on all pupils for the prior school year. Outlying buildings are identified and flagged as such.	2019-2020 school year final dispositions are reported in MSDS via the End-of-Year General Collection by the end of June or the SRM Collection by mid-September.
b. ISD auditors are given access to the GAD Application in late October after final dispositions are reported.	2019-2020 school year final dispositions are available in the GAD Application late-October for pupils in the 2018, 2019, 2020, 2021, 2022 and 2023 cohorts.
c. The GAD remains open for approximately six weeks for auditors to record findings on the six active cohorts for the audited school year.	ISDs audit 2019-2020 exit status codes reported for pupils in the 2018, 2019, 2020, 2021, 2022, and 2023 cohorts from late October through mid-December.
d. Auditors may remove findings if districts provide them with the appropriate documentation during the six-week audit period.	Late-October to mid-December.
e. CEPI calculates graduation and dropout rates based on pupils' dispositions after the audit is completed.	Mid-December through mid-January.

## AUDIT STEPS FOR GRADUATES AND COMPLETERS

Pupils who graduated or completed are reported by the district with the following exit statuses.

### **Exit Status and Definition**

- 01 Graduated from General Education with a diploma
- 02 Graduated from General Education with a diploma and applied to a degree-granting college/university
- 03 Graduated from an alternative program with a diploma
- 04 Graduated from General Education and applied to a non-degree-granting institution
- 05 Completed General Education with an equivalency certificate, General Educational Development (GED)
- 06 Completed General Education with other certificate (e.g., certificate of attendance, district competency test)
- 20 Received Special Education certificate of completion and exited the kindergarten through 12<sup>th</sup> grade (K-12) system
- 21 Special Education – reached maximum age and exited the K-12 system
- 40 Graduated from an Early/Middle College with both a high school diploma and an associate degree or other advanced certificate
- 41 Graduated from an Early/Middle College with only a high school diploma

1. Randomly select a representative 2% sample from each exit status code for testing from the buildings scheduled for field audits in that school year (both fall and spring counts). The sample should be selected from final disposition for the school year as reflected in the pupil lists in the GAD Application. Provide the sample list to the district and request supporting documentation.
2. Review supporting documents for compliance with the Table of Acceptable Exit Status Documentation. Note: Auditors may find it more efficient to obtain the district's lists of graduates/completers before starting the audit so that they can simultaneously select pupils for sample and determine compliance.
3. Determine the error rate. If it is above 5%, pull an additional 10% sample and test. Continue this process until the cumulative error rate is 5% or lower or all graduate and completer records are reviewed.

Note: If the underlying errors are isolated, informed professional judgment allows the auditor to focus the sample expansion on the subpopulation(s) with isolated error(s).

4. Enter findings into the GAD Application. Change the exit code to "status unknown" if the district does not provide supporting documentation.

## AUDIT STEPS FOR EXEMPT PUPILS

Pupils who are exempt from the graduation rate calculation are reported by the district with the following exit statuses.

### **Exit Status and Definition**

- 09 Moved out of state
- 12 Deceased
- 14 Enrolled in home school or withdrew to attend out-of-state cyber school or virtual school
- 15 Enrolled in nonpublic school or withdrew to attend a nonpublic in-state cyber school or virtual school

1. Randomly select a representative 5% sample from each exit status code for testing from the buildings scheduled for field audits in that school year (both fall and spring counts). The sample should be selected from final disposition for the school year as reflected in the pupil lists in the GAD. Provide the sample list to the district and request supporting documentation for pupils exited with an exempt status during the year.
2. Review supporting documents for compliance with the Table of Acceptable Exit Status Documentation.
3. Determine the error rate. If it is above 5%, pull an additional 10% sample and test. Continue this process until the cumulative error rate is 5% or lower or all exempt records are reviewed.

Note: If the underlying errors are isolated, informed professional judgment allows the auditor to focus the sample expansion on the subpopulation(s) with isolated error(s).

4. Enter findings into the GAD Application. Change the exit code to "status unknown" if the district does not provide supporting documentation.

## ACCEPTABLE EXIT STATUS DOCUMENTATION

<b>Exit Status</b>	<b>Definition</b>	<b>Allowable Documentation</b>
01, 02, 03, 04, 05, 06, 20, 21, 40, 41	Graduated or completed	<ul style="list-style-type: none"> <li>• Official transcript or diploma</li> <li>• Official alpha list of graduates/completers from the pupil management software that includes pupil's name, UIC, date of birth, and MSDS completion status, sorted by building, then by completion status, and then by pupil's last name</li> <li>• Exit Status 40 requires a high school transcript and documented proof of a MEMCA certificate or another advanced certificate or 60 transferable credit hours.</li> </ul>
09	Moved out of state	<ul style="list-style-type: none"> <li>• Request for pupil records from a receiving public or private high school or an educational program that culminates in a regular high school diploma</li> <li>• Written record of a response from an official in the receiving school or program acknowledging the pupil's enrollment</li> <li>• For migrant pupils, documentation of pupil's out-of-state enrollment in the federal Migrant Student Information Exchange (MSIX)</li> <li>• Note: The United States Department of Education (USED) has ruled that a conversation with a parent or neighbor of a pupil is NOT considered official written documentation of a transfer. The one exception is that, if a parent informs a school administrator that the family is leaving the country, the school administrator may document this conversation in writing and include it in the pupil's file.</li> </ul>
12	Deceased	<ul style="list-style-type: none"> <li>• Confirmation from pupil management software that the pupil is listed as deceased in the software</li> <li>• Obituary, other newspaper article</li> <li>• Program from the funeral/memorial service</li> <li>• Written statement from the parent or guardian</li> <li>• Death certificate.</li> </ul>
14	Enrolled in home school	<ul style="list-style-type: none"> <li>• Written parental statement</li> <li>• Pupil withdrawal form signed by the parent/guardian or qualified pupil indicating pupil is being homeschooled</li> <li>• Parental record request confirming pupil is homeschooled</li> <li>• Statement by attendance officer (truancy officer) verifying that compulsory attendance requirements are met</li> <li>• Note: The USED has ruled that a conversation with a parent or neighbor of a pupil is NOT considered official written documentation of a transfer.</li> </ul>
15	Enrolled in nonpublic school	<ul style="list-style-type: none"> <li>• Request for pupil records from a receiving public or private high school or an educational program that culminates in a regular high school diploma</li> <li>• Written record of a response from an official in the receiving school or program acknowledging the pupil's enrollment</li> <li>• Note: The USED has ruled that a conversation with a parent or neighbor of a pupil is NOT considered official written documentation of a transfer.</li> </ul>
07, 08, 10, 11, 13, 16, 17, 18	Dropout	<ul style="list-style-type: none"> <li>• Documentation not available.</li> </ul>

# APPENDICES

Appendix A

STATEMENT OF ETHICS AND INDEPENDENCE

**Auditor's Name:**

<b>As an individual conducting a pupil membership audit, I certify that I will:</b>	<b>Initials</b>
• <b>Act with integrity, competence, diligence, respect and in an ethical manner with the public, districts, employers, employees, colleagues, and other participants in the pupil membership audit.</b>	
• <b>Promote the integrity of pupil membership audits for the ultimate benefit of the accountability in state aid funding.</b>	
• <b>Place the integrity of the audit profession above their own personal interests.</b>	
• <b>Use reasonable care and exercise independent professional judgment when consulting with districts, making recommendations, and engaging in audit activities.</b>	
• <b>Practice and encourage others to practice in a professional and ethical manner that will reflect credit on themselves and the profession.</b>	

<b>I certify that with all local districts, I:</b>	<b>Initials</b>	<b>List exceptions</b>
• Am not currently employed		
• Was not previously employed or contracted (within two years)		
• Have no personal or financial interest		
• Have no relatives currently employed		
<b>With respect to the programs operated by the ISD, I certify that:</b>	<b>Initials</b>	<b>List exceptions</b>
• I am organizationally independent		
• I am objective		

Explain exceptions and their resolutions:

I ATTEST THAT THE ABOVE INFORMATION IS FACTUAL:

Auditor's Signature:

Date:

IN THE CASE OF EXCEPTIONS, I AGREE WITH THE ABOVE RESOLUTIONS:

Audit Supervisor's Signature:

Date:

**LOCAL DISTRICT PLANNING FORM**

District: \_\_\_\_\_

Count Date: \_\_\_\_\_

District program staff must prepare and sign a local district planning form for each membership count and provide it to the auditor for use in planning the field audit.

