

**4. Business Plan (Provide as Attachment 21)**

**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.**

The president of the board has reached out to a possible funder and has a potential meeting planned for the month of January 2015 to discuss possible funding options. A bank loan in the amount of \$660,000 will be secured in Year 1 and \$80,000 in Year 2 to cover the start-up costs 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.

**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.**

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. 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.

**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.**

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**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.**

To prepare for a possible closure or dissolution of the school, VPS will set aside adequate funds to ensure that all employees are paid according to their contractual agreements with the school; to pay any staff who would be required for close-out activities; and, to pay any vendors such as auditors, movers, liquidators, etc. that would be needed (see budget information in Attachment Section 16). All cash and cash equivalents will be distributed first to satisfy outstanding payroll obligations for employees of the school, then to the remaining creditors of the school. To ensure that the funds are available to satisfy all closing costs, the school's board will, over the next five fiscal years, build into its budget, a cash reserve until it is at an adequate level to do so. The board will review fund balances and financial projections on a monthly basis to ensure the fiscal health of the school and the maintenance of the reserve fund. In the event that VPS is closed for nonfinancial reasons and, following the authorizer's charter school closure protocol, the VPS board would work closely with the 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 512, Section 16.

§ 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.