July 25, 2018

TO: Charter School Administrators  
    Director of Charter Schools  
    Business and Personnel Administrators  
    Los Angeles County School Districts and Charter Schools

FROM: Philip Thi, Enterprise Financial Operations Consultant  
      Business Charter Schools Unit  
      Division of School Financial Services

SUBJECT: Charter School Services and Support

The Los Angeles County Office of Education (LACOE), school districts, and the State Board of Education are approving an ever increasing number of charter schools within Los Angeles County. These charter schools, as public school educational entities, have administrative and business responsibilities. Some of these responsibilities are based on federal or state laws. Others are required in the authorizing charter agreements or in side-agreements/memorandums of understanding with the authorizing entity.

LACOE has statutory responsibilities such as:
• disbursing public funds through the Los Angeles County Treasury,
• remitting and reporting employees’ retirement contributions to California State Teachers’ Retirement System (CalSTRS) or California Public Employees’ Retirement System (CalPERS), and
• submitting attendance and financial reports to the California Department of Education (CDE)

LACOE/SFS provides services to facilitate the processing of CalSTRS and CalPERS requirements and other business processes by operating the PeopleSoft Financial System (PSFS) and the Human Resources System (HRS). These systems are components of services made available to districts, other local educational agencies and charter schools within Los Angeles County. LACOE, through the Division of School Financial Services (SFS) responded to the needs of the charter school community by establishing a Charter Schools Unit to field questions and respond to concerns. I am the Enterprise Financial Operations Consultant who oversees this unit. I can be reached at (562) 922-8693 or thi_philip@lacoe.edu.

SFS offers charter schools five (5) levels of support. Depending upon the characteristics of an individual charter school, the school may choose the appropriate support level.

SFS offers the following services:

- CalSTRS and/or CalPERS retirement reporting
- Funding disbursement
- PeopleSoft (PSFS) for accounts payable processing and accounting services
- HRS for payroll processing, including direct deposit
The five types of services are:

<table>
<thead>
<tr>
<th>Charter Type</th>
<th>Type Description</th>
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<tbody>
<tr>
<td>Type I—Pass Through</td>
<td>• Funds received in LA County Treasury and disbursed by LACOE</td>
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<tr>
<td></td>
<td>• No STRS/PERS retirement reporting</td>
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<td></td>
<td>• No HRS or PeopleSoft</td>
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<tr>
<td>Type I-PS—Use of PeopleSoft System only</td>
<td>• Funds received in LA County Treasury and disbursed by LACOE</td>
</tr>
<tr>
<td></td>
<td>• No STRS/PERS retirement reporting</td>
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<tr>
<td></td>
<td>• Uses PeopleSoft to receive financial reports</td>
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<tr>
<td>Type II—Retirement Reporting only</td>
<td>• Funds received in LA County Treasury and disbursed by LACOE</td>
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<tr>
<td></td>
<td>• STRS/PERS Retirement reporting through use of 3rd-party vendor</td>
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<tr>
<td></td>
<td>• No HRS or PeopleSoft</td>
</tr>
<tr>
<td>Type III—Retirement Reporting and PeopleSoft</td>
<td>• Funds received in LA County Treasury and deposited by LACOE into the Charter School’s Business Unit</td>
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<tr>
<td></td>
<td>• STRS/PERS Retirement reporting through use of 3rd-party vendor</td>
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<td></td>
<td>• Uses PeopleSoft for at least some of business functions</td>
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<tr>
<td>Type IV—Full Service</td>
<td>• Funds received in LA County Treasury and deposited by LACOE into the Charter School’s Business Unit</td>
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<td></td>
<td>• Uses HRS to generate payroll and retirement reporting</td>
</tr>
<tr>
<td></td>
<td>• Uses PeopleSoft for all or part of business functions</td>
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</table>

Services are described in detail below:

**Type I—Pass Through**

A *Pass Through* charter school is a charter that has an alternative retirement system because they did not elect CalSTRS or CalPERS; they maintain a separate bank (financial) account; and will not use LACOE’s PSFS and HRS.

LACOE offers only funding disbursement.

This charter school is responsible for the following:
- covering its employees with an alternative retirement system
- obtaining alternative accounts payable processing and accounting services
- paying employees through other systems

If the charter school changes its charter document to include CalSTRS and/or CalPERS retirement contributions and deductions, the charter school **must** contact LACOE immediately regarding the required retirement reporting through LACOE.
Type I-PS—Pass Through and PeopleSoft

A Pass Through using PeopleSoft Financial System is a charter school that has an alternative retirement system because they did not elect CalSTRS or CalPERS; they maintain a separate bank (financial) account; and use LACOE’s PSFS.

LACOE offers only funding disbursement and use of PeopleSoft.

This charter school is responsible for the following:
- covering its employees with an alternative retirement system
- obtaining alternative accounts payable processing and accounting services
- paying employees through other systems

If the charter school changes its charter document to include CalSTRS and/or CalPERS retirement contributions and deductions, then the charter school must contact LACOE immediately regarding the required retirement reporting through LACOE.