1. Identify the key program personnel involved in the pupil membership count and indicate the individual whom the auditor should contact to arrange for the fieldwork.

NAME	TITLE	LOCATION	PHONE	EMAIL ADDRESS	YEARS IN POSITION

2. For each building/program at which the district provides instruction, complete:

BUILDING/PROGRAM	LOCATION	GRADE LEVELS/ CLASS OF PUPILS	APPROXIMATE NUMBER OF PUPILS

(Attach additional schedules if necessary)

3. One major purpose of the planning form is to provide the auditors with information about any significant changes that would affect completion of the audit. Please indicate if there have been any significant changes in the following and attach documentation as applicable.

- \_\_\_ Written procedures for ensuring a complete and accurate pupil count
- \_\_\_ Program locations or types of program categories
- \_\_\_ Systems (automated/manual) for maintaining enrollment and attendance records
- \_\_\_ Continuity in key pupil membership count positions
- \_\_\_ Participation in cooperative agreements with other local programs
- \_\_\_ Record retention procedures and practices (minimum of three-year retention)
- \_\_\_ Procedures to ensure that administrative personnel document in writing their review of the completed program alpha lists, including a representation that all program documentation is on file in accordance with state laws
- \_\_\_ Training of new staff without experience in membership accounting rules and procedures

Completed by:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date Completed: \_\_\_\_\_

Updated by:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date Completed: \_\_\_\_\_

Updated by:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date Completed: \_\_\_\_\_

Updated by:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date Completed: \_\_\_\_\_

**BUILDING RISK ASSESSMENT FORM – FOR ISD AUDITOR USE**

District: \_\_\_\_\_ Building: \_\_\_\_\_

School Year: \_\_\_\_\_ Count: \_\_\_\_\_ Fall \_\_\_\_\_ Spring

Completed by: \_\_\_\_\_ Audit Date: \_\_\_\_\_

**Instructions:** This form may be used to document the assessment of risk of the buildings/programs that will be field audited. Generally, the higher potential for errors, the higher the risks that the pupil membership counts are not accurate. Consider the risk factors listed below (High [H], Moderate [M], Low [L]), and place a check in the space beside the factors that significantly influence the risk for the audit area.

<b>Assessment of Risk</b>	<b>H</b>	<b>M</b>	<b>L</b>	<b>Comments</b>
1. The results of the prior field and desk audits. (Error rates over 5% are high risk)				
2. The existence of district count procedures and controls. (Detailed procedures generally provide a lower risk)				
3. The experience of district personnel assigned to process pupil count data per Local District Planning Form. (Experienced staff generally provides a lower risk)				
4. The frequency of pupil absenteeism noted during the count period. (High absenteeism generally reflects a higher risk)				
5. The number of nonconventional pupils attending the building. (Larger population of nonconventional pupils reflects a higher risk)				
6. The number of State Aid Act §25e adjustments. (Larger number of denied adjustments by the receiving district indicates higher risk)				
7. The institution of a new program for which FTE is claimed (higher risk)				

<b>Building Risk Assessment:</b> Based on the foregoing considerations, the overall risk for this building is assessed as:	<b>High</b>	<b>Moderate</b>	<b>Low</b>
Pop I – Conventional pupils present on count day			
Pop II – Conventional pupils absent on all or part of count day			
Pop III – Nonconventional pupils			

<b>Building Risk Assessment – Sample Size Percentages</b>	<b>High</b>	<b>Moderate</b>	<b>Low</b>
Pop I – Conventional pupils present on count day	<b>15%</b>	<b>10%</b>	<b>2%</b>
Pop II – Conventional pupils absent on all or part of count day	<b>20%</b>	<b>15%</b>	<b>10%</b>
Pop III – Nonconventional pupils	<b>20%</b>	<b>15%</b>	<b>10%</b>

**DESK AUDIT CHECKLIST**

District: \_\_\_\_\_

Count Date: \_\_\_\_\_

Date Performed: \_\_\_\_\_

**Instructions:** The audit checklist is to be completed by the pupil membership auditor. If a procedural step does not apply, enter "NA". Use the "Workpaper Reference" column to indicate the audit workpapers where additional information is included. Refer to the pages referenced in the Audit Manual Pages column for specific requirements for each procedure. Retain the audit program and workpapers along with relevant documentation.

Procedure	Yes/ No/ NA	Working Paper Reference	Audit Manual Pages	Comments
1. Review the Pupil Accounting Manual and audit materials, including previous audit information, calendars and audit packets.			Pg. 9	
2. Review completed Local District Planning Form, board-approved calendars, days/hours of instruction forms and 75% attendance report to ensure district meets requirements.			Pg. 9	
3. Review student alpha list for all required data.			Pg. 9	
4. Review Special Education A/B worksheets for required information. Verify the FTEs match the DS4061.			Pg. 11	
5. Verify General Education FTEs on alpha list match the DS4061.			Pg. 10	
6. Verify nonresident FTEs on the DS4061 match the district reports.			Pg. 11	
7. Verify additional info on Page 3 of DS4061 for PSAs, if applicable. SE/GE FTEs, MCL 388.1624, and new grade levels added by PSA in Fall, not previously offered.			Pg. 11	
8. Verify all FTE Conflicts are resolved. Report to MDE all conflicts that were not resolved.			Pg. 10	
9. Review FTE Comparison from MSDS and Add/Drop lists. Note reasons for variations.			Pg. 11	

<b>Procedure</b>	<b>Yes/ No/ NA</b>	<b>Working Paper Reference</b>	<b>Audit Manual Pages</b>	<b>Comments</b>
10. Verify Early/Middle College FTEs that are more than 1.0			Pg. 10	
11. Review the board-approved district's excused/unexcused attendance policy.			Pg. 9	
12. Review district/building course catalogs			Pg. 9	
13. Verify Teacher Certification			Pg. 11-12	
14. Record FTE adjustments on FTE Adjustment Form and in MSDS. Make all adjustments, except teacher certification adjustments, at the student level, rather than aggregate level.			Pg. 12	
15. Verify district reported pupils in MSDS via SRM that were added by desk audit and district provided proof of addition to auditor.			Pg. 13	
16. Communicate desk audit findings to the district.			Pg. 12	

I (We) have performed procedures sufficient to achieve the audit objectives identified on this program and have adequately documented the audit procedures performed.

Name: \_\_\_\_\_ Date \_\_\_\_\_

Name: \_\_\_\_\_ Date \_\_\_\_\_

Time spent to complete desk audit: \_\_\_\_\_

**FIELD AUDIT CHECKLIST**

District: \_\_\_\_\_

Building: \_\_\_\_\_

Count Day: \_\_\_\_\_

**Instructions:** The audit checklist is to be completed by the pupil membership auditor. If a procedural step does not apply, enter "NA". Use the "Workpaper Reference" column to indicate the audit workpapers where additional information is included. Refer to the pages referenced in the Audit Manual Pages column for specific requirements for each procedure. Retain the audit program and workpapers along with relevant documentation.

