

1.10 Budget and Finance

(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 19. The revenue estimate spreadsheet and budget worksheets are available at the following link:

<http://www.doe.k12.de.us/infosuites/schools/charterschools/Resources.shtml>

(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.)

Financial operations, including payroll and accounts payable, will be under the direction of the school leader and the Board. During the first year of operation, the school leader, and CBOC will develop a projected budget for each fiscal year, for review and approval by the Governing Board during the prior year.

VPS will follow the State Budget and Accounting Policy Manual as it relates to all transaction regulations, guidelines, and filing procedures. The school will use the First State Financials (FSF) system for all financial, accounting, and purchasing transactions. VPS’ financial reports will be posted on the school’s website on a monthly basis following Board approval.

Financial Position Reports, required by Title 14, will be prepared and submitted to the Department of Education.

In addition, the school will commission an annual independent financial audit to ensure compliance with the standards of the State Auditor’s Office with respect to process controls and segregation of duties.

VPS will utilize the Payroll Human Resource Statewide Technology (PHRST) system for managing and reporting compensation, payroll, personnel information, and employee benefits.

All pension-related functions, from the initial actuarial form at the time of employment through the pension application at retirement, will be processed by the school leader, who will be properly trained in accordance with state requirements.

VPS intends to hire its teachers as state employees, and as such, 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.

In order to maintain responsible fiscal accounting, planning and management practices, and to comply with the requirements of Title 14, Sec 736 of the Delaware Administrative Code, a 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 VPS, 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 and school leader. The committee will remain actively in place during each year of school operation, and will comply with the regulatory requirements for membership, training, and operations.

2. Budget Sheets. Complete and submit the “Charter School Application - Budget Worksheets” as Attachment 16 (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.**

A budget based upon the target enrollment for VPS, and a budget based upon 80% of the target enrollment, may be found in Attachment 16.

3. Budget Narrative (Provide as Attachment 20)

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.

Revenue Estimates for VPS (at full enrollment and at 80% enrollment) may be found in Attachment 16, respectively.

The VPS board will develop fundraising events to help defray the costs of school operations. Revenues raised through fundraising activities will be collected by a Fundraising Committee of the board and deposited into the school’s First State Financial (FSF) account, in accordance with required procedures. Decisions for the use of these funds will become part of the overall financial planning process for the school, subject to review by the CBOC, and will be part of the annual financial audit of the school.

The contingency finance plan for VPS, should enrollment fall below the projections as presented in this application, will be to reduce personnel and operating costs to meet funding limitations. VPS has

demonstrated in this application that it can operate financially at any student level between 60 and 180 students. The minimum number of students the school can enroll to remain economically viable in year 2 is 90; in year 3, 160; in year 4 and beyond, 180 students.