

1.10 Budget and Finance

4. Business Plan (Provide as Attachment 21)

See ATTACHMENT 21 for the Business Plan.

a. Expected Funding Sources. Indicate the amount and sources of funds, property...

The operating budget is sufficient to meet anticipated needs; however, the Governing Board of Directors also intends to engage in aggressive fundraising from private and foundation sources. LTA has been in communication with the Longwood Foundation's director, Joanne Reilly on numerous occasions regarding LTA's intent to quickly apply for funding once the charter school application is approved. LTA has already met the requirements of the IRS and is 501(c) 3 eligible to solicit tax deductible donations. LTA has received letters of support for our corporation's school business plan. Two letters are included in ATTACHMENT 21 with a welcomes message to apply for a grant (WSFS) and a low interested loan (Reinvestment Fund) once approved.

The contingency finance plan for LTA is as follows: If enrollment falls below the projections as presented in this application, will reduce personnel and operating costs to balance the budget. LTA has demonstrated in this application that it can operate financially at 80% enrollment and maintain quality programming. In summary, LTA can be opened and maintained with funds provided by state and local revenue.

LTA will make application to several funders to meet its financial and budget goals if needed. One of the goals of The Reinvestment Fund - TRF is to provide capital for community based projects and nonprofits. TRF located in Philadelphia, is a major financing and development company of capital education projects. TRF has been a leader in financing education facilities since 1985. From early childhood education centers to charter schools and higher education facilities, TRF financing has supported organizations working to improve access to quality education in low-income communities - See more at: <http://www.trfund.com/financing-development/education/#sthash.LYZw79lu.dpuf>. See a letter of consideration for support in ATTACHMENT 16. WSFS, located in the state, have supported charter schools for many years through grants and as Board members. See letter of consideration for support in ATTACHMENT 16A when approved. See ATTACHMENT 21 for the BEST " Step by Step Guidelines for Writing Grant Proposals" from Joe Sheenan with Fischertechnik, a STEM Lab Program; including emails of conversations with Joe. See Pages 14 – 21 in ATTACHMENT 21 for grant sources of STEM programs and other resources throughout the document. See also ATTACHMENT 21 for Century 21 grant proposal information.

Budgeting and financial operations will be performed by the Financial Specialist. The Financial Specialist will work with CEO, LTA's School Leader, Governing Board, and the Citizens Budget Oversight Committee to develop a projected budget each fiscal year for review and approval by the Governing Board during the prior year.

b. Operations Overview. Describe the systems and processes by which the school will

LTA's plan for managing the financial operations of the school in accordance with the State Budget and Accounting Manual and Title 29, Chapter 69 will be outlined in LTA's Accounting and Policies and Procedures Manual once the charter school is approved. This manual will specify which individuals will have direct responsibility in each of these operations and also includes internal controls for budgeting and financial management.

The contracted Financial Specialist, A & E Business Solutions, LLC , will manage the financial operations including budgeting, financial services, payroll, accounts payables, accounts receivables and will assist with staffing under the direction of the CEO. During the startup year of operation, our charter school Finance Specialist will work directly with LTA's School Leader and CEO to develop a projected budget for each fiscal year, for review and approval by the Governing Board.

LTA will follow the State Budget and Accounting Policy Manual as it relates to all transactions, regulations, guidelines, and filing procedures. The school will use the First State Financials (FSF) system for all financial, accounting, and purchasing transactions. LTA's financial reports will be posted on the school's website on a monthly basis following Board approval. Financial Position Reports, required by **14 Del. C. § 512(8) and (9)** will be prepared and submitted to the Department of Education.

LTA intends to use the Payroll Human Resource Statewide Technology (PHRST) system for managing and reporting compensation, payroll, personnel information, and employee benefits. LTA will ensure that personnel utilizing these systems are properly trained in accordance with state requirements. LTA intends to hire its teachers as state employees, and will offer compensation packages, retirement, and benefits through the State of Delaware. The school will take advantage of the state purchasing system in order to maximize its buying power. The school may independently contract for certain goods and services as needed and appropriate.

LTA will comply with the requirements of Title 14, Sec 736 of the Delaware Administrative Code. A Citizen Budget Oversight Committee (CBOC) will be established prior to Year 1 to review and analyze all financial expenditures, management practices, and budgeting. This Committee will have at least five members, including one educator from LTA, one board member, at least two parents or community members who are not school employees or board members, and a representative from the DDOE. Training for the CBOC will be provided by DDOE. The CBOC will consult regularly with the Board, CEO and School Leader.

LTA's Office Manager's position will handle personnel reports, provide administrative assistance and assist with the daily internal accounts. This individual will be responsible for the reception of visitors and information, organization and filing of regular and personnel records, billing, pricing, payroll, internal school accounts, processing of enrollment information, inventory and ordering of office supplies, assistance to the school leader, the Board, and faculty for scheduling

and correspondence, coordination of service providers for maintenance and cleaning and support of school events as needed.

c. Depositing Funds. Describe the process by which funds will be deposited into the ...

All funds will be deposited in compliance with the “State Budget and Accounting Policy Manual Chapter 9 – Receipt of Funds. Funds will be uploaded into the school’s FSF appropriations, delivered by intergovernmental voucher or deposited in person to the state account at Citizens Bank by the school’s Office Manager or a School Administrator.

d. Audits. Describe the financial controls that the school will have in place, including...

According to Del Code Title 14 513 (a), LTA will contract to have an audit of the business and financial transactions, records, and accounts after July 1 for the prior fiscal year. The results of the audit shall be shared with the Department of Education by October 1. LTA will display on its website the annual report including financial statement and audit required by this subsection. LTA will also display on its website all standardized financial report forms for the current fiscal year and the final monthly standardized financial report forms for each previous fiscal year of operation.

e. School closure, non-renewal, or dissolution. Describe the plan and procedures that... 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.

In the event that LTA Charter School is dissolved, it will follow the authorizer’s charter school closure protocol. LTA Governing Board would work closely with DDOE concerning the steps necessary (parent notification, transfer of records, disposition of school assets, etc.) to ensure a smooth and orderly closure and transition. The school will follow all legal and regulatory requirements such as those contained in Delaware Code Title 14 Section 512 (16). LTA will ensure that funds are secured to satisfy all closing costs during the resolution process. The school board will work aggressively over the next five years to create a contingency and cash reserve at a level of financial solvency

See Appendix 1 Section 1.10 School dissolution