<b>AUDIT PROCEDURES</b>	<b>Yes/ No/ NA</b>	<b>Working Paper Reference</b>	<b>Audit Manual Pages</b>	<b>Comments</b>
1. Complete the Building Risk Assessment			Pg. 13	
2. Determine sample size of Pop I, II, and III categories. Select sample based on head count for each category, round up to next whole number.			Pg. 14	
3. Complete the Pupil Specific Audit Procedures			Pg. 14-22	
a. Pop I, II, III - verify pupil enrollment, schedule, and attendance			Pg. 18-19	
b. Pop II – pupil absent any portion of count day, verify return within 10/30 day rule or within 45 calendar days if expelled/suspended on count day			Pg. 21	
c. Pop III – verify each category met requirements of specific category. District determines the applicable category for nonconventional pupils.			Pg. 22	
4. Population III Categories				
a. 5-A Alternative Education Program			Pg. 23	
b. 5-B Cooperative Education Programs			Pg. 24	
c. 5-C Home-Based Pupils			Pg. 25	
d. 5-D Homebound/Hospitalized Pupils			Pg. 26-27	
e. 5-E Nonpublic/Homeschool Shared Time pupils			Pg. 28-29	
f. 5-F Part-Time Pupils			Pg. 30	

<b>AUDIT PROCEDURES</b>	<b>Yes/ No/ NA</b>	<b>Working Paper Reference</b>	<b>Audit Manual Pages</b>	<b>Comments</b>
g. 5-G-A Postsecondary and CTE Enrolled Pupils			Pg. 31	
h. 5-G-B Early Middle College Pupils			Pg. 32	
i. 5-G-C Postsecondary Gifted and Talented Programs			Pg. 33	
j. 5-H Reduced Schedule Pupils			Pg. 34	
k. 5-I Section 105 and 105c Schools of Choice			Pg. 35-36	
l. 5-J Former Section 91a of the State School Aid Act and ISD schools of choice programs under former Section 91 of the Act are subject to the requirements that apply to cooperative education programs. (See Section 5-B of this manual.)			Pg. 24	
m. 5-K Special Education Early Childhood Programs & Services			Pg. 37-38	
n. 5-L Special Education Pupil Transition Services			Pg. 39	
o. 5-M Split Schedule Pupils			Pg. 40	
p. 5-N Suspended and Expelled Pupils			Pg. 41	
q. 5-O-A Distance Learning & Independent Studies			Pg. 42	
r. 5-O-B Offline Seat Time Waiver Programs			Pg. 43	
s. 5-O-C Cyber Schools			Pg. 44-45	
t. 5-O-D Virtual Learning Options			Pg. 46-47	
u. 5-P Work-Based Learning Experiences, Apprenticeships and Internships			Pg. 48-49	
v. 5-Q-A Section 23a Dropout Recovery Program			Pg. 50-51	
w. 5-Q-C Visa Program			Pg. 54	
x. 6-A Experiential Learning Pupils			Pg. 55	
y. 6-B Peer to Peer Elective Course Credit Program			Pg. 56	
5. Using the Sample Summary & Analysis, determine each population error rate and document building error rate. If error rate exceeds 10%, notify MDE.			Pg. 78	

<b>AUDIT PROCEDURES</b>	<b>Yes/ No/ NA</b>	<b>Working Paper Reference</b>	<b>Audit Manual Pages</b>	<b>Comments</b>
6. Conduct teacher and pupil accounting staff interviews.			Pg. 82-83	
7. Communicate field audit findings to the district.			Pg. 17	
8. Verify district reported pupils added by field audit in MSDS via SRM and provided proof to auditor			Pg. 13	
9. Record FTE adjustments on FTE Adjustment Form and in MSDS. Make all adjustments (except teacher certification adjustments) at the student level, rather than aggregate level.			Pg. 13,80	

I (We) have performed procedures sufficient to achieve the audit objectives identified in the Field Audit Program and have adequately documented the audit procedures performed.

Name: \_\_\_\_\_ Date \_\_\_\_\_

Name: \_\_\_\_\_ Date \_\_\_\_\_

Time spent to complete field audit: \_\_\_\_\_

**SAMPLE SUMMARY AND ANALYSIS**

<b>INITIAL SAMPLE</b>	Total Pop.	Risk %	Sample Size	# of Errors	% of Errors	<b>1st Expansion</b>	Risk 25%	1 <sup>st</sup> Exp	# of Errors	Total Errors	% of Errors
Example	<b>400</b>	<b>10%</b>	<b>40</b>	<b>3</b>	<b>7.5%</b>	Example	<b>25%</b>	<b>60</b>	<b>2</b>	<b>5</b>	<b>5%</b>
Pop. I						Pop. I					
Pop. II						Pop. II					
Pop. III						Pop. III					
Total						Total					

<b>2<sup>nd</sup> Expansion</b>	Risk 40%	2 <sup>nd</sup> Exp	# of Errors	Total Errors	% of Errors	<b>3<sup>rd</sup> Expansion</b>	Risk 55%	3 <sup>rd</sup> Exp	# of Errors	Total Errors	% of Errors
Example	<b>40%</b>	<b>60</b>	<b>0</b>	<b>5</b>	<b>3.1%</b>	Example	<b>N/A</b>	<b>N/A</b>			
Pop. I						Pop. I					
Pop. II						Pop. II					
Pop. III						Pop. III					
Total						Total					

<b>4<sup>th</sup> Expansion</b>	Risk 75%	4 <sup>th</sup> Exp	# of Errors	Total Errors	% of Errors	<b>100% Sample</b>	Risk 100%	Total Errors	% of Errors
Example	<b>N/A</b>	<b>N/A</b>				Example	<b>N/A</b>		
Pop. I						Pop. I			
Pop. II						Pop. II			
Pop. III						Pop. III			
Total						Total			

- Errors in each population are accumulated on a head count basis regardless of the FTE impact. For example, an error of an understatement of .5 FTE and an error of an overstatement of .5 FTE are summarized as two errors, although the cumulative FTE error is zero. The error rate is calculated by dividing the cumulative total number of pupil records in error by the cumulative total number of sample items reviewed.
- If the initial sample was less than 60 and the error rate is 5% or greater, the auditor IS REQUIRED to expand the sample in increments to 25%, 40%, 55%, and 75% of the population. If the sample error rate is still 5% or greater at the 75% increment, the auditor IS REQUIRED to expand to a 100% review of the population.
- If the initial sample selected was 60 or more, the auditor may stop if there is one error or no errors. If there are two or more errors, the auditor IS REQUIRED to expand the sample to 90 and then to 180 and 360 records as follows. If 90 pupil records are reviewed and there are 3 or more errors, the auditor IS REQUIRED to expand the sample to 180 items. If 180 pupil records are reviewed and there are 7 or more errors, the auditor IS REQUIRED to expand the sample to 360 items. If 360 pupil records are reviewed and there are 14 or more errors, the auditor IS REQUIRED to expand to a 100% review of the population.
- If errors are isolated, informed professional judgment allows the auditor to focus sample expansion on the subpopulations with the isolated errors. The auditor is encouraged to request that the district identify and correct the isolated errors before expanding the sample.

Explanation of example:

- 10% x 400 population = 40 pupils
- 3 errors divided by 40 sample = 7.5% error rate
- 25% x 400 = 100; 100 minus 40 = 60 pupils
- 2 errors in expansion and 3 errors = 5 cumulative errors
- 5 divided by 100 total sample = 5% error rate
- Because the error rate is 5%, a second expansion is needed.
- 40% x 400 = 160; 160 minus 100 = 60 pupils
- 0 errors in expansion + 5 errors = 5 cumulative errors
- 5 divided by 160 total sample = 3.1% error rate
- Because the error rate is less than 5%, a third expansion is not needed.

