

R7-2-1508. Review of Expenses

A. The Department may conduct or contract for random or annual audits as needed to ensure monies are used only for expenses that were approved or allowed at the time the expense was made. The Department shall use record retention requirements that were in place at the time the expense was made to determine compliance. The Department may only audit account activity from the last two fiscal years, including the current fiscal year.

B. The Department shall provide annual notice to each parent of when and how the Department will conduct reviews of expenses and audits. The notice may be provided in the handbook adopted pursuant to R7-2-1503. Notwithstanding any other Section, the Department may review expenses less frequently using a risk-based approach, if the Department provides notice to parents and the Board pursuant to this section.

C. Parents shall submit expenses that shall include, but are not limited to, the following:

1. Invoices for each vendor, individual or product;
2. Invoices for private schools, which shall include the following:
 - a. The name of the qualified student,
 - b. The name of the private school,
 - c. The transaction date,
 - d. Tuition or fee amounts, and
 - e. Total charged to the card, and for reimbursements, proof of method of payment;
3. Invoices for tutors, paraprofessionals, service type or therapists which shall include:
 - a. Name of the qualified student,
 - b. The name of one of the following: the vendor, facility, therapist or tutor,
 - c. A description of the services,
 - d. The transaction date,
 - e. The rate amounts,
 - f. Any processing fees, and
 - g. Total charged to the card, and for reimbursements, proof of method of payment.

D. For debit card transactions, a parent shall submit all debit card transaction expense receipts to the Department as follows:

1. On or before September 30 for quarter one,
2. On or before December 31 for quarter two,
3. On or before March 31 for quarter three, and
4. On or before June 30 for quarter four.

E. The Department shall review and approve expenses and make its next quarterly disbursement of funds within 30 days of the deadlines prescribed in R7-2-1508(D).

F. On receipt and approval of debit card transaction expense receipts or reimbursements, the Department shall notify the parent through electronic mail or through an online portal. The Department shall not withhold funds for a subsequent quarter if it fails to review expenses, debit card transaction expense receipts or reimbursements within 30 days of the deadline. A parent may submit corrected debit card transaction expense receipts any time prior to the quarterly submission deadline.

G. If a parent fails to submit debit card transaction expense receipts, if required, by the deadlines prescribed in R7-2-1508(D) or submits incomplete debit card transaction expense receipts or reimbursements, the Department shall:

1. Serve notice to the parent of the deficiencies,
2. Provide the parent 10 days from the date of receipt of the notice to submit complete debit card transaction expense receipts or reimbursements, and
3. Review debit card transaction expense reports receipts or reimbursements submitted pursuant to this subsection within five days of receipt from the parent.

H. Following the 10 day period provided in R7-2-1508(G)(2), the Department may remove a parent from the Program for failing to submit required debit card transaction expense receipts or failing to correct the deficiencies of a debit card transaction expense receipt.

I. Pursuant to R7-2-1511, a parent that has been removed from the Program may file a written request for a hearing within 30 days after being served the notice of removal. Except in cases in which the Board has found misuse of funds or fraud pursuant to R7-2-1509, the Department shall not withhold funding to one qualified student's ESA due to deficiencies in the expense reporting of a sibling's account.

J. At the written request of a parent, the Department shall extend the deadlines prescribed in R7-2-1508(D) for up to 30 days from the deadlines prescribed in this Section if the parent demonstrates hardship, including an act of God or similar circumstance that prevented the parent from responding by the deadline.

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K. If a parent does not make any expenses in a quarter, the parent shall attest to that fact in a format provided by the Department.