



UTAH STATE BOARD OF EDUCATION

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MEMORANDUM

TO: Members, Utah State Board of Education

FROM: Natalie Grange CPA, CFE
Assistant Superintendent of Financial Operations

DATE: November 3-4, 2016

ACTION: Charter Loan Uncollectible Balance Disposition

Background:

Wasatch Institute of Technology (WIT) was a charter school that was closed by the Charter Board at the beginning of school year 2015-2016. WIT obtained a charter school revolving loan totaling \$300,000 in February of 2013. The loan went into repayment February of 2014. WIT made their monthly \$6,572.59 scheduled payment without exception. WIT liquidated their bank accounts and provided the balance to the Board of Education on July 14, 2016. A check totaling \$67,950.40 was received. Of the total \$21,806 was applied to questioned costs for the 2015 Title I grant, the remaining balance \$46,060.10 was applied to the principal of WIT's outstanding loan.

As of 7/23/2016 the remaining balance of \$70,623.37 is considered uncollectible as the LEA's charter has been terminated. The Board does not currently have a policy or procedure regarding uncollectible charter school revolving loan balances.

Board Strategic Plan:

This item supports the following imperative(s) and strategies in the Board's Strategic Plan:

- Educational Equity
- System Values

Action:

It is anticipated the Board will provide direction to staff on the disposition of the uncollectible loan balances.

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