Each sample was selected in the following manner:

Population I:

Population II:

Population III:

	<b>POP. III CATEGORIES IN BUILDING/PROGRAM</b>	<b>COUNT</b>	<b>SAMPLE SIZE</b>	<b># ERRORS</b>	<b>% ERRORS</b>
5-A	Alternative Education Programs				
5-B	Cooperative Education Programs				
5-C	Home-Based Pupils				
5-D	Homebound and Hospitalized Pupils				
5-E	Nonpublic and Homeschooled Pupils				
5-F	Part-Time Pupils				
5-G-A	Postsecondary and Career and Technical Education Dual Enrollment				
5-G-B	Early Middle College Pupils				
5-G-C	Postsecondary Gifted and Talented Programs				
5-H	Reduced Schedule Pupils				
5-I	Sections 105 and 105c Schools of Choice				
5-K	Special Education Early Childhood Programs and Services				
5-L	Special Education Pupil Transition Services				
5-M	Split-Schedule Pupils				
5-N	Pupils with Suspensions and Expulsions				
5-O-A	Distance Learning and Independent Studies				
5-O-B	Offline Seat Time Waiver Programs				
5-O-C	Cyber Schools				
5-O-D	Virtual Learning Options				
5-P	Work-Based Learning Experiences, Apprenticeships, and Internships				
5-Q-A	Section 23a Dropout Recovery Programs				
5-Q-B	Section 25e Pupil Membership Transfers				
5-Q-C	Visa Programs				
6-A	Experiential Learning Courses				
6-B	Peer-to-Peer Elective Course Credit Program				

**FTE ADJUSTMENT FORM**

**General Education Beginning FTE Count:** \_\_\_\_\_

Building/ Grade/ Program	Pupil's Name	Class	Description	Legal Reference	General Ed Claimed FTE	General Ed Adjustment FTE	<b>General Ed Total FTE for Pupil</b>

**General Education Adjusted FTE Count:** \_\_\_\_\_

**Special Education Beginning FTE Count:** \_\_\_\_\_

Building/ Grade/ Program	Pupil's Name	Class	Description	Legal Reference	Special Ed Claimed FTE	Special Ed Adjustment FTE	<b>Special Ed Total FTE for Pupil</b>

**Special Education Adjusted FTE Count:** \_\_\_\_\_

The district should be given a reasonable opportunity to resolve the potential variances before the exit conference. Auditors should consider attaching supporting documentation.

AUDIT COMPLIANCE

YEAR: \_\_\_\_\_

AUDITOR: \_\_\_\_\_

Auditor	Yes	No	NA	Date Completed and Comments
1. Completed the GAD Audit.				
2. Completed the Section 25e Review.				
3. Completed Electronic Days and Clock Hours Audit.				
4. Completed the Section 23a Review, if applicable. Reported Changes to MDE.				
5. Completed Statement of Ethics and Independence Form.				
6. Prepared Audit Cycle Schedule and Sent to MDE.				

### Field Audit Procedure: Teacher and Staff Interview

District: \_\_\_\_\_ Count date: \_\_\_\_\_  
 Building/Program: \_\_\_\_\_ Date of Interview: \_\_\_\_\_  
 Staff Interviewed: \_\_\_\_\_ Grade Level: \_\_\_\_\_  
 Individual present during interview: \_\_\_\_\_

As part of audit, staff was interviewed to inquire whether they are aware of any inappropriate alterations of attendance records or any other teacher attendance records. The following questions were asked:

1. Tell me about the attendance policies in your district. How many minutes can a student be late before the student is absent vs. tardy? What is an excused absence vs. unexcused?
2. Who enters attendance in the Student Information System?
3. How long can someone make changes to the attendance records once they are entered?
4. Who can make changes to your attendance records and under what circumstances may this person or persons make these changes?
5. What are the attendance procedures when you have a substitute teacher?
6. Do students ever carry attendance records to the office?
7. If someone in the district were to inappropriately inflate pupil counts, how could this be done?
8. Do you have awareness that any of your attendance records or any other teacher's attendance records have been inappropriately changed? If yes, what are the details? \_\_\_\_\_
9. Do you have awareness of the district claiming any inappropriate pupil counts or running inappropriate programs? \_\_\_\_\_
10. Is there any other person I should talk with about this? \_\_\_\_\_
11. Is there any other information you would like to bring to my attention? \_\_\_\_\_

**Problems or issues identified: Yes** \_\_\_\_\_ **No** \_\_\_\_\_

Note: If problems or issues identified, they were investigated and reported to MDE Office of Financial Management. Documentation is attached.

Auditor(s) Conducting Interview/Investigation: \_\_\_\_\_

**Field Audit Procedure: Teacher & Staff Interviews –  
Virtual Programs**

District: \_\_\_\_\_  
 Count Date: \_\_\_\_\_  
 Building/Program: \_\_\_\_\_

As part of audit, teachers and administrative staff were interviewed to inquire if they are aware of any inappropriate alterations of records used to substantiate membership. The following questions were asked:

1. What is your role in record keeping for this virtual program (records such as schedules, courseware reports, two-way interaction logs between the pupil and their mentor)?
2. Do you have awareness of the district claiming any pupils in count who were ineligible?
3. Do you have awareness of any records from your program (schedules, courseware reports, two-way interaction logs) being inappropriately changed after submission? If yes, please describe.
4. How do you monitor student progress in their virtual learning courses?
5. Does your program have any pupils on a “sequential learning plan” (explain, if needed)? If yes, do pupils have an EDP where the sequential learning plan is outlined?
6. Is there any other information you would like to bring to my attention that might help inform our audit?

Person Interviewed	Position in Building	Date of Interview	Method Used (Face-to-Face, Skype, FaceTime)

**Problems or issues identified:** \_\_\_\_\_ **YES** \_\_\_\_\_ **NO** Note: If problems or issues identified, it was investigated and reported to MDE Office of audits. Documentation is attached.

Auditor(s) Conducting Interview/Investigation: \_\_\_\_\_

**AUDIT FINDINGS – GENERAL**

A general audit finding is a general comment or an opportunity for the auditor to assist the local school district in identifying ways to improve its documentation or counting procedures to maximize or accurately report FTE. Any blank findings are intentionally not to be used.

<b>NBR</b>	<b>ABBREV</b>	<b>DESCRIPTION</b>
G1	Good Job	Overall, the district did a good job on reporting for pupil accounting.
G2	Alpha List – Population II and III Pupils	Populations II and III pupils must be identified on the alpha list with the appropriate alpha code or on a separate list.
G3	Reports – Summary Validation Reports	District must submit all computer-generated summary reports needed to validate FTEs as reported on the DS4061.
G4	Alpha Roster - Last Name First by Grade	The alpha list must list all eligible pupils in alphabetical order, last name first, by grade level.
G5	Alpha List - FTE by Pupil and Grade Total	The alpha list must indicate an FTE for each pupil, as well as the FTE total for each grade level. The grade level total on the alpha list should match the grade level total shown on the DS-4061.
G6	Attendance Records - Markings	A mark/symbol must be used to indicate on the attendance record the first day a pupil appears in class for instruction.
G7	Attendance Records - Teacher Marks	All teachers must use the attendance marks stipulated in the district's/PSA's policy.
G8	Attendance Records - Available	Teacher attendance records must be available at the time of the field audit and should be organized weekly beginning with the week prior to count and include count week and the four weeks following count.
G9	Attendance Records - Inaccurate	The pupil's attendance was inaccurately reported, e.g., pupil dropped but marked as present in attendance records, pupil absent on count day and incorrect return date reported, pupil marked as present by teacher but absent by office. This raises questions about the accuracy of attendance records.
G10	Attendance Records - Add/Drop Marks	The date a pupil drops/adds a class should be clearly indicated on the attendance record, e.g., "transferred to Eng. 101, date" on the attendance record for the dropped class and "transferred from Eng. 100, date" on the attendance record for the added class.
G11	Attendance – Teacher, Class, Hour, Dates	Each attendance record must clearly identify teacher, class, hour, and dates of instruction.
G12	Attendance – Markings in Teacher Records	Attendance markings should be easily readable and entered on a separate line or separate page so that they will be distinguishable from grades, scores, and other markings.
G13	Attendance – Do Not Obliterate Names	Pupil names must not be obliterated from the official attendance record. If a pupil transfers or drops a class, draw a single line through the name and make a notation at the end of the line, e.g., "transferred to Eng. 101" or "dropped 9/27."
G14	Attendance – Teacher Signature	Computer-generated attendance records must be verified, signed, and dated weekly by the classroom teacher.
G15	Attendance – Absent on the Count Day	Only those pupils absent on any portion of the count day should be included on the ten-day worksheet.
G16	Attendance – Official Record	Teachers must maintain only one official attendance record. Maintaining more than one creates a situation where records may not match, leading to questions about their validity.

