



Office of

CHARTER SCHOOLS

NC Department of Public Instruction

Planning Year Session Two: Charter School Finance

Dave Machado

Director of the Office of Charter Schools

&

OCS Staff

October 27, 2021

Office of Charter Schools

OCS Mission: *The NC Office of Charter Schools exists to sustain the success of quality charter schools through Operations, Compliance, and Support.*

OCS Core Values:
Integrity, Teamwork & Collaboration, Diversity, Excellence, and Accountability.

- Director
- Administrative Support
- Renewals
- Performance Framework
- Applications
- Risk & Compliance
- Amendments
- Ready to Open& Planning Year
- Professional Learning
- Administrative Support
- NC ACCESS
- NC ACESSS
- NC ACCES
- NC ACCESS

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NORTH CAROLINA
TEACHERS
LIGHT THE WAY
#NCLighthouseLeaders

OCS Planning Year Session II: Finance



[Full Planning Year Calendar](#)



[Agenda for Planning Year Session II](#)



Housekeeping & Attendance



New Charter Schools

ALEXIS SCHAUSS

CHIEF BUSINESS OFFICER OF NC PUBLIC SCHOOLS

DIVISION OF SCHOOL BUSINESS

Agenda

- ▶ Organization
- ▶ Communications
- ▶ Budgeting
- ▶ Allotments
- ▶ Cash
- ▶ Reporting
- ▶ Compliance



PUBLIC SCHOOLS OF NORTH CAROLINA

State Board of Education | Department of Public Instruction

Charter Schools Board Responsibilities and Compliance

Alexis Schauss, Chief Financial Officer
Financial and Business Services

Agenda

- NCDPI School Business responsibilities
- Charter School Board responsibilities
- Non compliance

Division of School Business



School Business – What We Do

- Public school budget development
- Allocation of funds
- Collection of data (student, personnel and financial)
- Analysis of data
- Projections
- Monitor the compliance of laws and policy
- Report

School Business Communications

Sign up Weekly School Business Newsletter

- Reports due
- Changes
- State Board policies
- Year end information
- New legislation

<https://www.dpi.nc.gov/districts-schools/district-operations/financial-and-business-services/school-district-finance-operations/procedures-and-guidance#newsletter>

School Business Systems

Subscribe to:

CSADM system (in spring)

Information on maximum allowable growth and input by CS on projected students

Allotments system (in June)

Read only system. Notifications of allocations made.

EDDIE (in spring)

Public systems. Each school needs at least one subscriber to update info. Required info includes Board Chair and principal.

School Business Website

<https://www.dpi.nc.gov/districts-schools/district-operations/financial-and-business-services>

- Allotments
- Budget Information
- Student Accounting
- Manuals
- Statistical Resources

Fiduciary Responsibilities of a Charter School Board



Board Responsibilities

- Understand how **CRITICAL** the role of charter school Board of Directors is to the success of the school
- Understand the fiduciary roles and responsibilities of being a charter school board member
- Be able to recognize financial warning signs within your school and minimize risk
- Identify top 10 financial mistakes for the board to avoid

Why does it matter?

Just like any business –
the #1 reason charter schools close is due to
financial failure

Between 1998 and 2020, 241 charter schools
opened and approx 90% of the 45 schools that
closed was due to financial failure

Why does it matter?

- Substantial public money is being invested in your school
- Financial health is critical for the school to be able to recruit effective leaders and teachers, and to provide sufficient educational resources— all of which has an impact on student recruitment and retention and student achievement.

Board Roles and Responsibilities

The roles and responsibilities of a charter school board include developing and maintaining the school's:

- Mission and purpose
- Relationship with school administrator
- Effective organizational structure
- Financial sustainability
- Integrity of the academic program
- Public relations strategy
- Self-evaluation

Board composition

A model board includes members with skills, expertise and experience in the following areas:

- Financial
- Legal
- Human resources
- Academic oversight
- Fundraising
- Public relations / marketing
- Strategic planning
- Facilities/Real estate

Financial Management vs Bookkeeping

Bookkeeping

1. Processing payroll
2. Paying bills
3. Requesting State and federal cash

Many charters outsource these responsibilities

Principles of Sound Financial Management

1. Establishing internal controls through policy and procedures
2. Monitoring compliance with fiscal policies
3. Developing accurate budgets
5. Understanding the financial reports and being able to interpret
6. Recognizing red flags
6. Minimizing risk
7. Hiring independent auditor

These responsibilities can not be outsourced

Finance Committee

Every Board should have a finance committee with financially literate members who have an understanding of:

- Budgeting
- Financial processes
- Financial Statements
- Financial Audits

Financial Planning

Develop short term and long-term financial plan that support the educational goals of the school

- Operating vs capital
- Contingency reserve
- Salary plans

General Oversight

- Understand the financial condition of school
- Oversee the operating budget to protect the resources of school
- Hold school staff accountable for budget management
- Ensure that the necessary financial policies are in place to prevent fraud, waste and misappropriation
- Serve as an ongoing resource and advisor to staff on financial issues
- Work closely with staff on significant financial issues

Internal Controls

Develop internal control systems, including fiscal policies and procedures

- Budget approval
- Banking decisions
- Vendor contract approval
- Hiring and evaluation of school director/administrator/principal
- Annual tax return

Contracted Services and Procurement

- Fiscal policies and procedures
- Conflict of Interest
- Related party
- Financial Interest
- Nepotism
- Methods of procurement and thresholds
- Vendor selection
- Board approval / signature

Other Financial responsibilities

Task
Bank Accounts – Opening/Signatory/Closing
Loans - Review and recommend applications and agreements
Review student enrollment and ADM
Understand revenue sources and restrictions
Understand state and federal reporting requirements
Review and update fiscal policies and procedures
Review salary schedule/applicable contracts for highest compensated employees

Review of Financial Reporting

Boards should receive, review and discuss monthly financial reporting packages from school administrator or finance officer that include:

- Revenues vs. expenditures statement
- Budget vs. actual expenses
- Cash Flow Forecast
- Attendance Reporting Update
- Balance Sheet

Financial Statement Audit

The school is required to have an audit, you pay for it...use it!

Task
Audit firm selection
Receive review and understand the draft audit – request the audit firm to present to the board
Recommend acceptance of the audit
Approve management’s response and corrective action
Monitor the implementation of recommendations and corrective action identified in the audit, including the management letter comments
Request status of corrective action

Financial Red Flags

Item	Red Flag
Head of School	Unable or unwilling to give clear explanations to questions about finances and changes.
Financial Reports	Late reporting and unexplained differences from prior month or budget.
Cash	Low or negative balance
Accounts receivable	Bad accounts esp school nutrition and enterprise funds
Accounts Payable	No turnover throughout the year or steadily increases
Fund Balance	Declines without explanation such as special projects or negative
Operating Expenses	Higher than budgeted
ADM/Enrollment	Lower than projected and/or declining

Minimizing Financial Risk

Item	Controls
Review of changes	Require an explanation of significant changes from month to month and from budget.
Segregation of Duties	Have multiple people involved in initiating, authorizing and reconciling transactions.
	For schools with small number of staff - Include board members eg. Reviewing the bank reconciliation
Cash	Physical protection, daily deposits and segregate duties
Level of Authority	Document and train staff on who has authority to initiate, approve and reconcile at what dollar levels
Communicate policies	Communicate all policies and procedures to staff and update on an annual basis.

Minimizing Financial Risk

Item	Controls
Credit Cards	Avoid if possible. If not - have the bank place limits on the amount allowed to be charged in a transaction. Two copies of statements – one sent to school for payment, one sent to Board member at either home or office location.
Documentation	Every expenditure should have sufficient supporting documentation and evidence of inclusion in approved Budget.
Bank Statements	Require the bank to send out two copies of the monthly bank statements (one to the school and one to a designated board member). Ensure timely and accurate reconciliations

Top 10 Financial Mistakes to Avoid

1. Late reporting
2. Absence of financial expertise on Board
3. Failure to adjust to lower than anticipated student membership
4. Absence of discipline around purchasing and contracts
5. Absence of understanding of grant requirements
6. “Trusting” one person to handle finances and operations
7. Allowing school administration unilateral control over funds
8. Entering into facility deals that obligate a large percentage of the operating funds
9. Failure to budget contingencies and build reserves
10. Lack of fiscal internal controls

Non compliance



Annual Financial Statement Audits

- Annual Financial audits are due Oct 31st
- Audits are submitted to DPI (they are no longer required to be submitted to the Local Government Commission (LGC))
- DPI reviews the audits
- DPI is required to follow up on the resolution of findings
- DPI assesses each charter school for compliance and solvency.

Financial Performance Framework

<https://files.nc.gov/dpi/documents/fbs/finance/reporting/guides/csfinancialframework.pdf>

Evaluates both near term health and long term sustainability.

Financial Non Compliance

- SBE policy CHRT-006-U
- 3 levels
 - Cautionary
 - Probationary
 - Disciplinary

Most common causes

- Negative fund balance
- Non responsive or late reporting
- Low ADM
- Material weaknesses
- Cash Flow issues
- Student Accounting irregularities



Overview of Charter School Funding

SUSAN HOLLY
ALLOTMENT SECTION
DIVISION OF SCHOOL BUSINESS

Budgeting

- ▶ Average Daily Membership (ADM)
- ▶ State per Pupil
- ▶ Local per Pupil
- ▶ Other State Categories
- ▶ Federal Grants

Annual Process

CSADM System <https://www.dpi.nc.gov/districts-schools/district-operations/financial-and-business-services/independent-public-schools-operations#csadm>

- | | |
|-----------|--|
| November | CS submit requests for material growth to SBE for approval |
| January | CS provide preliminary ADM for the next fiscal year
DPI Projects the ADM by grade/by LEA statewide for the State budget |
| Feb- June | ADM is the backbone of the budget process |
| June | CS provide a final projected ADM.
New and material growth CS provide detail of where the students are coming from- used to reduce LEAs and move funds |

ADM

First State funding installment is based on the projected ADM the charter school provides.

- ▶ Be realistic
- ▶ Know your breakeven point
- ▶ Adjust if expected applications do not come in.
- ▶ If ADM is lower than expected – revenues will be lower- expenditures need to be adjusted down.

State Funding

1st year

- ▶ Funded based on the base \$ per ADM of the LEA where the student previously attended.
- ▶ Kindergarten Students – \$ per ADM of the LEA where the student would have attended.
- ▶ Other – Private Schools, Home Schools, etc.- \$ per ADM where the new charter is located.

Following years

- ▶ Returning student plus small growth funded based on the LEA in which the CS is located
- ▶ Students in excess of small growth funded based on the LEA where the students reside.

Categories not included in Base

Children with Special Needs –

based on Dollars per Headcount calculated separately.

Only students who are on the prior year April 1 headcount are funded.

Limited English Proficiency -

October 1 Headcount is needed for LEP students. At least 20 students or 2.5% of ADM.

NOTE: Charter Schools do receive funding for Fines & Forfeitures from the School Technology category when appropriated, to be allotted in a revision.

Categories not included in Base

Driver's Training –

The LEA in which the Charter School is located is responsible for offering driver's training to all eligible students.

Guaranteed funding-

eg. Advanced Placement exam fees. State pays on behalf of all schools.

Restricted Grants-

Charters may apply or may not be eligible.

Webinar on State Funding Calculation

30 minute demonstration of what is included and how it is calculated. It dispels some myths that you may be told.

