



POLICY TITLE:	Administrative Fee Policy
ADOPTION/EFFECTIVE DATE:	March 21, 2016
MOST RECENTLY UPDATED:	November 20, 2021

## **PURPOSE**

The principal source of the DC Public Charter School Board's (DC PCSB) revenue is a 1.0% administrative oversight fee (Administrative Fee) charged to each public charter local education agency (LEA). Pursuant to the School Reform Act, DC Code § 38-1802.11(b)(2), DC PCSB may assess this Administrative Fee based on each LEA's annual budget (Budget). The Budget and Administrative Fee calculations are defined below in the Administrative Fee Policy (Policy). The purpose of the Administrative Fee is to cover the cost of DC PCSB's ongoing administrative responsibilities related to the oversight of the public charter LEAs. The purpose of this revision to the Policy is to exclude from the calculation of the Administrative Fee certain federal emergency relief funds granted to LEAs that are recognized as income in their Budgets.

## **POLICY**

Each public charter LEA shall pay one percent (1.0%) of its annual Budget to DC PCSB as an Administrative Fee no later than November 15<sup>th</sup> of each fiscal year (FY), as described below.

Effective and retroactive to FY 2020, for the purpose of calculating the Administrative Fee, the Budget shall exclude revenues from only the following sources (Exclusions):

1. Philanthropy, including net income from fundraising events
2. Investments, including income from dividends, interest, net rental income, and net gain on sales of assets other than inventory
3. Loan forgiveness from the Paycheck Protection Program<sup>1</sup>
4. Elementary and Secondary School Emergency Relief (ESSER) funds, or equivalent allocations through Scholarships for Opportunity and Results (SOAR) from the Office of the State Superintendent of Education (OSSE) for LEAs not eligible for ESSER funding, as follows:
  - a. CARES-ESSER Fund enacted on December 27, 2019, under the CARES Act or equivalent allocations from OSSE
  - b. CRRSA-ESSER II Fund enacted on December 27, 2020, under the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSA) or equivalent allocations from OSSE

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<sup>1</sup> Provided through COVID-19 federal emergency relief funds under the Coronavirus Aid, Relief, and Economic Security (CARES) Act of December 27, 2019.



- c. ARP-ESSER III Fund enacted March 11, 2021, under the American Rescue Plan (ARP) Act or equivalent allocations from OSSE
5. Employee Retention Tax Credit received under the CARES Act or ARP Act
6. OSSE grants for COVID-19 testing, school-based clinical support, and contact tracing
7. OSSE Public Charter School Reopening Grant (FY21)
8. OSSE Public Charter School Reopening Facilities Grant (FY22)
9. Federal Communication Commission's Emergency Connectivity Fund

Each FY, DC PCSB issues two invoices to each LEA as follows and may issue additional invoices and/or credits as needed:

1. The first invoice, issued in October and due and payable by law<sup>2</sup> to DC PCSB by November 15<sup>th</sup>, is based on:
  - a. Forecasted local public revenues derived from the Uniform Per Student Funding Formula (UPSFF) applied to the LEA's October pre-audited certified enrollment multiplied by one percent (1%), plus
  - b. All other LEA revenues, other than the Exclusions, from the LEA's latest Budget multiplied by one percent (1%)
2. The second invoice, issued in the following summer and due and payable to DC PCSB or credited to the LEA, as the case may be, by November 15<sup>th</sup> following its issuance, is a true-up adjustment of the first invoice from the prior FY to reflect the final revenue amounts included in the LEA's IRS Form 990 multiplied by one percent (1%)
3. At the sole discretion of DC PCSB, a discount on the Administrative Fee (Discount) may be provided to the LEAs and reflected in the invoices:
  - a. In advance of each FY, the DC PCSB Finance Committee or the DC PCSB Board shall determine the Discount, if any, that shall be offered to each LEA for the subsequent FY
  - b. If DC PCSB decides to offer a Discount for the subsequent FY, it shall endeavor, but is not required, to notify the LEAs by December 31<sup>st</sup> prior to the start of the subsequent FY; otherwise, the LEAs should not include in their subsequent FY Budgets any Discount
  - c. The Discount, if any, shall be eliminated for any LEA that does not pay any of its DC PCSB invoices by their due date
  - d. DC PCSB reserves the right to eliminate all or a portion of the Discount at any time and for any reason and to assess the full Administrative Fee authorized under DC Code § 38-1802.11(b)(2)

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<sup>2</sup> DC Code § 38-1802.11(b)(2).



**Board Approval Acknowledged By:**

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Rick Cruz  
DC PCSB Board Chair