<b>NBR</b>	<b>ABBREV</b>	<b>DESCRIPTION</b>
G17	Attendance – 10/30 day period Middle School/High School	For middle and high schools: A ten-day worksheet must be compiled for every building for every hour claimed for state aid and list each pupil who is absent on the count day from that specific building.
G18	Attendance – 10/30 day period Elementary	For elementary schools: A ten-day worksheet must be prepared for every building, indicating the appropriate grade level and listing each pupil who is absent on the count day.
G19	Attendance – Excused Absence Documentation	Excused absences on the count day must be documented in writing, indicating date of absence, reason for absence, name of school official who compiled the documentation, and the date documented.
G20		
G21		
G22	Attendance – Take Every Class	Attendance must be taken in every class/program/block claimed for state aid.
G23		
G24	Enrollment – Records Retention and 75% Log	A daily record of total enrollment, # of pupils present/absent, and % of pupils present/absent must be on file for three years. The record is required to validate that, for a day of instruction to be counted, 75% of the pupils were present.
G25		
G26	Alpha List – Only Pupils Eligible	The alpha list should include only those pupils who meet attendance and other state aid eligibility requirements and who are claimed for state aid.
G27	Pupil Schedules	Accurate count day pupil class schedules must be furnished to the auditor.
G28	Residence - Codes	All nonresidents must be identified on the alpha list with the appropriate nontraditional (Population III) codes AND district of residence codes or reported on a separate list.
G29	District of Residence	The pupil's resident district was incorrectly identified in MSDS.
G30	Alpha List – Absence Marks	The alpha list must identify each pupil who is absent in any class on the count day.
G31	Alpha List – Review for Accuracy	Alpha Rosters should be reviewed for completeness and accuracy prior to submission in the reporting packet to the ISD/RESA auditor(s).
G32	Alpha List – Must Have three FTE Columns	The alpha list must include three FTE columns: General Education FTE, Special Education FTE, and Total FTE. The Total FTE must be less than or equal to 1.00 FTE.
G33	Alpha List – Signature	The last page of the alpha list must be signed and dated by a school official.
G34	Alpha and Attendance Lists in Same Order	Pupils must be listed in the attendance records in the same manner (i.e., last name, first name) they are listed on the building alpha list. Do not use nicknames or only first names.
G35	Special Ed – Supporting Documentation	District must submit Special Education computer-generated summary sheets to support the FTEs (both General and Special Education) for Special Education pupils as reported on the DS-4061.
G36	Special Ed - MSDS/Worksheets	The Special Education Worksheets A/B must match what was reported in MSDS.
G37	Alpha List and MSDS	The FTEs reported on the alpha list must match the FTEs reported in MSDS.
G38		

<b>NBR</b>	<b>ABBREV</b>	<b>DESCRIPTION</b>
G39	Calendars - Signed	Calendars must be signed.
G40	Calendars - Inaccurate	Calendars must accurately reflect the actual days and hours of pupil instruction.
G41	Residency Code	The Pupil's Residency Code must be accurately reported in MSDS.
G42	Other	
G43	Attendance - No Classes Held	Teachers must mark cancelled and scheduled "no-school" days/classes in the attendance records.
G44		

**AUDIT FINDINGS – SPECIFIC**

A specific audit finding is a violation of the State School Aid Act, Revised School Code, Pupil Accounting Administrative Rules, or Pupil Accounting Manual that results in the loss of FTE. There is now the ability for an ISD auditor to include all reasons for the disallowance of an FTE in the audit narrative.

<b>NBR</b>	<b>ABBREV</b>	<b>DESCRIPTION</b>	<b>LEGAL REFERENCES</b>
S1	Absence – 30 Day	Pupil had an excused absence on the count day, did not return to school within 30 calendar days after the count day, and was listed on the building alpha list and claimed for state aid.	§6(8) of the State School Aid Act; Administrative Rules 340.3(c) and 340.7(6)
S2	Absence – 10 Day	Pupil had an unexcused absence on the count day, did not return to school within 10 school days, and was listed on the alpha list and claimed for state aid.	§6(8) of the State School Aid Act; Administrative Rules 340.3(c) and 340.7(6)
S3			
S4	Attendance – FTE Adjusted for Classes Attended	The FTE for pupil was adjusted to reflect the number of classes attended or hours of instruction during the count period.	§6(8) of the State Aid Act; Administrative Rule 340.7
S5	Enrollment – After the Count Day	Pupil who enrolled after the count day was listed on the alpha list and claimed for state aid.	§6(8) of the State School Aid Act; Administrative Rule 340.2
S6	Enrollment – Attendance Before the Count Day	District was unable to document the reason why pupil did not attend any classes on or before the count day.	§6(8) of the State School Aid Act; Administrative Rule 340.2
S7	Alpha Roster – Duplicate Pupil	Pupil was listed twice on the alpha list, resulting in a claim of more than 1.0 FTE.	§6(4)(a) of the State School Aid Act; Administrative Rules 340.2 and 340.7
S8	Duplicate Pupil Count	Pupil counted in more than one district for an FTE total greater than 1.0.	§6(4)(a) of the State School Aid Act; Administrative Rules 340.2 and 340.7
S9	Alpha Roster – Pupils Not on List but Eligible	The auditor verified the eligibility of pupil, who was not included on the original alpha list and not claimed for state aid. ___ FTEs were added.	§6(8) of the State School Aid Act
S10	Hour Requirement Not Met	The building calendar did not provide the minimum hours of instruction with a certified teacher.	Section 2 of the Pupil Accounting Manual
S11	Pupil Schedule	Pupil was claimed for a full membership, but pupil is not scheduled for a full day and there is no detail regarding dual enrollment, reduced schedule, etc.	§6(8) of the State School Aid Act; Administrative Rule 340.7; Section 5-F of the Pupil Accounting Manual

<b>NBR</b>	<b>ABBREV</b>	<b>DESCRIPTION</b>	<b>LEGAL REFERENCES</b>
S12	Minimum Age	Pupil was listed on the alpha list and claimed for state aid but was not age five as of December 1 and parental notice was not timely received for pupil age five by December 1.	§1147 of the Revised School Code; §6(4)(l) of the State School Aid Act
S13	Age – Under 20 by September 1	Pupil who was not under the age of 20 (age 26 if Special Education or age 22 for a pupil under §6(4)(l)(ii)) as of September 1 of the current school year was listed on the alpha list and claimed for state aid.	§6(4)(l) of the State School Aid Act; Administrative Rule 340.1702
S14	General Education/Special Education Split	The FTE split between General Education and Special Education was inaccurate.	§51a of the State School Aid Act; Administrative Rules 340.1701b and 340.1702
S15	General Education/Special Education Split	Cooperative Education pupil was counted in both General Education in one district and Special Education in another, resulting in FTE greater than 1.0.	§6(4) of the State School Aid Act
S16	General Education/Special Education Split	Special Education pupils over age 20 attended General Education classes and not counted on MSDS.	§6(4)(l) of the State School Aid Act
S17	Special Education – §53a to §52	Pupil reported as §53a was not approved by the Department so changed to §52.	§52 and §53a of the State School Aid Act
S18	Special Education – §52 to §53a	Pupil reported as §52 was approved by the Department so changed to §53a.	§52 and §53a of the State School Aid Act
S19	Special Education – Ancillary Services Only	Pupil was receiving ancillary services only and not eligible to be counted in membership.	
S20	Special Education – Wrong Category	Pupil was reported in the wrong Special Education category.	
S21	Juvenile Home	Pupil was in attendance at and claimed by a juvenile facility.	§6(4)(d) and §24 of the State School Aid Act
S22	Residency Requirements	Pupils did not meet the residency requirements.	§6(4)(b) of the State School Aid Act; Administrative Rules 340.2 and 340.3; Section 4 of the Pupil Accounting Manual
S23	Nonresident Pupil – Waiver/Release	The educating district did not receive a waiver/release from the nonresident pupil's district of residence that allowed the pupil to be counted in membership.	§6(4)(b) and §6(6) of the State School Aid Act; Section 4 of the Pupil Accounting Manual
S24	Pupil – High School Diploma or Equivalency Certificate	A pupil previously received a high school diploma or high school equivalency certificate and did not have a disability as defined in R 340.1702 of the Michigan Administrative Code.	§6(4)(m) of the State School Aid Act; R 340.1702 of the Michigan Administrative Code