Dissecting Charter School Funding

<https://www.dpi.nc.gov/districts-schools/district-operations/financial-and-business-services/independent-public-schools-operations>

Dollars Per ADM Calculation

LEA “X”

Position & Months of Employment Categories:

Classroom Teachers	\$5,800,000
Instructional Support	690,000
School Building Administration	783,000
Career Technical Education - MOE	<u>794,000</u>
Total Position & Months of Employment	\$8,067,000

Other Categories:

Teacher Assistants	\$729,000
Central Office Administration	535,000
Non-Instructional Support	479,000
Classroom Materials & Supplies	69,000
Textbooks	35,000
At-Risk Supplemental Funding	451,000
Academically & Intellectually Gifted	101,000
Career Technical Education Support	36,000
Low Wealth Supplemental Funding (if applicable)	142,000
Small County Supplemental Funding (if applicable)	1,547,000
Disadvantaged Student Supplemental funding	400,000
Prior Year Transportation	<u>651,000</u>
Total Other State Funds	<u>\$5,175,000</u>
Total State Funds (Initial Allotment)	\$13,242,000

Base Dollars Per ADM Calculation LEA “X”

Total State Funds	\$13,242,000
LEA Allotted ADM	2,100
Dollars per ADM	\$6,305.71
Plus: Un-allotted Dollars Per ADM	\$102.85
(Longevity, Annual Leave, Short Term Disability Worker’s Compensation & Unemployment)	
TOTAL Adjusted base PER ADM	\$6,408.56

See Base allocation per ADM

State Base Calculation for Charter School

Collins Academy - located in Wake County.

No. Students	LEA Previously Attended	\$/Per ADM	Funding
40	Wake	\$4,434.28	\$177,371
20	Granville	\$5,046.75	\$100,935
20	Private	\$4,434.28	<u>\$ 88,686</u>
TOTAL ADM	<u>80</u>		<u>\$366,992</u>

Provided by
Charter
School in June

Local Funding

- ▶ Best Information can be obtained from the LEA Finance Officer for \$ per student funding.
- ▶ Local Funding will come from the County where the student resides.
- ▶ Local funds carryover

Federal Grants



Charter schools qualify based on the population in their school.
Not related to the LEA.

Most common

- Title I – High poverty

- IDEA VIB – Exceptional Children

These funds are supplemental and should not be relied upon for
base funding

Vendors and Contractors



- ▶ Retirement - Teachers' and State Employees' Retirement System or other
- ▶ Health Insurance -the State Health Plan or other
- ▶ Accounting Services – Internal or contract
- ▶ Insurance provider – Liability insurance
- ▶ Independent auditor



Break Time!

Back in 15!



Allotment Process

SUSAN HOLLY
ALLOTMENT SECTION
DIVISION OF SCHOOL BUSINESS

What is an Allotment?

It is access to funds. It is not cash.

Allotments processes revisions, allocating funds, giving you permission to draw down funds.

It is unlawful to pull down funds in excess of what the school will expend within 3 days.

You must have a certificate of occupancy in place before any allocations are made.

Average Daily Membership (ADM)

State Maximum for projection

- ▶ State Board Approved Charter
- ▶ The cap on the funded ADM for Allocation

Actual Funded ADM

- ▶ Month 1 actual
- ▶ Not to exceed SBE approved maximum

Schedule

Initial – 1st Installment

- ▶ 34%
- ▶ Based on the charter's projected ADM
- ▶ Within 3 weeks after the budget is signed.
- ▶ If budget is late, an estimate is sent out before the end of July that gives CS State funding to operate until a budget is passed.

2nd Installment

- ▶ Funded ADM Calculated from 1st month PMR
Recalculate to provide access to 68% of State Allocation

Schedule

3rd installment

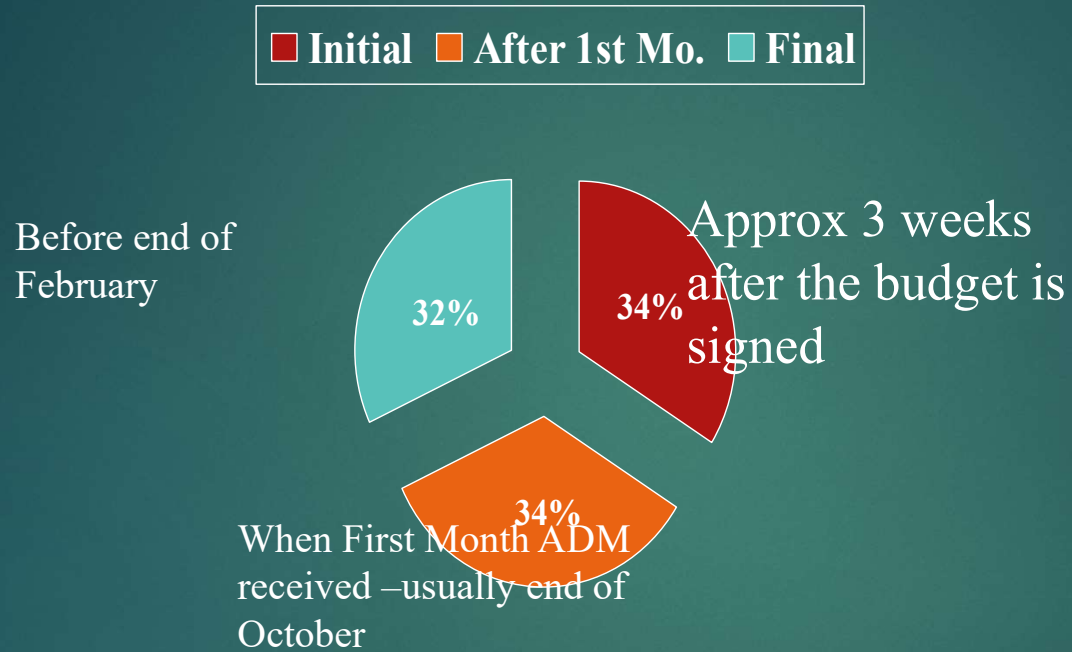
Final 32% before the end of February

Schools which have submitted 3 audits with no material weaknesses and have not been placed on non compliance receive 100% funding at the time of the 2nd installment.

Schools on Disciplinary Non Compliance receive the installments monthly.

New Charters automatically receive their funding in 3 installments.

When Are The Charter School State Fund Allotments Made?



Children With Disabilities

- ▶ Headcounts
 - ▶ December 1, 2020 – Federal Allocations
 - ▶ April 1, 2021 – State Allocations
- ▶ Eligible Students for Funding **must** be on one of these headcounts. ie. Students previously homeschooled or transferring from a private school are not funded.
- ▶ Funds Follow Students **1st 60 Days of School**.
 - ▶ A report of Transfer Students will be provided via PowerSchool.
 - ▶ Make sure all data is up-to-date in PowerSchool in a timely manner, not just 1st 60 days, for entire year.
 - ▶ School Allotments will calculate the amount to be transferred and a detailed report will be provided in the EC Headcount System.
 - ▶ Should the Headcount Transfer System be utilized instead of Powerschool, notification will be sent thru the FO and CS Newsletters or directly via email.
 - ▶ Headcount Transfer funding is allotted in Installments like State Base Funding.

<https://www.dpi.nc.gov/districts-schools/district-operations/financial-and-business-services/allotments---funding-public-school-units#forms>

Federal Allocations

- ▶ Planning Allocations
 - ▶ Federal Planning calculated in August
 - ▶ Planning Allocations used for budgeting purposes and are subject to change.
- ▶ Initial Allocations
 - ▶ Calculations made when information available (September-October)
 - ▶ Allocations made in Allotment Revisions as Applications and Budgets are approved.

EDDIE

- ▶ **Educational Directory and Demographical Information Exchange**
- ▶ Authoritative source for all school information and data.
- ▶ Used by general public, government entities, media and multiple systems within DPI.
- ▶ Charter Schools must ensure complete, accurate information.
- ▶ Designate someone to keep data current.

[Main Menu \(nc.gov\)](#)

Contact Information

- ▶ School Allotments
 - ▶ Susan Holly, susan.holly@dpi.nc.gov, 984-236-2441
- ▶ Allotment Policy Manual on our website.
- ▶ School Allotments Web site
<https://www.dpi.nc.gov/districts-schools/district-operations/financial-and-business-services/allotments---funding-public-school-units>



CASH MANAGEMENT REQUIRED REPORTING CHART OF ACCOUNTS

Gwendolyn Tucker
Section Chief
School Reporting
Division of School Business

Cash Flow

- ▶ Start up costs will require funding
- ▶ Local funds generally are not paid until invoiced with support of Power school reports
- ▶ Federal Funds are not available until October
- ▶ Therefore, 34% of the State allotment is likely the only cash from July until November

Certificate of Occupancy



- ▶ No CO no Cash
- ▶ Forms are NOT Processed until we receive CO. Allow 2 weeks for access to be approved.

Cash Management

- ▶ Establish an ACH bank account with the State Treasurer's Office. Allow 2 weeks
 - ▶ ACH Bank Account Authorization Form
 - ▶ Voided Check or Original Deposit Slip (Cannot accept temporary checks)
- ▶ Establish access to the Cash Management System (CMS) – Complete Security Forms
 - ▶ CICS Application Maintenance Form
 - ▶ RACF02 Site Security Officer Form
 - ▶ RACF03 RACF User ID Maintenance Form
- ▶ Complete Bill Action Code Form – ITS Access

Cash Management

- ▶ Know the cash calendar and funds requirement date (FRD)
- ▶ Do not order more cash than needed to cover the current expenditures

It is against state and federal law to hold their cash for more than 3 days. (GS147-86.11)

Guidelines and forms

<https://www.dpi.nc.gov/districts-schools/district-operations/financial-and-business-services/school-district-finance-operations/cash-management>

Charter Financial Training

Required for new charters

- ▶ Topics Covered – Financial Personnel
 - ▶ Forms Needed for access to systems
 - ▶ Cash Management
 - ▶ MSA (DPI General Ledger) System
 - ▶ Required Software
 - ▶ Chart of Accounts
 - ▶ Zero Out Process

REPORTING

Uniform Education Reporting System (UERS)

- ▶ GS 115C-218.30
 - ▶ Schools shall comply with the Uniform Education Reporting System (UERS)
- ▶ Financial
- ▶ Student Accounting
- ▶ Personnel
- ▶ Ad hoc data collection

UERS

- ▶ Mandatory
- ▶ Accountability
- ▶ Basis for majority of reports to stakeholders
- ▶ We are only as good as the data you submit

Chart of Accounts

- ▶ Shows how the allotments were expended.
- ▶ This is the only financial communication between the Charters and DPI.
- ▶ DPI uses this data to communicate to the State Legislature, the State Budget Office, media and the Federal Government.

