Policy:
A school may be placed on financial supervision for violating mandates governing internal accounts and the maintenance of proper documentation of school account activity. Facts which may be considered in determining whether a school should be placed on financial supervision include:

- whether the internal books of the school have been lost, destroyed or are significantly in arrears;
- whether funds are missing, not properly accounted for or inappropriately used;
- whether funds received from federal or state funded programs are improperly used, documented or accounted for.

The nature, severity and duration of the alleged deficiencies shall be considered in determining whether a school is placed on financial supervision. A school placed on financial supervision may be subject to one or more of the following remedial measures:

- mandatory training of appropriate staff;
- ongoing monitoring of internal accounts and financial activities;
- appointment of a financial receiver;
- issuance of a Warning Resolution;
- restitution;

The remedial measures imposed shall be reviewed periodically, but no less than every six months, and shall be progressively removed or abated as warranted by the school's progress toward correcting the deficiencies identified.

The Chief Executive Officer, in conjunction with the Department of Internal Audit, is directed to establish specific administrative guidelines outlining: (1) the basis for placing a school on financial supervision; (2) procedures to be followed during financial supervision; and (3) the basis for and procedures to be followed in connection with removal of a school from financial supervision. The procedures also shall provide for notice to the affected school and an opportunity for the school to respond to the alleged deficiencies before financial supervision is imposed.