

## 1.10 Budget and Finance

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14 Del. C. §§ 512(8)-(9)

**(Note!** There is no limit to the length of the Budget Narrative. Include it as a separate document.)

1. **Revenue Estimates. Complete and submit the “New Charter School Estimated State and Local Fund Calculations” spreadsheets as Attachment 20. The revenue estimate spreadsheet and budget worksheets are available at the following links:**

[Revenue Estimates](#)

[Budget Projection Sheets](#)

**(Note!** Revenue estimate spreadsheets should be completed for each year of operation if anticipated enrollment changes from one year to the next. Please be sure to include copies of both the “Data Entry Page (local detail)” tab AND the “State Detail Page” tab.)

Please see **Attachment 20** for the complete Estimated State and Local Fund Calculations.

Revenue estimates based on 100% of the targeted enrollment of 260 students.

Revenue Estimates based on 80% of the targeted enrollment of 208 students.

2. **Budget Sheets. Complete and submit the “Charter School Application - Budget Worksheets” as Attachment 17 (see link above). The Budget Sheets must include separate tabs for State & Local funds, and any other grant/foundation/donation funds. Applicants are not required to submit a Federal funds budget. Please note that the State and Local revenue figures on the Budget Sheets must match the figures calculated on the revenue estimates spreadsheet (Attachment 15). Applicants must submit two budgets with justification as to how the figures were derived:**
  - a. A budget based on the targeted enrollment; and
  - b. A budget based on 80% of the targeted enrollment.

Please see Attachment 17:

Budget based on 100% of the targeted enrollment of 260 students.

Budget based on 80% of the targeted enrollment of 208 students.

3. **Budget Narrative (Provide as Attachment 21)**  
Provide a detailed Budget Narrative that clearly describes assumptions and revenue estimates, including but not limited to the basis for Per-Pupil Revenue projections, staffing levels, and costs.

**All figures contained in the budget worksheets should be clearly identified and explained in the Budget Narrative. The Budget Narrative must provide details on how each number on the Budget Sheet was estimated. A separate Budget Narrative for the five-year contingency budget based on 80% of targeted enrollment is also required.**

Please see Attachment 21 - Budget Narrative for 100% and 80% enrollment

4. **Business Plan (Provide as Attachment 22)**  
Please see Attachment 22 – Business Plan

- a. **Expected Funding Sources.** Indicate the amount and sources of funds, property, or other resources expected to be available through banks, lending institutions, corporations, foundations, grants, etc. Note which are secured and which are anticipated, and include evidence of firm commitments, where applicable. Describe the school’s contingency plan to meet financial needs if anticipated revenues are not received or are lower than the estimated budget.

Sussex Montessori School will be deriving its revenue from the following sources:

- state and local appropriations based on a unit count scenario;
- federal funds for mandated programs, such as Title I, Title III, and Free and Reduced Lunch programs;
- private donations, foundation giving, and grants (letters attachment 15)
- Financing is expected to be secured with assistance from NCALL (letter attachment 15)

For details regarding these funding sources, please see Attachment 22 – Business Plan

- b. **Operations Overview.** Describe the systems and processes by which the school will manage accounting, purchasing, payroll, and audits, pursuant to 14 *Del. C. § 512(8) and (9)*. Specify any administrative services expected to be contracted for the school, and describe the criteria and procedures for the selection of contractors. Provide details on how financial, personnel, and administrative support will be provided to the charter school and how internal controls will be maintained.

Financial operations, including payroll and accounts payable for Sussex Montessori School, will be under the direction of the School Leader, with the assistance of the Treasurer of the Operating Board. The school will also be supported by an independent financial services contractor, who will assist with the financial accounting, reporting, compliance and budgeting activities.

For details regarding operations related to accounting, purchasing, payroll, and audits, please see Attachment 22 – Business Plan

- c. **Depositing Funds.** Describe the process by which funds will be deposited into the school’s state account. If a state account is not used, describe where the funds will be deposited to ensure that all school funds are available for audit by the State Auditor’s Office upon request.

All funds not directly uploaded into the school’s FSF appropriations or delivered via Inter-Governmental Voucher will be deposited in person to the state account at a Citizens Bank office by a member of the school staff.

- d. **Audits.** Describe the financial controls that the school will have in place, including the annual audit of the financial and administrative operations of the school. Include evidence that the school will adhere to the accounting, auditing, and reporting procedures and requirements that apply to public schools operating in Delaware in accordance with the [State Budget and Accounting Manual](#) and 29 *Del. C. Ch. 69*.

Please see Attachment 22 – Business Plan

- e. **School closure, non-renewal, or dissolution.** Describe the plan and procedures that the school will follow in the event of the closure, non-renewal, or dissolution of the school. Also, the applicant is to put forth a reasonable plan to establish sufficient available balances pursuant to 14 Del. C. § 515(k) below.

**§ 515. Oversight and revocation process.**

**(k) In the event that all state and local funds due to a charter school are paid timely as required by 14 Del. C. § 509, a charter school authorized to operate in the State must by December 31 of that fiscal year maintain an available balance sufficient to pay the minimum costs necessary to provide students with the minimum annual instructional hours required by the Department of Education during the remainder of that fiscal year as reasonably projected by the charter school. Such costs include, but are not limited to, all employee compensation required to attain the minimum annual instructional hours during the remainder of that fiscal year. Such costs also include all fixed and variable non-payroll expenditures incurred through the final month of that school year. A school's failure to maintain sufficient available funds by December 31 of its third year of operation shall be deemed a material violation of its charter.**

Please see Attachment 22 – Business Plan