Chart of Accounts

- ▶ Uniform Accounting System for all LEAs and Charters
- ▶ Information Gathering
- ▶ Consistency amongst LEAs and Charters
- ▶ Comparability between years
- ▶ Decision making tool
- ▶ Comparing Budget to Actual

<https://www.dpi.nc.gov/districts-schools/district-operations/financial-and-business-services/school-district-finance-operations/chart-accounts>

Published Data

- ▶ Data in the chart is used for:
 - ▶ Building the State budget
 - ▶ State funding
 - ▶ Federal Grants and monitoring
 - ▶ Financial Statement and single audits
 - ▶ School Report Card (ESSA changes)
 - ▶ Teacher certification requirement (50% rule)
 - ▶ Reporting to the General Assembly, Federal Government, media and general public on past and future education initiatives
 - ▶ Research and Statistics

Account String

- ▶ Fund-Purpose-PRC-Object
- ▶ A-BBBB-CCC-DDD
- ▶ 1-5110-036-121

Reading an Account Code

▶ 1-5110-036-411

State - Regular Curricular - Charter Schools -
Supplies and Materials

▶ 1-5270-016-121

State - LEP – Reading Camp- Salary - Teacher

▶ 1-6550-036-171

State – Transportation- Charter Schools - Salary
Driver

Datafile

Submit these files to us on a monthly basis

- ▶ Payroll
- ▶ Monthly Financial Reports

Software will create these files

- ▶ Schedule:

<https://files.nc.gov/dpi/documents/fbs/finance/reporting/users/leadatafile2020-2021.pdf>

- ▶ Review the files and reconcile
- ▶ DPI provides financial reports

Financial Reports

DPI provides these reports

- ▶ ALTARPO1 - Budget Allotment Revision
- ▶ ALTINRP1 - Planning Allotments
- ▶ JHA 305 - Local Account Balance Reconciliation
- ▶ JHA 705 - Budget Balance Reconciliation
- ▶ JHA714 - Cash Balance Report
- ▶ Monitor - Monthly Monitoring Report

Student Accounting

- ▶ Principals Monthly Report (PMR)
 - ▶ Monthly
 - ▶ Submitted via PowerSchool
 - ▶ Source of Average Daily Membership (ADM)
 - ▶ Student Accounting Reports
- ▶ School Attendance and Student Accounting Manual:
<https://www.dpi.nc.gov/districts-schools/district-operations/financial-and-business-services/student-accounting>

Student Accounting

- ▶ It is fraud to knowingly certify students on the PMR who are not in membership in your charter school

Student Accounting

- ▶ School Activity Report (SAR)
 - ▶ Who, What, When and Where of the School
 - ▶ Accuracy of Data
 - ▶ Uses of Data
- ▶ School Activity Reporting is managed in PowerSchool

Take Aways

- ▶ Data reporting is NOT optional (must be in our required format – on time)
 - ▶ Financial Datafile – UERS Transfer Schedule
 - ▶ PMR – PowerSchool
 - ▶ SAR – PowerSchool
- ▶ Board of Directors is responsible for data submitted
- ▶ Decisions made based on submitted data
- ▶ No access to funds until approximately 2 weeks after CO is submitted
- ▶ DPI Provides Cash Management Training (Required for all new schools)

Contacts

- ▶ Section Chief
 - ▶ Gwendolyn Tucker (984) 236-2458
- ▶ Financial Related Questions
 - ▶ Roxane Bernard (984) 236-2460
- ▶ Student Accounting
 - ▶ LaShon Creech (984) 236-2461



**Enjoy your
lunch! We will
reconvene at
12:45-ish**

NCDPI School Connectivity and E-Rate Services for Charter Schools

October 2021



North Carolina Department of
PUBLIC INSTRUCTION

What is E-rate?

Federal E-rate Program Basics

- Discount based on student enrollment, NSLP eligibility, and urban/rural status
- Provides up to 90% of funding for Internet and WAN (Category 1)
- Provides up to 85% of funding for internal network connections such as wireless access points, network switches, cabling, installation, and maintenance (Category 2)

NCDPI School Connectivity offers:

NC E-rate

1. No-cost Internet, Firewall, Content Filtering
 - Unrestricted Internet provided thru NCREN
 - New charters 100Mbps min. (depending on enrollment/needs), full-duplex
 - Bandwidth increased to next level at 60% utilization
2. No-cost contracts to perform IT Need Assessments, IT Security Assessments, and general IT consulting and planning.
3. Cooperative Purchasing Agreements for most internal networking goods and services.

Category 1 (Internet/WAN)

- Internet access
 - Using NCREN, NCDPI files E-rate on your behalf and pays the non-discount portion
- Wide Area Network (WAN)
 - LEA/Charter does 470/RFP, files E-rate, pays provider
 - NCDPI pays LEA/Charter the non-discount portion through PRC 073 or 036

Category 2 (Internal Connections)

- NCDPI has contracts in place for all items on E-rate Eligible Services List
 - If using these contracts, LEA/Charter performs mini-bid, selects vendor, files E-rate. When approved by USAC, NCDPI pays the non-discount portion via PRC 036.

Category 2 Budget

- Beginning 2021 – Fixed 5-year budgets
- \$167/student (\$25,000 minimum)

Resources

- NC E-rate Team
- Connect to NCREN (Free Internet):
send email to cne@mcnc.org
- Official Website: <https://erate.fi.ncsu.edu/>
- Training:
 - Upcoming – [Fall 2021](#) (please join us!)
 - Prior – [Fall 2020](#)
- [Newsletter](#)

School Connectivity Services

- Michael Ramsey – Director School Connectivity
 - Michael.Ramsey@dpi.nc.gov
- Roxie Miller – E-rate Team Lead
 - Roxie.Miller@dpi.nc.gov, 984.236.2471
- Susan Boros
 - Susan.Boros@dpi.nc.gov, 984.236.2474
- Adam Benjamin
 - (coming.soon)@dpi.nc.gov

NCDPI School Connectivity and E-Rate Services for Charter Schools

October 2021



North Carolina Department of
PUBLIC INSTRUCTION



Charter School Funding

**Local School Perspective-
Putting the Pieces Together
October 27, 2021**

Aaron Beaulieu

School Operations Specialists

Purpose:

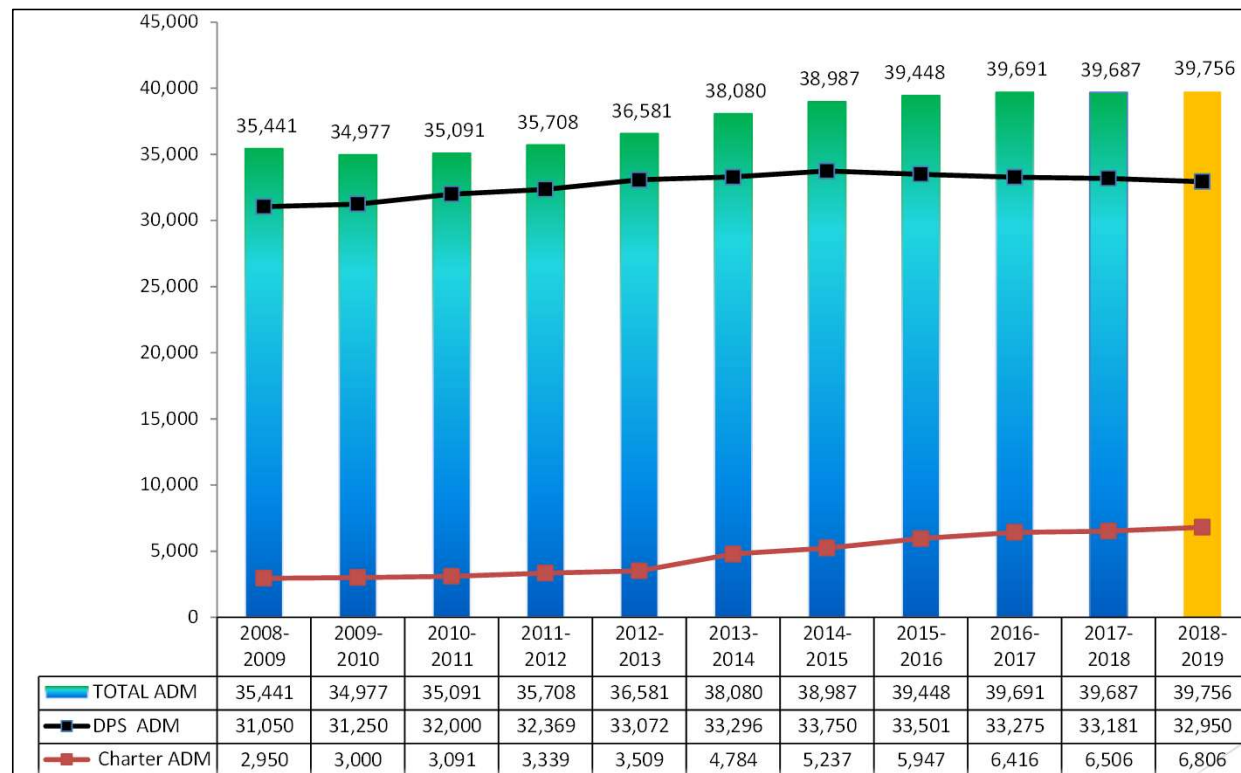
- Establish positive working relationship
- Overview – Old and New Legislation
- Requirements
- Understanding of calculations
- Payments/Payment method
- Required documentation
- Expectations



Importance of getting numbers correct!!!

- ▶ Public Schools membership
- ▶ Charter Schools membership
- ▶ County Appropriation
- ▶ Fines and Forfeitures

County Student Enrollment



► **115C-238.29H. State and local funds for a charter school.**

- (a) The State Board of Education shall allocate to each charter school:
 - (1) An amount equal to the average per pupil allocation for average daily membership from the local school administrative unit allotments in which the charter school is located for each child attending the charter school except for the allocation for children with disabilities and for the allocation for children with limited English proficiency;
 - (2) An additional amount for each child attending the charter school who is a child with disabilities; and
 - (3) An additional amount for children with limited English proficiency attending the charter school, based on a formula adopted by the State Board.
- In accordance with G.S. 115C-238.29D(d), the State Board shall allow for annual adjustments to the amount allocated to a charter school based on its enrollment growth in school years subsequent to the initial year of operation.
- In the event a child with disabilities leaves the charter school and enrolls in a public school during the first 60 school days in the school year, the charter school shall return a pro rata amount of funds allocated for that child to the State Board, and the State Board shall reallocate those funds to the local school administrative unit in which the public school is located. In the event a child with disabilities enrolls in a charter school during the first 60 school days in the school year, the State Board shall allocate to the charter school the pro rata amount of additional funds for children with disabilities.
- (a1) Funds allocated by the State Board of Education may be used to enter into operational and financing leases for real property or mobile classroom units for use as school facilities for charter schools and may be used for payments on loans made to charter schools for facilities, equipment, or operations. However, State funds shall not be used to obtain any other interest in real property or mobile classroom units. No indebtedness of any kind incurred or created by the charter school shall constitute an indebtedness of the State or its political subdivisions, and no indebtedness of the charter school shall involve or be secured by the faith, credit, or taxing power of the State or its political subdivisions. Every contract or lease into which a charter school enters shall include the previous sentence. The school also may own land and buildings it obtains through non-State sources.

