

The Opportunity Scholarship and Education Student Accounts Programs (collectively the “K12 Programs”) require that all nonpublic schools enrolling seventy (70) or more students who use scholarship funds from the K12 Programs for at least one semester during the academic year, must contract with a Certified Public Accountant (CPA) to perform a financial review, consistent with Generally Accepted Accounting Principles (GAAP).¹

Note that schools which share a bank account are considered to be one school for the purposes of this requirement.

Failure to comply with the statutory and regulatory requirements for submission of a financial review may result in the State Education Assistance Authority (SEAA):

1. Withholding scholarship and/or grant funds from the nonpublic school; and/or
2. Deeming the nonpublic school ineligible to participate in either or both K12 Programs.

Financial Review Requirements:

The financial review must contain a complete set of Financial Statements, including the following:

1. Statement of Assets, Liabilities and Net Assets (categorized by current vs. long term), *for cash basis statements*; Or Statement of Financial Position *for GAAP basis statements*;
2. Statement of Revenues, Expenses and Changes in Net Assets, *for cash basis statements*; Or Statement of Activities and Changes in Net Asset *for GAAP basis statements*;
3. Statement of Cash Flows; and
4. Notes to Financial Statement.

The Financial Statement should also indicate the amount of money the nonpublic school received from SEAA in K12 Program scholarship funds in the school year, by Program. The disclosure in the Financial Statements must only report activity during the financial period under review.

The Financial Review must be completed by a CPA licensed in North Carolina. SEAA recommends that school officials request a copy of the CPA’s most recent peer review report prior to contracting for the Financial Review.

Submission of Financial Reviews:

1. The financial review prepared by the CPA must be submitted to SEAA on an annual basis as a result of any semester in which the school enrolled seventy (70) or more students in the K12 Programs. Students enrolled in both K12 Programs count as one (1) student for the purposes of counting.
2. The financial review must be submitted within 120 days (4 months) of the end of the school’s fiscal year. Requests for an extension must be made via email no later than 5 days prior to the submission deadline. An extension is not guaranteed.
3. The financial review must be submitted in electronic format.
4. SEAA requires approximately 6-8 weeks from the date a Financial Review is submitted, to review the document and confirm it meets requirements.

Please Note: For the initial retention of a CPA and on an annual basis thereafter, if applicable, SEAA recommends that the school share this document entitled “Financial Review Requirements” with the School’s CPA.

Contact the School Support Team with questions: nps@ncseaa.edu / 919.695.8742 (schools only)

¹ For example, if a school has 50 students who receive funds from the Opportunity Scholarship Program and 23 students who receive funds from the ESA+ Program in a semester, for a combined total of 73 enrolled students, then that school is required to submit a financial review.