

Process for Authorizer Fee Payment

The following process is provided by the Tennessee Department of Education to clarify the requirements of T.C.A. § 49-13-128 and Tennessee State Board of Education Rule 0520-14-01-.05.

Authorizer fee determinations

- The annual authorizer fee shall be the lesser of 3% of the charter school's per pupil state and local BEP funding or \$35,000.
- The annual authorizer fee amount shall initially be based on the charter school's current year adjusted average daily membership (ADM) count in October.
- If a charter school experiences a change in student enrollment such that the authorizer fee calculation is impacted, the annual authorizer fee shall be adjusted and reflected in the February invoice.

Charter School Payments

- Charter schools shall pay the annual authorizer fee in two (2) installments to its authorizing LEA.
- Each LEA shall invoice its charter schools for the first authorizer fee payment in October and shall invoice for the second authorizer fee payment in February.
- Charter Management Organizations (CMOs) may combine payment for all authorized charter schools within an LEA.
- Upon notification to the Department's office of school choice that a charter school has failed to submit the required authorizer fee payment to its authorizing LEA within 30 calendar days of receiving an invoice, the Department shall withhold an amount equal to the authorizer fee and distribute the authorizer fee funds directly to the LEA.

LEA Invoicing

- The LEA shall annually invoice each of its authorized charter schools in October and February.
- In October:
 1. Authorizing LEAs shall send each charter school its adjusted ADM count in October for verification and reconciliation.
 2. If a charter school does not respond to its authorizing LEA within 5 calendar days to verify the ADM count, the LEAs ADM count shall be used.

3. After verification and reconciliation of ADMs has occurred, the first invoice shall be sent to each charter school.
 4. The first invoice shall be for an amount equal to half of total annual authorizer fee amount owed from the charter school.
- In February:
 1. Authorizing LEAs shall send each charter school its adjusted ADM count in February for verification and reconciliation.
 2. If a charter school does not respond to its authorizing LEA within 5 calendar days to verify the ADM count, the LEAs ADM count shall be used.
 3. After verification and reconciliation of the ADMs has occurred, the second invoice shall be sent to each charter school.
 4. The second invoice shall be for an amount reflecting the remaining authorizer fee due from the charter school and shall reflect any adjustments needed to the calculation.

LEA Revenue Code

- All authorizer fee funds received by an LEA shall be coded in the LEA's budget using the revenue code 43548.

Reconciliations

- Reconciliations including any amount owed to or due from the charter school should be addressed during the final June payment calculation.

Unspent or Misallocated Funds

- Any unspent authorizer fee funds shall be identified in the authorizer fee report due annually on December 1.
- Unspent funds shall be distributed in proportionate share to all charter schools authorized by the LEA. Any amount owed in unspent funds shall be adjusted in the February invoice for each charter school.

If the Department determines authorizer fees were misallocated by an LEA, the department shall withhold an amount equal to the misallocated funds in the following fiscal year and shall distribute the funds in a proportionate share to each charter school.