► **115C-238.29H. State and local funds for a charter school.**

- (a) The State Board of Education shall allocate to each charter school:
 - (1) An amount equal to the average per pupil allocation for average daily membership from the local school administrative unit allotments in which the charter school is located for each child attending the charter school except for the allocation for children with disabilities and for the allocation for children with limited English proficiency;
 - (2) An additional amount for each child attending the charter school who is a child with disabilities; and
 - (3) An additional amount for children with limited English proficiency attending the charter school, based on a formula adopted by the State Board.
- In accordance with G.S. 115C-238.29D(d), the State Board shall allow for annual adjustments to the amount allocated to a charter school based on its enrollment growth in school years subsequent to the initial year of operation.
- In the event a child with disabilities leaves the charter school and enrolls in a public school during the first 60 school days in the school year, the charter school shall return a pro rata amount of funds allocated for that child to the State Board, and the State Board shall reallocate those funds to the local school administrative unit in which the public school is located. In the event a child with disabilities enrolls in a charter school during the first 60 school days in the school year, the State Board shall allocate to the charter school the pro rata amount of additional funds for children with disabilities.
- (a1) Funds allocated by the State Board of Education may be used to enter into operational and financing leases for real property or mobile classroom units for use as school facilities for charter schools and may be used for payments on loans made to charter schools for facilities, equipment, or operations. However, State funds shall not be used to obtain any other interest in real property or mobile classroom units. No indebtedness of any kind incurred or created by the charter school shall constitute an indebtedness of the State or its political subdivisions, and no indebtedness of the charter school shall involve or be secured by the faith, credit, or taxing power of the State or its political subdivisions. Every contract or lease into which a charter school enters shall include the previous sentence. The school also may own land and buildings it obtains through non-State sources.

Requirements:

- ▶ The per pupil share of local current expense fund must be transferred to the charter school within 30 days of receipt of monies into the local current expense fund. This requirement is effective July 25, 2013.
- ▶ Also within the same 30 day period, the LEA must provide the following information to each charter school receiving funding:
 - ▶ The total amount of monies the LEA has in its State Public School fund, local current expense fund, capital outlay fund, and any other funds maintained by the LEA.
 - ▶ The student enrollment numbers used to calculate the per pupil share of the local current expense fund.
 - ▶ The method used to calculate the per pupil share of the local current expense fund.

Requirements:

- Under the new legislation, a charter school must now give an LEA 15 days' written notice of an alleged violation of G.S. §115C-238.29H(b) before bringing a legal action. The LEA and the charter school may use a mediation process to resolve differences concerning the calculation and transfer of money to the charter school. In the event that a charter school files a lawsuit and prevails in the action, it will be entitled to reasonable attorneys' fees and costs, and the court must order any delinquent funds, costs, fees and interest to be paid in monthly installments over a period of no more than three years. This section applies only to lawsuits filed on or after the effective date of the legislation.

Calculation:

- ▶ A local school board may “calculate the amounts due for both itself and the Charter Schools based on beginning of the year projections of the student population, on enrollments, or some other method so long as that method is consistent” for both the LEA and the charter schools.



Durham Charter School Payments 2018-19								
Central Park								
	590	Projected Enrollment						
	580	1st Month Enrollment						
October								
	Payment Month		Enrollment Payment	Adjustment	Monthly Total	Annual Total		
Pd. In August	July	2018	\$ 168,728.20		\$ 168,728.20	\$ 168,728.20		
	August		168,728.20		168,728.20	337,456.40		
	September		168,728.20		168,728.20	506,184.60		
	October		169,754.40	3,078.60	172,833.00	679,017.60		
	November				-	679,017.60		
	December				-	679,017.60		
	January	2019			-	679,017.60		
	February				-	679,017.60		
	March				-	679,017.60		
	April				-	679,017.60		
	May				-	679,017.60		
	June				-	679,017.60		
	Totals		675,939.00	3,078.60	679,017.60			
Calculation of Initial Per Student Funding Amounts								
	County Appropriation		137,350,717					
	Fines and Forfeitures		1,500,000		Student Projections			
Less:	Virtual Charters		(112,970)		32,950	DPS Charter Schools		
	Pre-K Funding		(508,140)		7,329	Charter School Counts		
	Total Funding Available		138,229,607		40,279	Total Schools		
FY 2018-19 Estimated Student Funding								
			\$ 3,431.80	Per Student Amount				
			\$ 285.98	Per month per student				
Estimates have been recalculated based on 1st month enrollments and adjusted in October.								
Calculation of 1st Month Per Student Funding Amounts								
	County Appropriation		\$137,350,717					
	Fines and Forfeitures		1,500,000		Student Projections			
Less:	Virtual Charters		(99,540)		32,520	DPS Charter Schools		
	Pre-K Funding		(508,140)		6,841	Charter School Counts		
	Total Funding Available		\$138,243,037		39,361	Total Schools		
FY 2018-19 Estimated Student Funding								
			\$ 3,512.18	Per Student Amount				
			\$ 292.68	Per month per student				
Durham Public Schools Revenues								
Month	Fund 1	Fund 2	Fund 3	Fund 4	Fund 5	Fund 6	Fund 8	Total
July	\$4,634,709.22	\$23,069,346.28	\$519,211.83	\$271,555.76	\$2,373.08	\$201,851.60	\$460,691.06	\$29,159,738.83
August	\$20,999,640.00	\$9,607,719.77	\$1,835,042.57	\$2,914,630.11	\$341,490.40	\$2,389,632.23	\$114,178.69	\$38,202,333.77
September	\$18,002,418.75	\$11,640,462.30	\$1,384,978.36	\$3,334,242.72	\$1,912,263.29	\$353,128.01	\$198,769.50	\$36,826,262.93
October								
November								
December								
January								
February								
March								
April								
May								
June								
Totals	\$43,636,767.97	\$44,317,528.35	\$3,739,232.76	\$6,520,428.59	\$2,256,126.77	\$2,944,611.84	\$773,639.25	\$104,188,335.53

New Legislation:

- Legislation Session Law 2021-79 Section 1 (c2) rewrites GS115C-218.105 (c2) The Superintendent of Public Instruction shall, in consultation with charter schools and local school administrative units, create a standardized enrollment verification and transfer request document that each charter school shall use to request the per pupil share of the local current expense fund from the local school administrative units. Charter schools shall only be required to list the name, age, grade, address, date of charter enrollment, date of charter withdrawal, district of residence, and student identification number of each student as provided to the charter school by the student's parent or guardian in the enrollment verification and transfer request document that the charter school submits to the local school administrative units. A charter school, in its discretion, may take further steps to confirm the student's residence in a particular local school administrative unit.

Procedures:

- ▶ Powerschool (PS) is the authoritative source for student information, and charter schools shall use PS to request local payment transfer from LEAs. The charter schools shall submit the following fields for each student it is requesting local payment- “the Report”
- ▶ Student id
- ▶ Last Name
- ▶ First Name
- ▶ Grade
- ▶ Street/apt#
- ▶ City Zip
- ▶ LEA of residence
- ▶ Date of Enrollment
- ▶ Date of Withdrawal

New Legislation:

- ▶ Legislation Session Law 2021-79 Section 1 (c3) (c3) The Superintendent of Public Instruction shall, in consultation with charter schools and local school administrative units, create a standardized procedure that local school administrative units shall use when transferring the per pupil share of the local current expense fund to charter schools. The standardized procedure for transfer of the per pupil share of the local current expense fund shall require, to the extent practicable, that the local school administrative units make the transfers by electronic transfer.

Procedures:

- ▶ Point of Contact: Each LEA and charter school shall designate a point of contact for charter school transfers.
- ▶ Transfer Schedule: Each charter school shall submit to the LEA point of contact the PMR interval for each of the 9 months.
- ▶ Data source: All charter schools shall provide the local education agency (LEA) with The Report as outlined in Section 1(c2), listing only the students residing in that LEA.
- ▶ Frequency: The charter school shall submit the Report within 10 days of the monthly PMR submission to DPI. Payment shall only be made based on the data in this Report.
- ▶ Method: The charter school shall submit The Report to the LEA point of contact via a secure electronic method. It is the responsibility of the charter school to ensure they protect the data.
- ▶ Student Days: The LEAs shall transfer payment for each student based on the number of days in membership/number of days in the instructional month rounded to 0.5, 1.

Procedures: Continued

- ▶ \$ Per pupil: The LEA shall calculate the per pupil share of the local current expense and provide the information required per GS115C-218.105(d), on a monthly basis.
- ▶ Payment Calc. The LEA shall calculate the amount due to the charter school based on the “Student Days” and the \$ per pupil.
- ▶ Method of payment: LEAs shall submit payment electronically. Charter schools that currently do not receive their funds electronically, including new charter schools, shall submit the required bank information to the LEA(s) no later than August 15th. Any fees that may be charged from financial institutions may be deducted from the payment.
- ▶ Payment Shall be made in accordance with GS115C-218.105(c) The LEA shall transfer to the charter school within 30 days of the later of :
 - ▶ (i) the receipt of monies into the local current expense fund. or
 - ▶ (ii) the receipt of The Report from the charter school.

Supplemental Information:

- Supplemental information: Per GS115C-218.105 (d) The LEA shall also provide each charter school to which it transfers a per pupil share of its local current expense fund with all of the following information within the 30-day time period provided in “Payment” above. This information shall be sent via email to the charter school point of contact: (1) The total amount of monies the local school administrative unit has in each of the funds listed in G.S. 115C-426(c). (2) The student membership numbers used to calculate the per pupil share of the local current expense fund. (3) How the per pupil share of the local current expense fund was calculated. (4) Any additional records requested by a charter school from the local school administrative unit in order for the charter school to audit and verify the calculation and transfer of the per pupil share of the local current expense fund.

Adjustments:

- Adjustments: GS 115C-218.105(c) If the local school administrative unit receives additional monies into the local current expense fund following the initial transfer to the charter school, the local school administrative unit shall transfer the per pupil share of those additional monies to the charter school within 30 days of receipt of those monies. In the event that a correction needs to be made, the LEA may make a correction to the Report and send a notification to the charter school contact with a description of the correction. These procedures are subject to change based on evaluation.

Payment Schedule:

- ▶ July, August and September payment will be made based on projected enrollment
- ▶ Charter School Verification Form due by NO LATER than September 30, 2021
- ▶ October payment will be made on October 30, 2021 (give time to reconcile all names and address and amounts owed)
- ▶ Charter School numbers will remain constant for remainder of year (until June 2022-reconcile F&F)

Charter School Payments

Payment Date:	Month Covered	Enrollment Number Used for Calculation
30 Aug 2020	July and August	Projected Enrollment
13 Sept 2020	September	Projected Enrollment
18 Oct 2020	October (prior months adjustments)	First Month Actual
15 Nov 2020	November	First Month Actual
13 Dec 2020	December	First Month Actual
10 Jan 2020	January	First Month Actual
14 Feb 2020	February	First Month Actual
14 Mar 2020	March	First Month Actual
11 Apr 2020	April	First Month Actual
16 May 2020	May	First Month Actual
13 June 2020	June	First Month Actual

Information Needed:

- ▶ Charter School Information Worksheet Request
- ▶ Projected Enrollment(County Students) by August 20, 2021
- ▶ Month 1 Student Roster by September 30, 2021

Charter School Information Request

FY 2018-19

School Name: _____

Address: _____

Principal/Director: _____

Email Address: _____

Phone: _____

Power School Enrollment Manager: _____

Email Address: _____

Phone: _____

Fax #: _____

2018-19 Total School Enrollment Number _____

2018-2019 Durham County Student Projected Enrollment Number: _____

(The above information will be used to make payments for July-September)

Please share this information with your PowerSchool Enrollment Coordinator

Contact Information: email: denise.johnson-moore@dpsnc.net or

FAX: 919-560-2373 or

Mail: 511 Cleveland Street, Durham, NC 27701

(Due back to DPS no later than July 27, 2018)

Expectations:

- ▶ All parties work together and understand how each other is affected by our numbers
- ▶ Provide data in correct format and complete
- ▶ Data has to be on time and accurate
- ▶ Changes need to be communicated
- ▶ Understanding of process is crucial



Questions



50:50



Welcome to

***Local Charter
Funding***

***Who Wants to be
a Millionaire***

15	●	\$1 Million
14	●	\$500,000
13	●	\$250,000
12	●	\$125,000
11	●	\$64,000
10	●	\$32,000
9	●	\$16,000
8	●	\$8,000
7	●	\$4,000
6	●	\$2,000
5	●	\$1,000
4	●	\$500
3	●	\$300
2	●	\$200
1	●	\$100



15	●	\$1 Million
14	●	\$500,000
13	●	\$250,000
12	●	\$125,000
11	●	\$64,000
10	●	\$32,000
9	●	\$16,000
8	●	\$8,000
7	●	\$4,000
6	●	\$2,000
5	●	\$1,000
4	●	\$500
3	●	\$300
2	●	\$200
1	●	\$100



What is the largest local revenue shared with Charter Schools?

