



Generation 24

Applicant Information Session

Financial and Business Plan

Resources

Financial Accountability System Resource Guide (FASRG) version 15:

Module 10 -Special Supplement -Charter Schools

Module 11 -Special Supplement – Nonprofit Charter School
Chart of Accounts

<http://tea.texas.gov/index2.aspx?id=25769817568>

Student Attendance Accounting Handbook (SAAH):

<http://tea.texas.gov/index2.aspx?id=25769817607>

Texas Administrative Code (TAC) Chapter 100 - Charters:

<http://ritter.tea.state.tx.us/rules/tac/chapter100/index.html>

Financial Plan

- Provide a detailed narrative start-up plan, specifying tasks and timelines
- Describe systems, policies, and processes for financial planning, accounting, purchasing, and payroll
 - Internal controls
 - Compliance with Generally Accepted Accounting Principals (GAAP)
- Specify roles and responsibilities of school administration and governing board
- Describe the segregation of duties as well as financial fraud and theft prevention
- Align with the start-up budget

Financial Plan

- Include plans and procedures for annual audits of financial and administrative operations
- Provide financial transparency
 - Plans for public adoption of budget
 - Plans for disseminating annual financial and compliance report (AFR)
- Discuss outsourcing business services
 - Which services to be outsourced
 - Anticipated costs
 - Timelines
 - Criteria for selecting vendor(s)

Financial Plan

- Include the most Recent Financial Audit Report
 - Copy of most recent unmodified audit report
 - Copy of unaudited financial report that includes a statement of financial position, a statement of activities, and a cash flow statement from inception to date for organizations less than one year old
- Include the Credit Report of the Sponsoring Entity
 - Entities incorporated prior to January 1, 2017 with no credit history must provide a response from one of the credit rating agencies to indicate the entity has no credit history
 - Entities incorporated after January 1, 2017 are not required to provide a credit report (Provide a statement attesting that no credit report is provided because the sponsoring entity was incorporated after January 1, 2017)
- Include the most recently filed IRS form 990, 990-N, or 990EZ
 - Provide an explanation if no IRS form has been filed

Financial Plan Workbook

Unlocked Tabs

- School Info
- Data Entry
- Enrollment
- Personnel
- Assumptions
- Start-Up Budget
- Budget

Locked Tabs

- Financial Plan
Workbook Summary
- SOF (Summary of
Finance)
- ASATR (Additional
State Aid for Tax
Reduction)
- Payment Formula
Example

Financial Plan Workbook

- **General Instructions Tab**
 - Green and yellow tabs are for entering data
 - Blue and red tabs are for informational purposes
 - Blue words are links to the tab and instructions are listed below the links
 - Pay attention to warnings indicated in the instructions
- **School Info Tab**
 - General information entered here will be used to populate data throughout the workbook
- **Data Entry Tab**
 - First year information
 - Pre-Kindergarten enrollment is based on $\frac{1}{2}$ of a day, not the full day for other grades

Financial Plan Workbook

- **Data Entry Tab** (Continued)
 - Red triangles on spreadsheet carry special comments
 - Include extended year services and advanced CTE FTEs
- **Enrollment Tab**
 - The first year populates from the Data Entry tab
 - The following years must be based on reasonable estimates and projections
 - Percent change year over year (YOY) indicates changes in: Average Daily Attendance (ADA), Special Education Student FTEs, Career & Technology FTEs, and Transportation Costs
 - Percent change YOY may be useful for data entry in the Assumptions tab

Financial Plan Workbook

- **Personnel Tab**

- Assists in developing detailed payroll costs in later tabs
- Enter the employee position description and select the position category that best matches the position description from a drop down menu in column D
- Use gross annual salary data only (no hourly rate or payroll taxes)
- Enter the number of FTEs (full time equivalents), for example two clerical staff employees working an average of 20 hours would be considered one FTE
- Enter an estimate of across the board yearly raises as a percentage
- Enter any notes

Financial Plan Workbook

- **Assumptions Tab**

- Enter expected changes in revenue
 - * You should expect revenue to change with your enrollment
- Enter information in grey cells as needed
 - * Business and contracted expenses can also be entered and adjusted with percentage changes if necessary

- **Start-Up Budget Tab**

- Enter start-up costs only in this tab
- Enter a detailed description of assumptions to assist TEA in their review

Financial Plan Workbook

- **Budget Tab**
 - Based on Enrollment, Personnel, Assumptions, and Start-Up Budget tabs
 - Enter a detailed description of assumptions
- **Financial Plan Workbook Summary**
 - Populates based on the information entered from the Data Entry tab
 - Informational only (do not enter anything in this tab)

Financial Plan Workbook

- **SOF & ASATR Tabs**

- Numbers are calculated from formulas based on data pulled from the Data Entry tab
- State averages are used in the calculations

- **Payment Formula Example**

- Shows an example of how TEA state aid payments are usually calculated

- **Final Note**

- We will review all items submitted
- Any questions will need to be resolved by you for the application to proceed
- Notes, comments, and explanations will reduce questions

Budget Narrative

- Detailed Assumptions
- Revenue Estimates
- Documentation of Sources of Income
- Contingencies
 - What happens if revenues are lower than expected
 - Provide detailed year one cash flow contingency
- Business Management
 - Financial Management
 - Fundraising
 - Accounting and Internal Controls
- Sponsor's ability and experience acquiring and managing facilities
- Budget Narrative agrees to the Budget

Contact Information

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