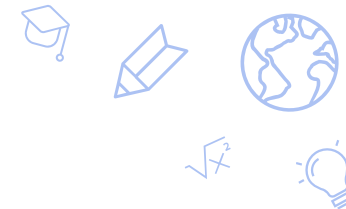




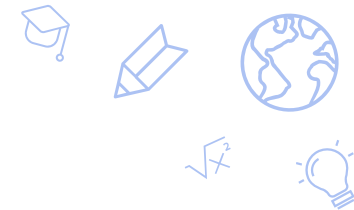
SPCSA New Charter Applicant Training #4: Financial Plan

February 6, 2025



Agenda

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| | Brief Orientation on our Application & Trainings |
| | 5.1 Financial Plan |
| | Budgets and Budgeting Philosophy |
| | NV Funding 101 |
| | Understanding the Financial Plan Workbook |
| | Questions and Next Steps |



Introductions

- Melissa Mackedon, Executive Director
- Katie Broughton, Director of Authorizing
- Danny Peltier, Management Analyst III



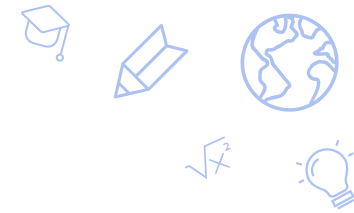
- ☑ Authorizing and board experience
- ☑ Teaching/school leadership experience
- ☑ Institutional knowledge w/the Authority



Application Training Components

| Component | Training Date |
|--|-------------------------|
| Application Overview | December 16, 2024 |
| Cover Sheet, Meeting the Need, & Academic Plan | January 8, 2025 |
| Operations Plan & Addendum | January 21, 2025 |
| Financial Plan | February 6, 2025 |
| Clarifying Questions & Capacity Interview | February 24, 2025 |

All trainings will be virtual. Additionally, each module will be recorded and posted to the SPCSA website.



Application Materials

- The **Guidance** includes background and information regarding the application process, specific requirements for the application, application submission, and the application process.
- The **Application** template includes all of the questions that should be answered by the applicant. If an applicant does not answer all applicable questions, the application may be deemed incomplete.
- The **Rubric** describes the characteristics of a strong response that would meet standards.



Application Guidance

Part I

- Introduction
- Glossary
- Resources
- Application Overview
 - Applicant Types
 - Timeline
 - Submission Directions
 - Application Contents
 - Application Review Process

Part II

For each section of the Application

- The **application questions** which are identical to the questions found in the Application Template Document;
- The **rubric criteria** which are identical to the criteria defined in the Evaluation Rubric Document; and
- **Guidance** regarding the section or subsection, such as important information and resources to consider when drafting an application.

Refer to the corresponding section of the Guidance Document while completing the Application Template Document

Application Timeline

| Date | Activity | Responsible Party |
|---|--|---|
| January 30, 2025 | Notice of Intent | Applicant |
| April 30, 2025 | Application Deadline | Applicant |
| May 1-15, 2025 | Completeness Check (see section 7) | SPCSA Staff |
| May 1-15, 2025 | Response to Completeness Findings | Applicant |
| <i>(Applicants are provided with approximately 48 hours to respond)</i> | | |
| May 15-June 20, 2025 | Application Evaluation | SPCSA Staff & Review Panel |
| June 24-July 5, 2025 | Send Clarifying Questions | SPCSA Staff |
| June 23-July 11, 2025 | Response to Clarifying Questions | Applicant |
| <i>(Applicants are provided with 4 business days to respond)</i> | | |
| July 1-July 18, 2025 | Capacity Interview | Applicant, SPCSA Staff, & Review Panel |
| <i>(Date and time for each Applicant will be scheduled based on availability of Applicant and Review Panel)</i> | | |
| August 15, 2025 | Recommendation Published | SPCSA Staff |
| August 22, 2025 | Consideration of Approval/Denial | SPCSA Board |
| August 25-August 29, 2025 | Notice of Denial, if applicable | SPCSA Staff |
| September 1-19, 2025 | Meet and Confer on Deficiencies of Denied Application | Denied Applicants who wish to resubmit, SPCSA Staff |
| September 30-October 3, 2025 | Resubmission Deadline | Denied Applicants |
| <i>(30 days from receipt of Notice of Denial)</i> | | |
| November 7 or December 5, 2025 | Resubmission Recommendation Published | SPCSA Staff |
| <i>(Applicants will be provided with a specific date during the resubmission process)</i> | | |
| November 14 or December 12, 2025 | Consideration of Approval/Denial of Resubmitted Applications | SPCSA Board |
| <i>(Applicants will be provided with a specific date during the resubmission process)</i> | | |





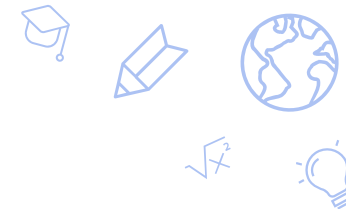
Applicant Types

Committee to Form

- Must meet membership requirements
 - 1 Teacher
 - 1 Teacher/Administrator
 - One parent/guardian
 - Two members with knowledge and expertise in accounting, financial services, law, or human resources
- Majority of members must be residents of Nevada
- Members cannot include contractors, facility lessors, EMO representatives
- Committees to Form may propose to contract with a CMO or EMO

Charter Management Organization

- Nonprofit organization that operates or supports charter schools
- May apply with the intent to
 - hold the charter contract
 - establish a new governing to hold the charter contract with the understanding that the new governing board would contract with the CMO for educational and/or operational services
- Whichever entity holds the charter must comply with membership requirements for the governing body of a charter school