D:County Appropriation

50:50



A:PTA Funds

B:Picture Money

C:Federal Grants

D:County Appropriation

15	●	\$1 Million
14	●	\$500,000
13	●	\$250,000
12	●	\$125,000
11	●	\$64,000
10	●	\$32,000
9	●	\$16,000
8	●	\$8,000
7	●	\$4,000
6	●	\$2,000
5	●	\$1,000
4	●	\$500
3	●	\$300
2	●	\$200
1	●	\$100


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14	●	\$500,000
13	●	\$250,000
12	●	\$125,000
11	●	\$64,000
10	●	\$32,000
9	●	\$16,000
8	●	\$8,000
7	●	\$4,000
6	●	\$2,000
5	●	\$1,000
4	●	\$500
3	●	\$300
2	●	\$200
1	●	\$100




Each LEA and Charter School
should designate what?

A:Point of contact

50:50





A:Point of contact

B: Least favorite person to work with

C: Favorite person to work with

D: None of the Above

15	●	\$1 Million
14	●	\$500,000
13	●	\$250,000
12	●	\$125,000
11	●	\$64,000
10	●	\$32,000
9	●	\$16,000
8	●	\$8,000
7	●	\$4,000
6	●	\$2,000
5	●	\$1,000
4	●	\$500
3	●	\$300
2	●	\$200
1	●	\$100

15	●	\$1 Million
14	●	\$500,000
13	●	\$250,000
12	●	\$125,000
11	●	\$64,000
10	●	\$32,000
9	●	\$16,000
8	●	\$8,000
7	●	\$4,000
6	●	\$2,000
5	●	\$1,000
4	●	\$500
3	●	\$300
2	●	\$200
1	●	\$100



Durham Public Schools pays
how many charter schools?

C:47

50:50



A:13

B:2

C:47

D:None of the Above

15	●	\$1 Million
14	●	\$500,000
13	●	\$250,000
12	●	\$125,000
11	●	\$64,000
10	●	\$32,000
9	●	\$16,000
8	●	\$8,000
7	●	\$4,000
6	●	\$2,000
5	●	\$1,000
4	●	\$500
3	●	\$300
2	●	\$200
1	●	\$100

15	●	\$1 Million
14	●	\$500,000
13	●	\$250,000
12	●	\$125,000
11	●	\$64,000
10	●	\$32,000
9	●	\$16,000
8	●	\$8,000
7	●	\$4,000
6	●	\$2,000
5	●	\$1,000
4	●	\$500
3	●	\$300
2	●	\$200
1	●	\$100



How many students attend
charter schools in Wake
County?

D:12,500

50:50



A: 175,000

B: 125

C: 2.2 million

D: 12,500

15	●	\$1 Million
14	●	\$500,000
13	●	\$250,000
12	●	\$125,000
11	●	\$64,000
10	●	\$32,000
9	●	\$16,000
8	●	\$8,000
7	●	\$4,000
6	●	\$2,000
5	●	\$1,000
4	●	\$500
3	●	\$300
2	●	\$200
1	●	\$100

15	●	\$1 Million
14	●	\$500,000
13	●	\$250,000
12	●	\$125,000
11	●	\$64,000
10	●	\$32,000
9	●	\$16,000
8	●	\$8,000
7	●	\$4,000
6	●	\$2,000
5	●	\$1,000
4	●	\$500
3	●	\$300
2	●	\$200
1	●	\$100



What county has a local per pupil funding over \$5,000 per student?

D: Orange

50:50



A:Northhampton

B: Dare

C:Wake

D: Orange

15	●	\$1 Million
14	●	\$500,000
13	●	\$250,000
12	●	\$125,000
11	●	\$64,000
10	●	\$32,000
9	●	\$16,000
8	●	\$8,000
7	●	\$4,000
6	●	\$2,000
5	●	\$1,000
4	●	\$500
3	●	\$300
2	●	\$200
1	●	\$100

Congratulations!

**You've Reached
the \$1,000
Milestone!**



15	●	\$1 Million
14	●	\$500,000
13	●	\$250,000
12	●	\$125,000
11	●	\$64,000
10	●	\$32,000
9	●	\$16,000
8	●	\$8,000
7	●	\$4,000
6	●	\$2,000
5	●	\$1,000
4	●	\$500
3	●	\$300
2	●	\$200
1	●	\$100



Within how many days of receiving funding from the county does the public schools need to pay charters schools ?

A: 30 days

50:50



A: 30 days

B: 120 days

C: One Year

D: None of the Above

15	●	\$1 Million
14	●	\$500,000
13	●	\$250,000
12	●	\$125,000
11	●	\$64,000
10	●	\$32,000
9	●	\$16,000
8	●	\$8,000
7	●	\$4,000
6	●	\$2,000
5	●	\$1,000
4	●	\$500
3	●	\$300
2	●	\$200
1	●	\$100

15	●	\$1 Million
14	●	\$500,000
13	●	\$250,000
12	●	\$125,000
11	●	\$64,000
10	●	\$32,000
9	●	\$16,000
8	●	\$8,000
7	●	\$4,000
6	●	\$2,000
5	●	\$1,000
4	●	\$500
3	●	\$300
2	●	\$200
1	●	\$100



How often should LEA's
calculate payment?

15	●	\$1 Million
14	●	\$500,000
13	●	\$250,000
12	●	\$125,000
11	●	\$64,000
10	●	\$32,000
9	●	\$16,000
8	●	\$8,000
7	●	\$4,000
6	●	\$2,000
5	●	\$1,000
4	●	\$500
3	●	\$300
2	●	\$200
1	●	\$100

D:Monthly

50:50



A: Yearly

B: Weekly

C:Daily

D:Monthly



15	●	\$1 Million
14	●	\$500,000
13	●	\$250,000
12	●	\$125,000
11	●	\$64,000
10	●	\$32,000
9	●	\$16,000
8	●	\$8,000
7	●	\$4,000
6	●	\$2,000
5	●	\$1,000
4	●	\$500
3	●	\$300
2	●	\$200
1	●	\$100



Swain County Schools local
funding per child is
approximately?

15	●	\$1 Million
14	●	\$500,000
13	●	\$250,000
12	●	\$125,000
11	●	\$64,000
10	●	\$32,000
9	●	\$16,000
8	●	\$8,000
7	●	\$4,000
6	●	\$2,000
5	●	\$1,000
4	●	\$500
3	●	\$300
2	●	\$200
1	●	\$100

A:\$400

50:50



A:\$400

B:\$4,000

C: \$1,000

D: \$6,000

15	●	\$1 Million
14	●	\$500,000
13	●	\$250,000
12	●	\$125,000
11	●	\$64,000
10	●	\$32,000
9	●	\$16,000
8	●	\$8,000
7	●	\$4,000
6	●	\$2,000
5	●	\$1,000
4	●	\$500
3	●	\$300
2	●	\$200
1	●	\$100



Which revenue is NOT
calculated in local per pupil
funding to Charters?

C: Athletics

50:50



A: County Appropri.

B: Fines & Forf.

C: Athletics

D: Appropriations from the county
for regular operating expense.

15	●	\$1 Million
14	●	\$500,000
13	●	\$250,000
12	●	\$125,000
11	●	\$64,000
10	●	\$32,000
9	●	\$16,000
8	●	\$8,000
7	●	\$4,000
6	●	\$2,000
5	●	\$1,000
4	●	\$500
3	●	\$300
2	●	\$200
1	●	\$100

15	●	\$1 Million
14	●	\$500,000
13	●	\$250,000
12	●	\$125,000
11	●	\$64,000
10	●	\$32,000
9	●	\$16,000
8	●	\$8,000
7	●	\$4,000
6	●	\$2,000
5	●	\$1,000
4	●	\$500
3	●	\$300
2	●	\$200
1	●	\$100



What county in NC has the highest percentage of charter school enrollment?

D: Halifax

50:50



A: Ashe

B: Wake

C: Chapel Hill-
Carboro

D: Halifax

15	●	\$1 Million
14	●	\$500,000
13	●	\$250,000
12	●	\$125,000
11	●	\$64,000
10	●	\$32,000
9	●	\$16,000
8	●	\$8,000
7	●	\$4,000
6	●	\$2,000
5	●	\$1,000
4	●	\$500
3	●	\$300
2	●	\$200
1	●	\$100

Congratulations!

**You've Reached
the \$32,000
Milestone!**




15	●	\$1 Million
14	●	\$500,000
13	●	\$250,000
12	●	\$125,000
11	●	\$64,000
10	●	\$32,000
9	●	\$16,000
8	●	\$8,000
7	●	\$4,000
6	●	\$2,000
5	●	\$1,000
4	●	\$500
3	●	\$300
2	●	\$200
1	●	\$100




What information is NOT required to be submitted from the Charter Schools to the Local LEA?

C: Grandmother's Middle Name

50:50





A: Student ID

B: Grade

C: Grandmother's Middle Name

D: LEA of residence

15	●	\$1 Million
14	●	\$500,000
13	●	\$250,000
12	●	\$125,000
11	●	\$64,000
10	●	\$32,000
9	●	\$16,000
8	●	\$8,000
7	●	\$4,000
6	●	\$2,000
5	●	\$1,000
4	●	\$500
3	●	\$300
2	●	\$200
1	●	\$100

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13	●	\$250,000
12	●	\$125,000
11	●	\$64,000
10	●	\$32,000
9	●	\$16,000
8	●	\$8,000
7	●	\$4,000
6	●	\$2,000
5	●	\$1,000
4	●	\$500
3	●	\$300
2	●	\$200
1	●	\$100



Charter Schools are required
to submit how many months
of PMR to LEA?

15	●	\$1 Million
14	●	\$500,000
13	●	\$250,000
12	●	\$125,000
11	●	\$64,000
10	●	\$32,000
9	●	\$16,000
8	●	\$8,000
7	●	\$4,000
6	●	\$2,000
5	●	\$1,000
4	●	\$500
3	●	\$300
2	●	\$200
1	●	\$100

C: 9

50:50



A: 22

B: 1

C: 9

D: As many as they want

15	●	\$1 Million
14	●	\$500,000
13	●	\$250,000
12	●	\$125,000
11	●	\$64,000
10	●	\$32,000
9	●	\$16,000
8	●	\$8,000
7	●	\$4,000
6	●	\$2,000
5	●	\$1,000
4	●	\$500
3	●	\$300
2	●	\$200
1	●	\$100





What is a great source for information regarding public schools and charter schools membership?