Type II—Retirement Reporting and Processing (RR&P)

A Retirement Reporting and Processing (RR&P) charter offers CalSTRS and/or CalPERS to its employees; they maintain a separate bank (financial) account; and will not use LACOE’s PSFS and HRS.

LACOE offers:
- CalSTRS and/or CalPERS retirement reporting
- funding disbursement, after sufficient funds have been reserved for CalSTRS and/or CalPERS

This charter school is responsible for the following:
- obtaining alternative accounts payable processing and accounting services
- paying employees through other systems
- maintaining all payroll records for such payments. These records must be retained indefinitely for adjustment processing purposes
- providing payroll and retirement information to a third-party vendor interface for the retirement reporting
- submitting CalSTRS and/or CalPERS required forms, reports and/or files to LACOE, including a copy of the payroll register, according to published schedule
- accepting financial responsibility for all CalSTRS and/or CalPERS fines and penalties resulting from incomplete, inaccurate, or late reports and/or inadequate or late deposits

Type III—PeopleSoft (PSFS) and Retirement Reporting and Processing (RR&P)

A PeopleSoft (PSFS) and Retirement Reporting and Processing (RR&P) charter school offers CalSTRS and/or CalPERS to its employees; uses LACOE’s PSFS for accounts payable processing and accounting services; but will not use LACOE’s HRS.

LACOE offers:
- CalSTRS and/or CalPERS retirement reporting
- PSFS for accounts payable processing and accounting services
This charter school is responsible for the following:

- paying employees through other systems
- maintaining all payroll records for such payments. These records must be retained indefinitely for adjustment processing purposes
- providing payroll and retirement information to a third-party vendor interface for the retirement reporting
- submitting CalSTRS and/or CalPERS required forms, reports and/or file to LACOE, including a copy of the payroll register, according to published schedule
- accepting financial responsibility for all CalSTRS and/or CalPERS fines and penalties resulting from incomplete, inaccurate, or late reports and/or inadequate or late deposits
- maintaining a separate bank (financial) account, to deposit and disburse all private funding, e. g. donations, in accordance with Government Code Section 27011

**Type IV—Full HRS, PSFS and RR&P Services**

A Full HRS, PSFS and RR&P charter school is a charter that offers CalSTRS and/or CalPERS to its employees and uses LACOE’s PSFS and HRS.

LACOE offers:
- CalSTRS and/or CalPERS retirement reporting
- PSFS for accounts payable processing and accounting services
- HRS for payroll processing including direct deposit

When this type is selected, LACOE and charter have to meet at least four (4) weeks prior to first payroll issue date in order to review implementation process and schedule appropriate automated system training.

This charter school is responsible for:
- complying with operating procedure, policies and schedules within the CalSTRS and/or CalPERS, PSFS and HRS
- maintaining a separate bank (financial) account, to deposit and disburse all private funding, e. g. donations, in accordance with Government Code Section 27011

**Agreement with LACOE**

Every charter school in Los Angeles County should have a master agreement with LACOE. This agreement covers standard contract language for all the defined types of charters, and a separate schedule pertaining to the exact type of service/support needed. If your charter school would like to change service type, please complete and return the attached form.

**LACOE Systems Overview**

SFS staff is available if you would like to discuss a specific service-type or to schedule a LACOE Systems Overview. All charters who return the attachment requesting a meeting time to discuss options will receive a call from a SFS representative to confirm the meeting date and time.
If you have any questions regarding this bulletin, please contact:

Philip Thi  
(562) 922-8693  
thi_philip@lacoe.edu

Sylvia Carrillo  
(562) 401-5574  
carrillo_sylvia@lacoe.edu

Please note that school districts and other Local Educational Agencies are being sent this bulletin for informational purposes only.

Approved by:
Patricia Smith, Executive Director
Business and Finance

PT:scc
Attachment

Requesting a Change in Charter School Service Types

LACOE Charter School Number and/or Department of Education I.D. Number

Charter School Name ____________________________________________________________

Address _______________________________________________________________________

City _______________________________________  Zip Code _____________________________________

Telephone Number ______________________________________________________________

Contact Person ________________________________________________________________

This charter school currently receives the following type of support and services from SFS: Check one box.

☐ Type I–Pass Through Only
☐ Type I-PS–Pass Through with PeopleSoft (PSFS)
☐ Type II–Retirement Reporting and Processing (RR&P)
☐ Type III–PeopleSoft (PSFS) and Retirement Reporting and Processing (RR&P)
☐ Type IV–Full HRS, PSFS and RR&P Services

It is the intent of the charter school identified above to change to the following type of support and service from SFS. Check one box.

☐ Type I–Pass Through Only
☐ Type I-PS–Pass Through with PeopleSoft (PSFS)
☐ Type II–Retirement Reporting and Processing (RR&P)
☐ Type III–PeopleSoft (PSFS) and Retirement Reporting and Processing (RR&P)
☐ Type IV–Full HRS, PSFS and RR&P Services

LACOE Systems Overview:
Our charter school would like to schedule a LACOE Systems Overview. Some suggested dates are:

1) Desired Date: ___________________________ Time ___________________________

2) Desired Date: ___________________________ Time ___________________________

Please return the completed form via email to: SFS_BCSU@lacoe.edu

Attachment to:
Info. Bul. No. 4855