Guidelines for Choosing your Third- Party Financial Service Provider

State Charter Schools Commission of Georgia

Important Disclaimer: Third Party Financial Service Providers (FSPs) support schools with financial processes, recordkeeping, and compliance tasks. Governing boards, school leaders, and CFOs remain fully responsible for the accuracy, completeness, and compliance of all financial data, reports, and submissions. FSPs do not make financial decisions on behalf of schools. They support, not replace, internal oversight.

Start with a Selection Plan:

Brainstorm your school's needs

List the problems you need solved and the outcomes you want with regard to financial processes, recordkeeping, and compliance. Get input from staff who will be affected.

Agree on needed product/ service

Decide exactly what type of service your school is looking for. Make sure everyone understands the goals and expectations.

Consider budget/ service pricing

Consider what your school can afford. Set a realistic budget and outline acceptable cost ranges.

Review qualifications and proposals

Look at each provider's experience, credentials, and proposed plan. Compare how well each one meets your needs.

Begin vendor selection process

Choose your top options, ask follow-up questions, and check references. Select the service provider that best fits your school's needs and budget.

Guidelines for Choosing your Third- Party Financial Service Provider cont'd

STATE CHARTER SCHOOLS COMMISSION of GEORGIA

Essential Criteria for Financial Service Providers

1 Experience and Track Record

Choose an FSP with proven success serving GA charter schools.

- A clean performance history with GA charter schools
- Examples of strong outcomes (e.g., independent audits with no finding, on-time payments, no "high-risk" status)
- Multiple years of experience and annual performance reports
- Deep knowledge of charter school finance and compliance requirements.

2 Staff Qualifications

Ensure the provider's team is professionally trained on GA-specific requirements.

- Hold relevant credentials (CPA, CGFM, governmental accounting, public sector finance).
- Understand K–12 school funding and the GaDOE Chart of Accounts.
- Receive ongoing training on changing laws and regulations.

3 Transparency, Ethics, & Responsiveness

Your FSP should operate with clear, ethical practices.

- Transparent, itemized fee structures with no hidden costs.
- Invoices aligned with actual services.
- A fair termination clause with no penalties.
- Clear service descriptions and deliverables.
- Responsiveness to questions and urgent issues.
- Ability to adapt to changing laws or requirements.
- Professional collaboration with school CFOs, leaders, and boards

4 Systems, Technology, & Data Security

The FSP must be equipped to support accurate reporting and protect school data.

- Software systems meet state and federal reporting requirements.
- Data security includes encryption, access controls, and regular backups.
- Schools retain ownership and full access to all financial data.
- The provider can produce timely, compliant reports for SCSC, GaDOE, and federal programs.

5 Audit & Compliance Performance

Strong FSPs consistently demonstrate:

- Positive audit results for client schools.
- Capacity to produce accurate, timely, required financial reports.
- Knowledge of Georgia charter laws, audit requirements, and federal grant management.
- Adequate insurance coverage and risk-management practices

Questions to Ask your Potential FSP

While searching for a qualified FSP, we recommend that you consider and ask the following questions:

General Experience

- How many Georgia Charter schools do you serve or have served in the past 5 years?
- What percentage of clients renew contracts?
- Can you provide references from GA charter schools with strong audit results?

Qualifications & Staffing

- How many team members are certified in public sector or nonprofit accounting?
- Who will be our main point of contact? What are their credentials?
- What is the typical response time for questions and urgent matters?

Systems & Internal Controls

- What accounting software do you use? Is it compatible with GaDOE reporting?
- Will the school have access to the system?
- What are your reconciliation and internal control procedures?

Audit History & Compliance

- What is your track record with audit findings?
- Have any clients had repeat or material findings? How were they resolved?
- Have you or your company ever faced disciplinary action or sanctions?

Staff Turnover

- How does your firm handle staff turnover in roles supporting schools?
- What steps ensure continuity during transitions?
- What training/ onboarding is provided for new staff working with GA charter schools?
- Do you share new staff qualifications with your clients?