<b>NBR</b>	<b>ABBREV</b>	<b>DESCRIPTION</b>	<b>LEGAL REFERENCES</b>
S25	Learning Lab	FTE claimed for the learning lab classes exceeded the FTE for the same class in a traditional setting.	Administrative Rule 340.13; Section 5-A of the Pupil Accounting Manual
S26	Alternative Education – Other		
S27	Cooperative Agreement Programs		
S28	Home-Based – Record of Service	Record of service was not maintained for pupil who was identified on the alpha list as receiving instruction under the home-based provision.	§1311 and §1311a of the Revised School Code; §6(4)(u) of the State School Aid Act; Administrative Rule 340.2(13); Section 5-C of the Pupil Accounting Manual
S29	Home-Based – Hours of Instruction by Certified Teacher	Pupil identified on the alpha list as receiving home-based instruction did not receive the required hours of instruction per week by a certified teacher during the count period.	§1311 and §1311a of the Revised School Code; §6(4)(u) of the State School Aid Act; Administrative Rule 340.2; Section 5-C of the Pupil Accounting Manual
S30	Home-Based – Prorated FTE	Pupil was not subject to a mandatory expulsion, so FTE for home-based services must be prorated.	§1311 and §1311a of the Revised School Code; §6(4)(u) of the State School Aid Act; Administrative Rule 340.2; Sections 5-C and 5-N of the Pupil Accounting Manual
S31	Home-Based – Other		
S32	Homebound/ Hospitalized – Service	Record of service was not maintained for pupil who was identified on the alpha list as receiving instruction under the homebound/hospitalized provision.	§109 of the State School Aid Act; Administrative Rule 340.2 (11-12)Section 5-D of the Pupil Accounting Manual
S33	Homebound/ Hospitalized – Hours of Instruction	Pupil identified on the alpha list as receiving homebound/hospitalized instruction did not receive the required hours of instruction per week by a certified teacher during the count period.	§109 of the State School Aid Act; Administrative Rule 340.2; Section 5-D of the Pupil Accounting Manual
S34	Homebound/ Hospitalized – Physician's Certification	Physicians statement verifying pupil required homebound services was not kept on file.	§109 of the State School Aid Act; Section 5-D of the Pupil Accounting Manual
S35	Homebound/ Hospitalized – Other		

<b>NBR</b>	<b>ABBREV</b>	<b>DESCRIPTION</b>	<b>LEGAL REFERENCES</b>
S36	Shared Time Pupils – Essential Classes	Shared time pupils received instruction in essential classes.	§6(6) and §166b of the State School Aid Act; Administrative Rule 340.2(20); Section 5-E of the Pupil Accounting Manual
S37	Shared Time Pupils – Optional Experiences	Shared time pupils participated in optional experiences on a schedule that was not available to the majority of full-time pupils in the same grade level or age group. Private lessons are not allowable.	§6(6) and §166b of the State School Aid Act; Section 5-E of the Pupil Accounting Manual
S38	Part-Time Pupils – FTE	Pupil was claimed for FTE greater than hours of instruction scheduled/provided.	§6(8) of the State School Aid Act; Administrative Rules 304.2 and 340.7; Section 5-F of the Pupil Accounting Manual
S39	Part-Time Pupils – Other		
S40	Postsecondary Enrollment – Payment of Charges	District did not pay the eligible charges for the postsecondary courses.	§21b of the State School Aid Act; Section 5-G of the Pupil Accounting Manual; MCL 388.511-388.524 Postsecondary Enrollment Options Act and 388.1901 -388.1913 Career and Technical Preparation Act
S41	Postsecondary Enrollment – Other		§21b of the State School Aid Act; Section 5-G of the Pupil Accounting Manual; MCL 388.511-388.524 Postsecondary Enrollment Options Act and 388.1901 -388.1913 Career and Technical Preparation Act
S42	Reduced Schedule – Educational Interest	Pupil did not meet the best educational interest criterion for a reduced schedule. The membership was adjusted to reflect the appropriate FTE for the number of scheduled hours.	§101(7)(c) of the State School Aid Act; Section 5-H of the Pupil Accounting Manual
S43	Reduced Schedule – Documentation	The school did not fill out the appropriate reduced schedule forms. The membership was adjusted to reflect the appropriate FTE for the number of scheduled hours.	§101(7)(c) of the State School Aid Act; Section 5-H of the Pupil Accounting Manual
S44	Reduced Schedule – Other		

<b>NBR</b>	<b>ABBREV</b>	<b>DESCRIPTION</b>	<b>LEGAL REFERENCES</b>
S36	Shared Time Pupils – Essential Classes	Shared time pupils received instruction in essential classes.	§6(6) and §166b of the State School Aid Act; Administrative Rule 340.2(20); Section 5-E of the Pupil Accounting Manual
S45	Schools of Choice – Special Education – Cooperative Agreement	District does not have a signed cooperative agreement with resident district covering Special Education pupils and the district did not provide the identified services.	§105c of the State School Aid Act; Administrative Rule 340.4; Section 5-I of the Pupil Accounting Manual
S46	Schools of Choice – Other		§105 and 105c of the State School Aid Act; Administrative Rule 340.4
S47	Special Education Early Childhood – Service	The reported FTE for preprimary-aged Special Education pupil did not reflect the service provided during the count period.	§6(4) of the State School Aid Act; Administrative Rules 340.1754 and 340.1755; Section 5-K of the Pupil Accounting Manual
S48	Special Education Early Childhood – Other		
S49	Special Education Pupil Transition		
S50	Mandatory Expulsion	Mandatory expulsion pupils were being educated with the general population.	§1311 and §1311a of the Revised School Code; Section 5-N of the Pupil Accounting Manual
S51	Suspended and Expelled – Other		
S52	Distance Learning – Adult in Classroom	An adult was not present in the classroom with the distance learning pupil.	Administrative Rule 340.11; Sections 5-O-A of the Pupil Accounting Manual
S53	Virtual Courses – Mentor	Pupil was not provided a professional employee of the district who would act as the mentor for the virtual course(s).	§21f of the State School Aid Act; Sections 5-O-D of the Pupil Accounting Manual
S54	Virtual Courses – Costs	District did not pay applicable costs for virtual or distance learning classes.	§21f of the State School Aid Act; Sections 5-O-D of the Pupil Accounting Manual
S55	Virtual Courses – Attendance	Pupil was not in attendance during the count period.	§6 of the State School Aid Act; Sections 5-O-D of the Pupil Accounting Manual
S56	Virtual Courses or Distance Learning – Other		§21f and §98 of the State School Aid Act; Administrative Rules 340.2 and 340.11; Sections

