

House Bill 1 and Florida Scholarships: Navigating AUP Compliance with a CPA

BY MATTHEW SAUCIER, CPA



House Bill 1, effective July 1, 2023, significantly altered the Family Empowerment Scholarship in Florida by eliminating income and enrollment limitations. This now makes nearly all Florida families with students in elementary, middle, or high school eligible for a school voucher equal to their local public school's funding. This legislative change has broadened school choice access for families and necessitates more schools to engage in Agreed Upon Procedures (AUP) as per Florida statute 1002.421(1)(q). Engaging a Certified Public Accountant (CPA) for these services is time-sensitive.

Schools and Educational Institutions Affected

Florida schools that receive over \$250,000 in scholarship funds from certain programs, including those funded under Step Up for Students, are mandated to adhere to Florida statute 1002.421(1)(q). This involves engaging a CPA to execute AUP related to the use of these funds.

Scholarships requiring an AUP include the Florida Tax Credit Scholarship, Family Empowerment Scholarship for Educational Options, Family Empowerment Scholarship for Students with Unique Abilities (FES-UA), and the Hope Scholarship.

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Compliance Guidelines

Schools that receive more than \$250,000 in total funding annually (between July 1 and June 30 of the next calendar year) must complete the AUP every year. Step Up for Students releases AUP requirements and guidelines each February, with submissions due by September 15th of the same year.

To comply with all reporting demands, schools must hire a qualified Florida CPA. The AUP assessment covers cash balances, non-school expenditures, internal controls, bank reconciliations, budgets, and financial statements. In cases of incorrect AUP filings, schools are required to develop Corrective Action Plans either concurrently with or after the AUP submission. CPAs can assist in identifying any overlooked requirements. Additionally, the AUP requires an in-person attendance verification to be performed by the CPA before the end of the school year.

If this is your first year requiring an AUP, consider contacting our firm for support. Our expertise can guide you through this crucial process, ensuring full compliance and proper management of scholarship funds.



About the Author

Matthew Saucier began working in public accounting in 2013 and joined Rivero, Gordimer & Company in 2020. Mr. Saucier has considerable experience working with not-for-profit and commercial organizations. His commercial experience includes construction, manufacturing, franchising companies, and health care. His experience in not-for-profit organizations includes private independent schools, membership associations and social service organizations.



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