

SECTION C: MICHIGAN ADULT EDUCATION POLICIES

POLICY	ISSUED	EFFECTIVE	RESCINDED
<p>STATE SCHOOL AID RECAPTURE (WDA/Career Education Programs)</p>	<p>5-23-05</p>	<p>7-1-05</p>	
<p><u>State School Aid Act of 1979, as Amended</u> Section 15(2) provides, if the result of an audit affects the current fiscal year membership, the affected payments shall be adjusted in the current fiscal year.</p> <p>Section 15(3) provides, in the event that new information indicates that the amount paid to a program for a prior fiscal year was incorrect under the law in effect for that year, the department (MDE) may make the appropriate deduction or payment in the district's allocation for the fiscal year in which the determination is made. The deduction or payment must be calculated according to the law in effect in the fiscal year in which the improper amount was paid.</p> <p><u>WDA Requests to MDE</u> If it is found through a financial audit, on-site monitoring, or review of reports or data that funds have been misused or misappropriated, payback or recapture procedures will be implemented by the Bureau.</p> <p>The following steps should be taken when a program area determines that school aid funds must be returned to the State of Michigan. A transmittal, under the program director's signature, must be sent to the MDE State School Aid Office requesting the recapture. This transmittal must include:</p> <ol style="list-style-type: none"> 1. District name 2. Program 3. Year 4. Amount to be recaptured 5. Reason for recapture <p>The adjusted amount will be taken from the next state aid payment if the amount to be recaptured is for the current fiscal year. If WDA program staff knows before the end of the fiscal year that a recapture is necessary, an account receivable should be established.</p> <p>If the recapture amount is for a prior fiscal year, the MDE State Aid Office will process the request as a prior year adjustment and the amount will be taken from a subsequent school aid payment.</p> <p>Recaptured funds lapse to the state school aid fund and cannot be redistributed.</p>			