<b>NBR</b>	<b>ABBREV</b>	<b>DESCRIPTION</b>	<b>LEGAL REFERENCES</b>
S36	Shared Time Pupils – Essential Classes	Shared time pupils received instruction in essential classes.	§6(6) and §166b of the State School Aid Act; Administrative Rule 340.2(20); Section 5-E of the Pupil Accounting Manual
			5-O-A and 5-O-D of the Pupil Accounting Manual
S57	Work-Based – Attendance	Attendance record was not maintained.	§1279h of the Revised School Code; §6(4)(q) of the State School Aid Act; Administrative Rules 340.2, 340.15, and 340.16, and 340.1733(i); Section 5-P of the Pupil Accounting Manual
S58	Work-Based – Training Plan	Training plan and training agreement were not completed.	§1279h of the Revised School Code; §6(4)(q) of the State School Aid Act; Administrative Rules 340.15, 340.16, and 340.1733(i); Section 5-P of the Pupil Accounting Manual
S59	Work-Based – Site Visits	A professional employee failed to visit, and document in a log, the worksite of a pupil as required to check pupil’s attendance and progress and to assess placement in terms of health, safety, and welfare.	§1279h of the Revised School Code; §6(4)(q) of the State School Aid Act; Administrative Rules 340.2, 340.15, 340.16, and 340.1733(i); Section 5-P of the Pupil Accounting Manual
S60	Work-Based – Special Education – Other Documentation Missing or Incomplete	Work-based learning documentation for the pupil was missing one or more of the required documents to count in membership, i.e., experience did not align with the IEP/EDP, no safety training, no worker’s compensation/general liability insurance, etc.	§1279h of the Revised School Code; §6(4)(q) of the State School Aid Act; Administrative Rules 340.2, 340.15, 340.16, and 340.1733(i); Section 5-P of the Pupil Accounting Manual
S61	Work-Based – General Education – Other Documentation Missing or Incomplete	Work-based learning documentation for the pupil was missing one or more of the required documents to count in membership, i.e., experience did not align with the IEP/EDP, no safety training, no worker’s compensation/general liability insurance, etc.	§1279h of the Revised School Code; §6(4)(q) of the State School Aid Act; Administrative Rules 340.2, 340.15, 340.16, and 340.1733(i); Section 5-P of the Pupil Accounting Manual
S62	Work-Based – Other		

<b>NBR</b>	<b>ABBREV</b>	<b>DESCRIPTION</b>	<b>LEGAL REFERENCES</b>
S36	Shared Time Pupils – Essential Classes	Shared time pupils received instruction in essential classes.	§6(6) and §166b of the State School Aid Act; Administrative Rule 340.2(20); Section 5-E of the Pupil Accounting Manual
S63	Experiential Learning Courses - Other		Administrative Rule 340.14; Section 6-A of the Pupil Accounting Manual
S64	Other		
S65	Adult Ed		
S66	Attendance – Other		
S67	Residency – Other		
S68	Seat Time Waiver – Other		
S69	Seat Time Waiver – Attendance Requirement Not Met	Pupil did not meet the attendance requirement specified in the implementation plan.	§101(9) of the State School Aid Act; Administrative Rule 340.18; Section 5-O-B of the Pupil Accounting Manual
S70	Seat Time Waiver – Two-way Weekly Interaction	No documentation of weekly two-way interaction that is relevant to the pupil’s course content for each week of the count period.	§101(9) of the State School Aid Act; Administrative Rule 340.18; Section 5-O-B of the Pupil Accounting Manual
S71	Seat Time Waiver – Course-Specific Schedule	Pupil does not have a course-specific schedule.	§101(9) of the State School Aid Act; Administrative Rule 340.18; Section 5-O-B of the Pupil Accounting Manual
S72	Seat Time Waiver – Teacher of Record	Teacher of record is not assigned to pupil or teacher of record is not a certified Michigan teacher employed by the district.	§101(9) of the State School Aid Act; Administrative Rule 340.18; Section 5-O-B of the Pupil Accounting Manual
S73	Approved §25e Adjustments (November)	System-generated audit finding for auditor-approved §25e requests in the month of November	§25e of the State School Aid Act
S74	Approved §25e Adjustments (December)	System-generated audit finding for auditor-approved §25e requests in the month of December	§25e of the State School Aid Act
S75	Approved §25e Adjustments (January)	System-generated audit finding for auditor-approved §25e requests in the month of January	§25e of the State School Aid Act

<b>NBR</b>	<b>ABBREV</b>	<b>DESCRIPTION</b>	<b>LEGAL REFERENCES</b>
S36	Shared Time Pupils – Essential Classes	Shared time pupils received instruction in essential classes.	§6(6) and §166b of the State School Aid Act; Administrative Rule 340.2(20); Section 5-E of the Pupil Accounting Manual
S76	Approved §25e Adjustments (February)	System-generated audit finding for auditor-approved §25e requests in the month of February	§25e of the State School Aid Act
S77	Approved §25e Adjustments (March)	System-generated audit finding for auditor-approved §25e requests in the month of March	§25e of the State School Aid Act
S78	Approved §25e Adjustments (April)	System-generated audit finding for auditor-approved §25e requests in the month of April	§25e of the State School Aid Act
S79	Approved §25e Adjustments (May)	System-generated audit finding for auditor-approved §25e requests in the month of May	§25e of the State School Aid Act
S80	Approved §25e Adjustments (June)	System-generated audit finding for auditor-approved §25e requests in the month of June	§25e of the State School Aid Act
S81	Manual §25e Adjustments	§25e requests manually entered by the Pupil Auditor	§25e of the State School Aid Act
S82	Certified Teacher	Pupil is not taught by a certified teacher.	§6(8) and §163 of the State School Aid Act; Revised School Code 380.1231, 380.1233; 2Administrative Rule 340.10(2)(a)
S83	Virtual Learning – Parental Consent	Parental consent documentation was not on file and student is not age 18 or an emancipated minor.	§21f of the State School Aid Act; Section 5-O-D of the Pupil Accounting Manual
S84	Early Middle College – >1.0 FTE	Pupil was enrolled in an early middle college and eligible to be claimed for more than 1.0 FTE.	§6(4)(kk) of the State School Aid Act

**CONFIRMATION REQUEST**

\_\_\_\_\_ School District

Auditing Procedures Completed by \_\_\_\_\_ ISD

Count Dates \_\_\_\_\_

Purpose – This form provides standard information for the certified public accountant who is auditing the financial records of the district. The work done by pupil membership auditors and the results of the audit are considered by the public accountant when designing his/her audit procedures.

1. Identify the individual(s) who audited the pupil membership counts and graduation and drop out (GAD) data. Include their years of experience, education, and any recent pupil membership and GAD training they have attended.

<u>Auditor</u>	<u>Years of Experience</u>	<u>Education</u>	<u>Training (Date, Title)</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

2. Indicate any relationships the pupil membership auditors may have with the local school district or its employees that may impair the pupil membership auditor’s independence.