C: DPI – Student Acct.

15	●	\$1 Million
14	●	\$500,000
13	●	\$250,000
12	●	\$125,000
11	●	\$64,000
10	●	\$32,000
9	●	\$16,000
8	●	\$8,000
7	●	\$4,000
6	●	\$2,000
5	●	\$1,000
4	●	\$500
3	●	\$300
2	●	\$200
1	●	\$100

50:50





A: Local facebook

B: Town Clerk

C: DPI – Student Acct.

D: Local Hair Dresser

15	●	\$1 Million
14	●	\$500,000
13	●	\$250,000
12	●	\$125,000
11	●	\$64,000
10	●	\$32,000
9	●	\$16,000
8	●	\$8,000
7	●	\$4,000
6	●	\$2,000
5	●	\$1,000
4	●	\$500
3	●	\$300
2	●	\$200
1	●	\$100



What should charter schools do?

D: All of the above

50:50



A: Establish a positive working relationship with District

B: Understand Calculation

C: Submit timely information

D: All of the above

15	●	\$1 Million
14	●	\$500,000
13	●	\$250,000
12	●	\$125,000
11	●	\$64,000
10	●	\$32,000
9	●	\$16,000
8	●	\$8,000
7	●	\$4,000
6	●	\$2,000
5	●	\$1,000
4	●	\$500
3	●	\$300
2	●	\$200
1	●	\$100

15	●	\$1 Million
14	●	\$500,000
13	●	\$250,000
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11	●	\$64,000
10	●	\$32,000
9	●	\$16,000
8	●	\$8,000
7	●	\$4,000
6	●	\$2,000
5	●	\$1,000
4	●	\$500
3	●	\$300
2	●	\$200
1	●	\$100



The number one reason I believe
that charter schools and public
schools stay at odds?

D: Poor Communication/
Bad Information

50:50



A: Nothing better to do

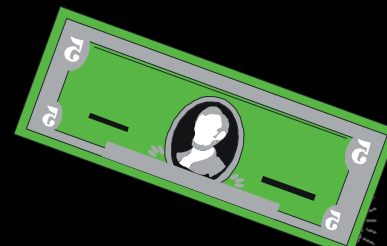
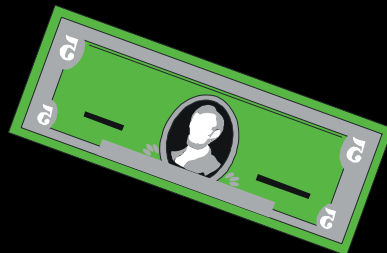
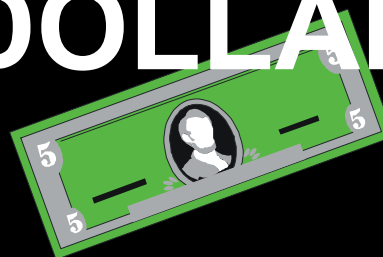
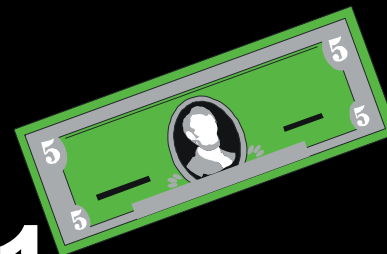
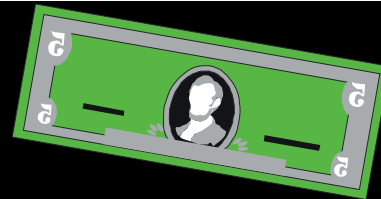
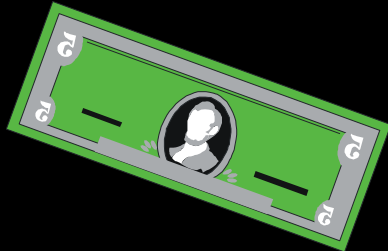
B: Just don't like
each other

C: Like a good fight

D: Poor Communication/
Bad Information

15	●	\$1 Million
14	●	\$500,000
13	●	\$250,000
12	●	\$125,000
11	●	\$64,000
10	●	\$32,000
9	●	\$16,000
8	●	\$8,000
7	●	\$4,000
6	●	\$2,000
5	●	\$1,000
4	●	\$500
3	●	\$300
2	●	\$200
1	●	\$100

**YOU WIN \$1
MILLION DOLLARS!**





Break Time!

Back in 15!

‘On the Ground Experts’

**Marketing, Public Relations, Branding,
Adapting to Meet Budget**

Joe Maimone– Charter One, Director

**Joan Roman – Charter One, School Director at Bonnie
Cone Classical Academy**

Joe Maimone and Joan Roman

- **Joe Maimone**

- Founded Thomas Jefferson Classical Academy in 1999, Headmaster for 20 years
- Served on CSAB from 2011-2021
- Chief of Staff at DPI from 2018-2021
- Current Director at Charter One

- **Joan Roman**

- Opened 3 charter schools in North Carolina – Langtree Charter, Union Prep at Indian Trail, and Bonnie Cone Classical Academy
- School Director at Bonnie Cone Classical Academy 2019-present
- Will transition to Bonnie Cone Leadership Academy

Case studies

Bonnie Cone Classical Academy – opened with 238 students in first year; 747 students in second year; 844 students in third year; over 600 students on wait list; secured financing for over \$12M for facilities; bonded out in July 2021; application in for 2,000 student K-12 expansion.

Bonnie Cone Leadership Academy - will open in fall of 2022; over XXX students on the interest list; will open K-10 with 1500 students in 1st year with over 125,000 square foot campus with two buildings; secured financing for between \$25M - \$40M

Wake Preparatory Academy – will open fall of 2022; over 6,000 students on interest list – will open with 1,500 students K-11 in 1st year with over 125,000 square foot campus; secured financing for between \$25M to \$30M for facilities

Key marketing priorities

- What makes you different?
- Facility
- School leader
- RTO year – governance vs. all heads/hands on deck
- Be careful what you promise
- Marketing budget
- Open enrollment dates (want to be ahead of the curve)
- Key strategies – interest forms vs. enrollment
- COVID 19
- Define Target audience – intentionally recruiting ‘educationally disadvantaged’ or ‘economically disadvantaged’ students

What works?

- Social media – Facebook, Instagram, Twitter
- Direct mail
- Newcomer's guides
- Tours
- Special events
- Face to Face meetings
- Preschool visits
- Follow-up, Follow-up, Follow-up
- Hire registrar/outreach coordinator early
- Have a strategy: marketing to tour/interest session to enrollment

Budget

- How much money is it going to take to get doors open – no money before the Certificate of Occupancy for Educational Use
- Number of students per class?
- Over enroll by 10-15% - it is better to have too many students than not enough; you will still get local money
- Put time into a realistic breakeven budget
- Don't spend more than 15-20% of budget on facilities
- Budgeting for transportation

Contingencies

- Have a back up to your back up plan.
- Know what limitations your contingencies present (eg. BCCA)
- Look for alternate sources
- Be strategic in your early hires

Other tips

- Board members and School Director must be the face of the school
- Divide and conquer according to your strengths
- Don't keep score
- The board holds the charter- it is not one person's school
- Be willing to let go when doors open – Governance vs. Operations
- Define yourself- be Chik-Fil-A, not Burger King
- Ask for help – Office of Charter Schools, North Carolina Association of Public Charter Schools, and North Carolina Coalition of Charter Schools
- COVID 19 – be prepared to offer an online option



Public Schools of North Carolina

TEAM TIME!

Planning Year Session 2: Charter School Finance

October 2021

Office of Charter Schools

Productive Protocols

- Write to Learn
- Talk to Learn
- Listen to Learn



Outcomes

Participants will:

- Identify strengths and weaknesses of example Finance Policies.
- Reflect on best practices for developing Finance Policies.
- Develop an **outline or preliminary draft** of the required Finance Policies due in December.



Finance Policies Due for the RTO Progress Report in December

1. Budget Approval
2. 3rd Party Contracts
3. Access to Funding
4. Audits
5. Purchasing
6. Federal Funds

Criteria:

At a minimum, these 6 policies must be developed and formally adopted by the board.



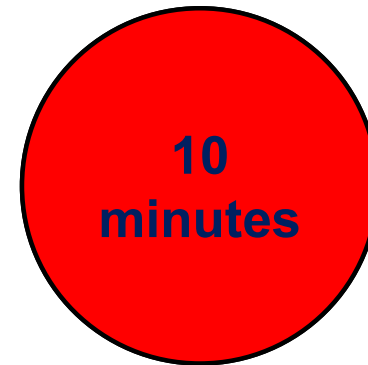
Gallery Walk Plus/Delta

Directions:

1. Read example policies.
2. Identify strengths.
3. Identify weaknesses.
4. Are there any red flags?
5. Prepare to share.



Time Check



Budget Approval Example A

- The Board recognizes that one of its primary responsibilities is to review and approve an annual budget, and to secure adequate funds to carry out the educational program. The Board will assure that the budget is prepared and presented in each annual cycle allowing for discussion and research;
- School administration prepares an annual operating budget of revenues and expenses for board approval. The board approves a final budget for operation of the school for the prior twelve months. This budget should be approved no later than June 30th of each school year. Budgets may be reviewed and modified as necessary;
- The fiscal year of the school is July 1st through June 30th. The appropriate accounting period is used for all adjusting entries and accruals;
- Financial statements displaying budget to actuals may be prepared by the accounting vendor and reviewed by the director to be presented at select board meetings;
- Administration can follow the Board approved budget with the liberty to make adjustments as they see fit.
-



Budget Policy Example A

- The Board will assign responsibility for administering the operating budget. The assigned budget administrator and his/her designee(s) are authorized to implement the budget will follow these provisions:
- All budget actions are consistent with state law, generally accepted accounting industry standards, and board policy;
- All expenditures of funds are made in accordance with requirements of state law and adopted board policy;
- Revenue from any Federal or State sources are implemented in accordance with any specific federal or state laws or requirements;
- Financial reports are presented to the Board so the Board is informed of current and future financial matters;
- All accounts are audited annually;



Budget Approval Example B

BUDGETING

- The budget process kicks off each school year in January of the preceding fiscal year. The Executive Director and school leaders decide on key revenue streams and expenses, and the Board approves the final amounts.



Budget Policy Example C

BUDGETING

Budgets are set annually. The Board of Directors defines the charter school's broad goals and mission and decides on annual objectives. The Board reviews actual versus budget performance at least quarterly. Budget variances will be explained along with any recommendations for corrective action as required. Changes and revisions to the budget during the year are made by the Finance Committee. The Finance Committee will determine if the changes are material enough to warrant Board approval.

The Charter School Administration will:

- Plan the scope and level of the school level activities with sufficient funds earmarked for all goals, policies, or projects approved by the Board of Directors.
- Estimate sources of revenues for all entities for the appropriate time periods.
- Estimate the use of funds for all entities for the appropriate time periods and specify how services are to be provided and where they are applied or used.
- Prepare a list of all assumptions used in budget preparation. Prepare a narrative support statement for each budget line item.
- Obtain approval by the Board of Directors.
- The School Director, and appropriate staff, will establish guidelines, priorities, and assumptions for preparation of the budget. These assumptions will be communicated to all Program Managers. In addition, procedures and budgeting formats are established and a timetable is developed.