\_\_\_\_\_  
\_\_\_\_\_

3. Desk audits were performed for the following buildings/programs for the:

October Count: \_\_\_\_\_

February Count: \_\_\_\_\_

4. Field audits were performed for the following buildings/programs for the:

October Count: \_\_\_\_\_

February Count: \_\_\_\_\_

5. Report the number of state aid memberships:

	General Ed K-12	Special Ed K-12 Sec. 52	Special Ed K-12 Sec. 53a	Total
October	_____	_____	_____	_____
February	_____	_____	_____	_____

6. Did the ISD use the Michigan Department of Education (the Department) audit process?  
 Yes  No  
 If not, did the ISD use a standardized approach to the audit process?  Yes  No  
 Please describe the audit process used and include a copy of the audit program (not the work papers) if the Department audit program was not used.
- 
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7. As part of your audit procedures, was the district's entry of the individual building pupil counts into the district-wide total for MSDS (Form DS-4061) reviewed for reasonableness?  
 Yes  No If no, please explain.
- 
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8. Did the local district provide required supporting records for verification of the count?  
 Yes  No If no, please discuss which significant records were missing.
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9. Did the ISD auditor perform a building risk assessment and perform sampling based on the risk assessment?  Yes  No.  
 Please describe the risk factors considered and the sampling method used.
- 
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10. Were higher risk programs and issues (Population III categories) considered in the scope of the audit?  Yes  No If no, please explain.
- 
- 
11. For pupils absent on the count day, did the audit scope include procedures to verify that pupils included in the count properly returned to school within the 10- or 30-day periods?  
 Yes  No If no, please explain.
- 
- 
12. Were any building error rates greater than 5%?  Yes  No  
 If yes, describe the results of the expanded audit procedures.
- 
- 
13. Were any building error rates greater than 10%?  Yes  No  
 If yes, describe the actions taken.
- 
- 
14. Was the most recent Days, Hours, and Attendance Report reviewed?  Yes  No  
 Please indicate any exceptions or shortages of days or hours.
- 
-

15. Although the current year's Days, Hours, and Attendance Report is not due until August, did you review (as a matter of assistance to the local district) the current school year calendar for compliance with the current year minimum days and hours?  Yes  No  
If yes, please explain any potential shortages noted.

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Results

1. Were all pupil accounting adjustments included in the pupil auditor's narrative report?  
 Yes  No If no, please explain.

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2. Based on the result of the ISD pupil count audit, in the ISD auditor's opinion, does the local school district have an adequate process for computing a substantially accurate membership count in accordance with the Pupil Accounting Manual?  Yes  No  
If no, please explain.

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3. Does the ISD auditor have any reason to believe that significant errors might exist that were not detected in the audit?  Yes  No  
If yes, please explain (including the amount of the potential adjustment).

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Exit Status, Drop Out Rates, and Graduation Rate Audits

1. Desk or field audits were performed for the:

February Count \_\_\_\_\_ October Count \_\_\_\_\_

2. Did the ISD use the Department audit process?  Yes  No  
If not, did the ISD use a standardized approach to the audit process?  Yes  No  
Please describe the audit process used and include a copy of the audit program (not the work papers) if the Department audit program was not used.

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3. Were any building error rates greater than 5%?  Yes  No  
If yes, describe the results of the expanded audit procedures.

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Completed by: \_\_\_\_\_ Date: \_\_\_\_\_

Title: \_\_\_\_\_

<b>Acronym</b>	<b>Meaning</b>
CEPI	Center for Educational Performance and Information
CPA	Certified Public Accountant
CTE	Career and Technical Education
DS4061	Unaudited FTE Report
DS4120	Audited FTE Report
DS4168	Days and Clock Hours Report
EDP	Educational Development Plan
EEM	Educational Entity Master
FTE	Full Time Equated
GAD	Graduation and Dropout
GED	General Educational Development
IEP	Individualized Education Program
IFSP	Individualized Family Service Plan
ISD	Intermediate School District
JROTC	Junior Reserve Officer Training Corp
MCL	Michigan Compiled Laws
MOECS	Michigan Online Educator Certification System
MSDS	Michigan Student Data System
MSIX	Migrant Student Information Exchange
MVU	Michigan Virtual University
OEE	Office of Educator Excellence
PSA	Public School Academy
QCR	Quality Control Review
REP	Registry of Educational Personnel
SIS	Student Information System
SRM	Student Record Maintenance
TCLE	Transition Community Living Experience
UIC	Unique Identification Code
USED	United States Department of Education

## Appendix O

<b>Due Date</b>	<b>Activity</b>
September 11, 2019	GAD Application closes
October 2, 2019	MSDS Fall Pupil Membership Count Day
October 2, 2019	GAD Exit Status Audit Window Opens
November 1, 2019	MSDS 2018-19 Audit Narrative Deadline
November 1, 2019	Field Audit Planning Schedule due to Department's Office of Financial Management
November 6, 2019	MSDS Fall 2018 General Collection Submission Deadline
November 13, 2019	MSDS Fall 2018 General Collection Certification Deadline
December 2, 2019	REP Fall 2019 Certification/Submission Deadline
December 5, 2019	GAD 2018-19 Exit Status Audit Window Closes
February 12, 2020	MSDS Spring 2020 Pupil Membership Count Day
March 18, 2020	MSDS Spring 2020 General Collection Submission Deadline
March 18, 2020	MSDS Fall 2019 General Collection Audit Deadline
March 25, 2020	MSDS Spring 2020 General Collection Certification Deadline
June 30, 2020	REP End-of-year General Certification/Submission Deadline
July 27, 2020	MSDS Spring 2020 General Collection Audit Deadline
August 3, 2020	Days and Hours Certification Deadline
November 1, 2020	MSDS 2019-2020 Audit Narrative Deadline

**Disclaimer:** The following is provided as a service of the Michigan Department of Education (Department) and is included in this manual with the understanding that the Department is not hereby rendering legal advice or representing that all relevant authority is included. No judicial or administrative decisions or Michigan attorney general opinions are included and neither the lists of statutory, regulatory, and other relevant authority nor the topical index is intended to be comprehensive. Individuals should consult all relevant statutes, administrative rules, judicial and administrative decisions, Attorney General opinions, and other authority, and those desiring or requiring legal advice should seek the services of an attorney.

**MICHIGAN AND FEDERAL STATUTES**

- Career and Technical Preparation Act, MCL 388.1901 – MCL 388.1913
- Fair Labor Standards Act, 29 USC 201 *et seq.*
- Individuals with Disabilities Education Act, 20 USC 1400 *et seq.*
- Interstate Compact on Educational Opportunity for Military Children, MCL 3.1041 – MCL 3.1042
- Nonpublic School Act, MCL 388.551- MCL 388.558
- Postsecondary Enrollment Options Act, MCL 388.511 – MCL 388.524
- Revised School Code, MCL 380.1 – MCL 380.1852
- State School Aid Act, MCL 388.1601 – MCL 388.1772
- Youth Employment Standards Act, MCL 409.101 – MCL 409.124

**MICHIGAN ADMINISTRATIVE RULES (MICHIGAN ADMINISTRATIVE CODE)**

- Career and Technical Education Reimbursed Programs, Rule 395.231 to Rule 395.376
- Education of Pregnant Students, Rule 340.1121 and Rule 340.1122
- Postsecondary Dual Enrollment Criteria for Fifth-Year High School Pupils, Rule 388.151 to Rule 388.155
- School District Pupil Accounting for Distribution of State Aid, Rule 340.1 to Rule 340.18
- Special Education Programs and Services, Rule 340.1701 to Rule 340.1862

**MICHIGAN DEPARTMENT OF EDUCATION PUPIL ACCOUNTING MANUAL**

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Topic	Revised School Code MCL 380.1 – 380.1852	State School Aid Act MCL 388.1601– 388.1827	School District Pupil Accounting for Distribution of State Aid Rules 340.1– 340.18	Pupil Accounting Manual §	Other
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Topic	Revised School Code MCL 380.1 – 380.1852	State School Aid Act MCL 388.1601– 388.1827	School District Pupil Accounting for Distribution of State Aid Rules 340.1– 340.18	Pupil Accounting Manual §	Other
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Topic	Revised School Code MCL 380.1 – 380.1852	State School Aid Act MCL 388.1601– 388.1827	School District Pupil Accounting for Distribution of State Aid Rules 340.1– 340.18	Pupil Accounting Manual §	Other
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Topic	Revised School Code MCL 380.1 – 380.1852	State School Aid Act MCL 388.1601– 388.1827	School District Pupil Accounting for Distribution of State Aid Rules 340.1– 340.18	Pupil Accounting Manual §	Other
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