Budget Policy Example C

Preparation and Approval of the Budget

- All Program Managers, in consultation with the School Director and other appropriate staff, will prepare their projections of revenues and expenditures for planned services, projects and programs. The School Director and appropriate staff will develop budgets for accounts that are not overseen by a Program Manager. The staff members responsible for the budget preparation will consider historical data along with future growth plans. They will also factor in any shifts or adjustments to staffing levels along with the related fringe benefits.
- The School Director then prepares a consolidated budget proposal. The budget proposal is submitted to the Finance Committee in time for reasonable approval by the Board of Directors prior to the beginning of the new fiscal year. The Board of Directors approves the annual budget at the June board meeting. The School Director is responsible for ensuring materials are provided to the Finance Committee in a timely manner that will allow for Board review and approval by June.
- Based on monitoring efforts and events having occurred during the year, budget revisions should be initiated and reviewed by the School Director. The School Director communicates recommended budget revisions to the Finance Committee. The Finance Committee will determine if the changes are material enough to warrant Board approval.
- Once the budget is approved, it is up to the appropriate management to implement the budget plan. The Accounting Vendor will prepare and submit monthly variance reports to the Finance Committee and Board of Directors. Explanations of variances will accompany the analysis.



Budget Policy should address....

- Budget for the school is ***set annually***
- BOD defines broad goals and decides on annual objectives
- BOD review ***actual v. budget performance at least quarterly***
- Budget ***variances are explained*** as well as any ***corrective action taken***
- Finance committee is in charge of changes or revisions during the year
- Preparation and approval of the budget ***prior to the beginning of the new fiscal year***
- BOD ***approves the budget at the June meeting***
- ***School leader communicates needed revisions to the finance committee who will then determine if they changes are material enough to warrant BOD approval.***
- Accounting vendor will prepare and submit monthly variance reports to the finance committee and BOD and explanations will accompany the analysis.



Third Party Contracting Example A

THIRD-PARTY CONTRACTING POLICY

- The school will follow recommended federal, state, and local guidelines for entering into third-party contracts.



Third Party Contracting Example B

CONTRACTED SERVICES POLICY

Outside Service Providers

- The utilization of outside service providers and contracted personnel are sufficiently evidenced by:
- Service Agreements outlining the terms of the agreement with the individuals or organizations providing services;
- ***Invoices or billings submitted that include time expended and nature of work provided for services;***
- Use of a management contract for educational administrative services will clearly identify the contractor's performance requirements, compensation, and define the school's right to educational curricula and intellectual property developed.



Third Party Contracting Example B

Contracted Services Policy

Bidding Requirements

Formal bidding procedures will be used for **service contracts anticipated to cost more than \$5000.00**, five thousand dollars. When specifications are needed, they shall be:

- Prepared by administration;
- Approved by the Board;
- Mailed to potential bidders.
- Bidding requirements will include:
- Bids be submitted in sealed envelopes and plainly marked;
- Bids may be opened and read at a Board Meeting in either open or closed session.
- The Board reserves the right to reject any or all bids and to accept the bid which appears in their best interest. The Board reserves the right to waive any informality in, or reject, any part of a bid. The Board reserves the right to negotiate with the successful bidder.
- The bidder to whom the award is made may be required to enter into a written contract or service agreement.



Third Party Contracting Example C

THIRD-PARTY CONTRACTING POLICY

- **Independent Contractors**
- It is the policy of the charter school to evaluate criteria established by the IRS when assigning individual employee or independent contractor status. Individuals qualifying as independent contractors **will sign an Independent Contractor Agreement and will be issued, by the school the IRS Form 1099 if compensation is \$600.00 or more** if they are other than a corporation.
- The procedure for hiring a consultant is to prepare a contractual agreement detailing the following items:
 - ✓ *Detailed description of services or tasks to be performed and description of deliverables.*
 - ✓ *The time frame in which these services/duties are to be completed.*
 - ✓ *The rate of pay.*
 - ✓ *When payment will be made.*
 - ✓ *What expenses will be reimbursed.*



Third Party Contracting Example C

The following State Language will be included in every contract:

- *No indebtedness of any kind shall constitute an indebtedness of the State or its political subdivisions, and no indebtedness of the charter school shall involve or be secured by the faith, credit, or taxing power of the State or its political subdivisions.*
- The contract **shall be signed by the consultant, the School Director and the Program Manager, if relevant;**
- Members of the Board of Directors or committees of the Board **may not enter into a contract with a consultant on behalf of the charter school;**
- The **contract must have a payee identification number (Social Security Number or Employer Identification Number), phone number, and home address of the consultant;**
- **If services are extended beyond the contract's time frame or additional money is required, a new contract or an addendum must be written;**
- **Contracts and Authority**
- It is the policy of the charter school to grant authority to sign contracts and grant agreements to the School Director for activities that have been approved by the Board of Directors as part of the annual approved budget. ***The Board must authorize any contracts outside these parameters. All contracts with financial value greater than \$5000.00 require Board approval.***



Third Party Contracting Policy should address...

- **Independent contractors:** It is the policy of the BOD of to evaluate criteria by the IRS when assigning individual employee or independent contractor status. Individuals qualifying as independent contractors will sign an independent contractor agreement and will be issued an IRS form whenever compensation is more than \$600.00.
- Procedure for hiring a consultant is to prepare the contractual agreement detailing: Description of **services/tasks to be performed** and **description of deliverables**; the rate of pay; when **payment will be made**; what **expenses will be reimbursed**; the **time frame for completion**.
- All contracts, every single one, and all leases, shall include the no indebtedness clause: **“No indebtedness of any kind incurred or created by the charter school shall constitute an indebtedness of the state or its political subdivisions, and no indebtedness of the charter school shall involve or be secured by the faith, credit, or taxing power of the State or its political subdivisions.”**
- *Every contract or lease into which a charter school enters shall include the previous sentence.*



Third Party Contracting

- [G.S. 115C-218.105 \(b\)](#)
- Contracts needs to be signed by consultant, school administrator, BOD, contract must have a payee identification number (SSN or Employer Identification Number), phone number, and home address of consultant.
- If services are extended beyond the contract's time frame, or additional money is required, a new contract or an addendum must be written.



Recommended for Third Party Contracting

- Clearly state the BOD's policy with respect to third-party vendors Who may enter into a K, how the K will be monitored, how the K will be evaluated?
- Is it the policy of your school to grant authority to sign contracts to the school director for activities which have been approved by the BOD as part of the annual approved budget? The BOD must authorize any contracts outside of these parameters. All contracts with financial value greater than 5k require BOD approval.
- Funds allocated by the SBE may be used to enter into ***operational and financing leases for real property or mobile classroom units for use as school facilities for charter schools, and may be used for payments on loans made to charter schools for facilities, equipment, or operations.*** State funds ***shall not be used to obtain any other interest in real property or mobile classroom units.*** The school may also own land and buildings it obtains through non-State sources.



Access to Funding Example A

PETTY CASH FUND POLICY

- The School will maintain a petty cash fund of \$500.00 on an impressed basis. The petty cash fund should never exceed this approved amount.
- It is the responsibility of the Office Manager to ensure that the petty cash fund is under lock and key at all times. The Office Manager is the custodian of the fund.
- Disbursements from the petty cash fund are available for expenditures totaling under \$20.00 unless approved by the School Director and may only be made for approved expenditures.
- An original receipt must accompany every disbursement.
- The person receiving the cash and the person disbursing the cash must sign a petty cash voucher in ink.



Access to Funding Example A

- The petty cash fund will be replenished as needed but at a minimum of once a month. The petty cash replenishment check will be made out to the individual with the word “custodian” following the individual’s name.
- The Office Manager will review the expenses for reasonability.
- Cashing checks for employees from the petty cash fund is prohibited.
- The Office Manager in the presence of designated personnel shall make periodic counts of the petty cash fund.
- A single disbursement from pretty cash shall never exceed \$50.00.
- The petty cash fund shall be operated on an impress basis. This means that when it is time to replenish the petty cash fund, the Office Manager shall total out the expenses made and identify those expenses by general ledger account number. Any check request submitted for payment should indicate the total amount needed to bring the fund back up to \$500.00. Also, the check request should breakdown the various expense accounts being charged and the amount charged to each.



Access to Funding Example A

- When a request for petty cash reimbursement is made to the Office Manager, the item will be listed on the Petty Cash Fund Reconciliation Sheet. A description of the item charged should be recorded together with the amount.
- The recipient of the petty cash fund must sign the Reconciliation Sheet to indicate receipt of the funds. The paid receipt should be attached to the sheet. All paid information should remain in the locked petty cash box until it is time to replenish the fund. At that time, the Petty Cash Fund Reconciliation Sheet and associated receipts are attached to the check request voucher.
- The petty cash box is to be locked at all times when the Office Manager is not disbursing or replenishing the fund. The locked petty cash box is to be kept in the locked file cabinets within the finance/business office.
- At least once annually, the School Director should conduct a surprise review of the fund. When this is done, he/she should count, while the Office Manager is in attendance, the total monies on hand and the total amount of receipts in the petty cash box. The two amounts should equal exactly \$500.00. Any discrepancies should be discussed and resolved immediately.
- It is the policy of the school not to cash checks of any kind through the petty cash fund.
- The school's postage is not to be used for personal mailings under any circumstances. Staff may use the UPS service provided they indicate that the mailing is personal and reimburse the school at the time the appropriate invoice is paid.



Access to Funding Example B

ACCESS TO FUNDING POLICY

- The school will operate primarily from federal, state, and local dollars with some support from private donors. The school will work with an external accountant, such as Acadia NorthStar, to enable sound cash management procedures and accounting.



Access to Funding Example C

PETTY CASH ACCOUNTS

- **Management Regulations**
- Building administrators shall administer petty cash funds for the school as follows:
- No purchase will be reimbursed through a petty cash account unless accompanied by a receipt and noted in a petty cash report.
- The petty cash report and receipts should be turned in at least quarterly to the business office to reimburse the fund.
- When the petty cash is reimbursed the proper account will be charged.
- Money received must be put directly into petty cash and an accounting of the funds must be made quarterly to the business office.
- Petty cash is designed for making incidental purchases and should not be used to circumvent the purchase order process.



Access to Funding Example C

PETTY CASH ACCOUNTS

- **Petty Cash Accounts**
- Petty cash funds may be established for the charter school and special programs in such instances as they will expedite the purchase of minor items and/or provide immediate payment for minor services.
- Expenditures against these funds must be itemized and documented with receipts, and will be charged to the applicable budget code.
- The custodian for such accounts at the school will be the building administrator.



Recommended for Access to Funding

Petty Cash Fund

- Will you maintain a petty cash fund in a certain amount? Should it not exceed a certain amount?
- Whose responsibility to make sure that it is *under lock and key*; who is ***the custodian of the fund?***
- Petty cash available ***only for approved expenditures and those under a certain amount***
- ***Original receipt*** to accompany every disbursement
- Person receiving and person disbursing must ***sign a petty cash voucher in ink***
- How will funds be replenished each month
- ***Who reviews expenses for reasonability?***
- Cashing check for employees from petty cash fund is prohibited
- A single disbursement should never exceed an amount certain
- Operated on an impress basis
- Kept locked in the finance office
- Annual discrepancies



Audit Policy Example A

- **ANNUAL FINANCIAL AUDIT PREPARATION**
- The Board of Directors, School Director, and the Accounting Vendor are responsible for preparation of all financial audits, audit procedures, and audit requirements adopted by the State Board of Education for charter schools.
- All financial audit preparation and reporting should be done in full compliance with the State Board of Education and the Uniform Education Reporting System.
- All documented audit deficiencies should be reported in writing to the Board of Directors with a timeline to cure all financial weaknesses.
- All audit report findings should be included in the monthly board meeting minutes.



Audit Policy Example B

ANNUAL AUDIT

- There shall be an annual independent audit of the charter school financial records. The Board shall select an auditor, review the auditor's report, and take any needed action to assure that financial management is of a highly accountable public standard.



Audit Policy Example C

AUDITS

- The school will engage an external auditor once annually to ensure sound bookkeeping and financial practices.



Recommended for the Audit Policy

- BOD, School Director, and Accounting vendor (if you outsource) are responsible for preparation of all financial audits, audit procedures, and audit requirements adopted by the SBE for charter schools.
- All financial audit and preparation ***should be done in full compliance with the UERS and SBE policy***
- ***All documented audit deficiencies should be reported in writing to the SBE with a time- line to cure financial weaknesses***
- All audit report findings should be ***included in the monthly BOD meeting minutes.***
- Make sure that ***required annual independent auditing firm is named, and who/which firm will conduct the audits***



Purchasing Policy Example A

PURCHASING POLICY

- The school will follow recommended federal, state, and local guidelines for procurement. The school will strive for low-cost solutions that offer best value.



Purchasing Policy Example B

CASH DISBURSEMENTS PROCEDURES

- All requests for check disbursements are written in ink on a payment request form with the following information:
 - Name of payee and address
 - Payment amount and reason for payment
 - Signature of the School Director as approval
 - Signature of the Program Manager or necessary authorizer
- The payment request form should be completed by the purchasing staff person and attached to the original vendor invoice along with any supporting documentation. The request form should include the account codes to which the expense will be applied. Approval for an expense by the School Director must be indicated on the payment request form.



- While the School Director or Board designee signs each check, he/she should double check

Purchasing Policy Example B

- After inputting all the check requests, the Business Manager or Office Manager will prepare a master list of all checks to be paid for approval by the School Director or Designated Board Member. If there are any questions or concerns about the amounts, the Business Manager or Office Manager should provide necessary information prior to forwarding disbursement requests to the Accounting Vendor. If there are any items removed from the batch, the totals on the payment summary form should be corrected, initialed and dated by the School Director.
- On a twice-monthly basis, all approved check disbursements are prepared by the Accounting Vendor and forwarded to the School Director for signature by authorized charter school official (see Check Signers for appropriate signature) for expenses, debts and liabilities of the school. The Accounting Vendor is responsible for the preparation of check disbursements unless the item is considered a petty cash item which will be handled by the Business Manager or Office Manager.



Purchasing Policy Example B

- While the School Director or Board designee signs each check, he/she should double check the check request voucher. This approval is to ensure the account and grant/project is charged to the correct expense and line item.
- After the checks have been signed, the Office Manager reviews the check, cancels the invoice by stamping PAID on it in red ink, and processes the check for mailing. All checks will be mailed as soon as this process is completed. The Office Manager then files supporting documentation, including stubs of checks, corresponding invoice documentation, and completed payment request forms, in the appropriate vendor file.
- Once monthly, the Business Manager or Office Manager will check the invoice log to determine if there are any outstanding invoices which have not yet been paid. If so, the Business Manager or Office Manager will investigate the nonpayment of these invoices with the responsible staff member.
- Cash disbursements shall be released at the latest acceptable time, without affecting relationships with vendors. Early payment discounts shall be taken if they result in benefit.



Purchasing Policy Example B

CREDIT CARD PURCHASES

- The school will maintain a corporate credit card. The School Director will carry a copy of the Corporate Card. No credit cards will be issued in the name of any employee or board member of the school. All points or rewards earned through purchases made via the corporate credit card will accrue to the school. The purchase of airline tickets and other authorized business expenditures may be made by other employees or board members using the corporate credit card. *In every case of credit card usage, the individual charging a school account will be held personally responsible in the event that the charge is deemed personal or unauthorized.*



Purchasing Example C

PURCHASING PROCEDURES

- Purchasing of any normally used supplies or materials, or any furniture or equipment items that are specifically or individually identified in the charter's annual budget, a listing that has been approved for a new building or renovations to existing buildings, or any other charter school purchasing proposal that has prior approval from the Board will require additional Board signatures on the financial manifest where the item or items are brought forward.

PROCUREMENT OF GOODS AND SERVICES

- The Board declares its intention to purchase wisely and competitively, without prejudice; to promote creative options for meeting the needs of the school; and to maximize educational value for every dollar expended.
- The acquisition of supplies, equipment, and services will be centralized, with coordination between the charter school administrator and the financial manager. The board assigns responsibility for all purchasing and procurement decisions to the school administrator.
- The primary factors governing this responsibility for the quality, quantity, and type of procurement or purchase made is that all decisions fall within the framework of budgetary limitations and be consistent with the approved educational goals and programs of the charter school. The board welcomes suggestions from members of its school and business community for meeting these intentions.



Recommended for Purchasing Policy

- **Purchasing policy:** responsibility of the BOD, will there be a debit card, credit card, or petty cash?
- Make sure you cover cash disbursement procedures as well as credit card purchases: Will you have a credit card, who will maintain it, will any credit cards be issued in the name of BOD or employees? How will you deal with points which accrue due to use of the cc. In every case, the individual using the credit card to charge will be held personally responsible in the event a charge is deemed unauthorized or personal.



Federal Funds & Grant Management Ex. A

FEDERAL FUNDS

- The school will accept federal funds from all available sources and manage them according to the guidelines for their use.



Federal Funds & Grant Management Ex. B

FEDERAL FUNDS

- The governing body may authorize, accept, and use private, state, or federal funds available to the charter school to carry out charter school educational programs. The charter school will comply with all regulations and procedures required for receiving and using such funds. Applicable federal laws and regulations will be adopted as federal program funds and grant funding is received.
- The Board recognizes that reporting requirements are crucial, and as such enforces a policy that grant activity funds are kept separate from non-grant activity funds. This is accomplished by setting up specific codes/funds in the accounting system to track expenses and revenues for each and every grant.



Federal Funds & Grant Management Ex. C

GRANTS

- The school will accept and process unrestricted gifts and gifts for specific programs and purposes according to its Gift acceptance policies and guidelines (including appendices).
- **Grant Management**
- Grant management consists of monitoring a grant to ensure that the criteria set by contract or grant agreement is being met, and that activities are in compliance with the requirements of the agreement.
- The school Director and a grant or contract manager, if applicable, shall be responsible for all of the grant requirements including, but not limited to the following requirements.
- Guidelines of the work to be done.
- The timetable for completion of the project.
- How the funds are permitted to be spent.
- Report filing requirements and due dates.



Federal Funds & Grant Management Ex. C

- When it is determined that a project will not be completed within the period of availability, the Program Manager and School Director shall be responsible for submitting a written request for an extension. This request shall be approved by the School Director prior to sending it to the grantor. Any correspondence relating to the extension requests must be maintained by the project manager for future reference. Once approval is received in writing, the School Director shall be notified as to the extension approval. If an extension is denied the School Director shall be notified in order that they may take appropriate action. No expenses are permitted to be incurred subsequent to the lapse date of the contract until extension approval is received in writing.
- Report filing requirements will be the responsibility of the School Director and Program Managers. Once a grant is approved, the Manager shall note the filing deadlines for both narrative and financial reports. Program managers shall maintain a copy of all reports submitted for future reference. Financial reports shall be derived from the monthly financial statements.



Federal Funds & Grant Management Ex. C

Federal Grant Management

- Program Managers of grants provided by federal funds shall be responsible for assuring compliance with the requirements of each of the regulations enumerated in OMB Circular A-133, “Audits of States, Local Governments and Non-Profit Organizations,” as well as the specific requirements contained in the grant agreements.



Recommended for Federal Funding and Grant Management Policy

- Accept and process unrestricted gifts and gifts for specific programs and purposes according to the school's gift acceptance guidelines.
- Grant management means ***monitoring a grant to ensure that the criteria set by contract or grant agreement is being met, and that the activities are in compliance with the requirements of the agreement.***
- Who is responsible for the grant requirements, including: ***guidelines of work to be done, timetable for completion of the project, how the funds are to be spent, and report filing requirement and their due dates.***
- What to do in the event an ***extension needs to be requested and filed?***
- No expenses are permitted to be ***incurred subsequent to the lapse date of the K until extension approval is received in writing***
- Who is in charge of report filing requirements?
- How will financial reports be derived, from the monthly financial statements.



Federal Grants policy

- Program managers of grants provide by federal funds shall be responsible for assuring compliance with the requirements of each of the regulations enumerated in OMB, as well as language in the grant agreement.



Resources

- [Guidance](#) (Non-Profit Guidelines and examples)
- [Financial & Governance Non-Compliance](#) (CHTR-006)
- [Link to NC SBE policy manual](#)
- [Sample finance policies](#)
- [Fiscal Management Policy](#)
- [Charter School Finance Guidebook](#)

Leadership & Fiduciary Duties

- [Creating a Cadre of Leaders](#)
- [Governance Strengthening Exercises: October Bundle](#)
- 4 questions, all must be answered.

Ready to Open I: December Feedback

Criteria	Insufficient	Intermediate	Advanced	Evaluation Notes
Board Governance				
Student Accountability				
Key Staff				
School Safety				
Policy Manual				
Handbook				

Ready to Open I: December Feedback

A score of **Advanced** consists of evidences that reflect a thorough understanding of effective school instructional, governance, operational, and financial planning to produce a viable and quality public charter school. The evidences address each area with specific and detailed information that demonstrates the board's and school leadership's diligence and preparation.

- All required evidences are **completed and submitted on time**.
- School policy manuals and handbooks are formally adopted and align with ALL sections of the SBE approved charter application.
- The school will be ready to open two weeks prior to the opening day of their projected calendar.

A score of **Intermediate** consists of evidences of each criteria being addressed; however, the evidences lack meaningful detail and still require important additional information prior to the public charter school's opening.

- Most required evidences are completed and submitted on time.
- School policy manuals are close to completion and align with ALL sections of the SBE approved charter application.
- The school is projected to meet the opening day of their projected calendar.

A score of **Insufficient** consists of the evidences lacking meaningful detail; demonstrates lack of preparation; unanticipated obstacles, or otherwise raises substantial concerns about the applicant's understanding of the school governance, operational, and financial planning.

November Preview

- Notification on November 3 in Epicenter, portal opens
- Remember to check the OCS newsletter, read the Planning Year Pointers newsletter, and follow OCS on Twitter @NCCharterOffice
- Amendments
- December 3rd RTO1 due in Epicenter
- Technical assistance to joseph.Maimone@dpi.nc.gov
- Planning Year III: Operations & Accountability
- [Planning Year II Feedback Survey](#)





Office of
CHARTER SCHOOLS
NC Department of Public Instruction

Thanks for joining us today and we look forward to seeing you again for Planning Year Session III on January 27th. Registration will open in December for PY3.

Planning Year Session II Survey