Application Sections

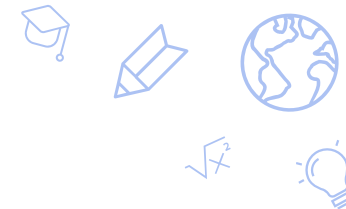
| Cover Sheet | Meeting the Need | Academic Plan | Operations Plan | Financial Plan | Addendum* |
|--|---|--|--|---|---|
| <ul style="list-style-type: none"> • General Information • Applicant Team Information • Pending Applications & Schools • Planned Enrollment • Proposed Location • CMOs and EMOs* • Application Preparation • Applicant Certification | <ul style="list-style-type: none"> • Missing and Vision • Targeted Plan • Parent & Community Involvement | <ul style="list-style-type: none"> • Transformational Change • Curriculum & Instructional Design • Promotion & Graduation Requirements • Driving for Results • At Risk Students & Special Populations • Professional Development • School Culture • Student Discipline • School Calendar & Schedule • Dual Credit Partnerships^ • Programs of Distance Education~ | <ul style="list-style-type: none"> • Board Governance • Leadership Team • Staffing Plan • Human Resources • Student Recruitment & Enrollment • Incubation Year Development • Services • Facilities | <ul style="list-style-type: none"> • Narrative • Budget | <ul style="list-style-type: none"> • Past Performance* • Scale Strategy* • Network Capacity* • School Management Contracts* • CMOs Applying for Sponsorship Directly** |

*Required for Committee to Form Applicants that propose to contract with a CMO or EMO, or CMO Applicants

**Required for CMO Applicants

^Required for applicants proposing a high school program

~Required for applicants proposing to offer distance education



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What's Included in a Financial Plan?

1. Combination of policies and practices that govern how the school holds and spends its funds.
 - a. Must be aligned with generally accepted accounting processes (GAAP) and best practices in NV charter school finance.
 - b. Should demonstrate an understanding of the obligation to safeguard public funds.
 - c. Evidences that there will be adequate “checks and balances” through segregation of duties
2. Comprehensive financial projections showing how enrollment, public and private dollars, and expenses will interact over the term of the charter.



Application and Rubric: Financial Plan

Application Financial Plan Questions

- 1) Describe the systems and processes by which the school will manage accounting, purchasing, payroll, and audits. Specify **any administrative services** expected to be contracted for the school and describe the **procurement process and criteria** for the selection of these contractors.
- 2) Public charter schools in Nevada are required to conduct an **annual financial audit**. Describe the annual audit of the financial and administrative operations of the school. Discuss the **planned financial controls** and their implementation plans. Include evidence that the school will adhere to the accounting, auditing, and reporting procedures and requirements that apply to public schools operating in Nevada.

Financial Plan Rubric

Criteria

The **financial manager has the appropriate expertise** to provide accurate and timely financial information to decision-makers.

The school protects **mission-critical expenses** when faced with budget cuts and commits to maintaining financial viability. The budget **does not appropriate for any fund any amount in excess of the budget resources** of that fund (in any single year).

There is **appropriate segregation of financial duties** which align to organizational charts, leadership roles and responsibilities, and vendor responsibilities, as applicable.

Control systems ensure that only allowable expenses will be made and that all expenses will be coded appropriately.

Projections are accurate, conservative, and legally compliant. This includes appropriate allocations for required expenditures such as the sponsorship fee, PERS, etc.



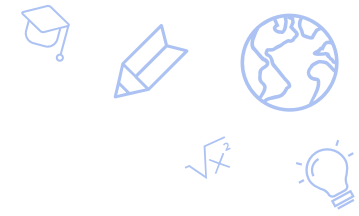
Application and Rubric: Financial Plan

Application Financial Plan Questions

- 3) Discuss in detail the **school's contingency plan** to meet financial needs and ensure the success of the school **if revenues are lower than anticipated.**
- 4) As Attachment 22, present a budget narrative including a detailed description of assumptions and revenue estimates, including but not limited to the basis for revenue projections, staffing levels, and costs. The narrative should specifically address the degree to which the school budget will rely on variable income (e.g., grants, donations, fundraising, etc.). Include the following: per-pupil revenue, anticipated funding sources, anticipated expenditures, projected revenues from federal Title programs (I-IV), Federal IDEA, state special education and state weighted funding streams.

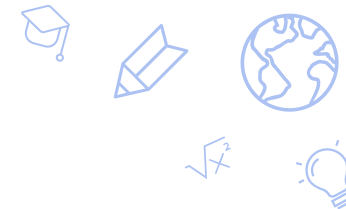
Financial Plan Rubric

| Criteria |
|---|
| Budget priorities are consistent with the proposed model, including but not limited to educational program, staffing, and facility, and budget priorities are aligned with the proposed enrollment plan, including any enrollment growth. |
| Sufficient detail and specificity of assumptions for all budget line items to allow for the assessment of fiscal viability. |
| Clear understanding of monthly cash flow that demonstrates viability of the school. |
| Current ratio based on proposed budget of at least 1.1 on a monthly basis is either 1.1 or better or is between 1.0 and 1.1 and trending positive from the immediately prior year. |
| The debt-to-asset ratio based on proposed budget is less than 0.9. |
| Sufficient cash reserves to cover operations. |
| All funds from external sources that are included in the budget are guaranteed with cash in hand or letter of award and grant terms. |
| There is no evidence that the school ever will become insolvent or lack access to the necessary amount of liquidity. |
| Assumptions about facilities in all financial statements correspond to a conservative facility plan and account for possible contingencies. |



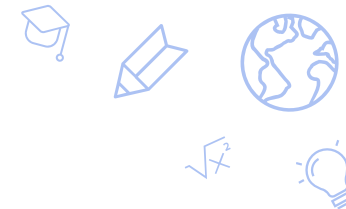
QUESTIONS





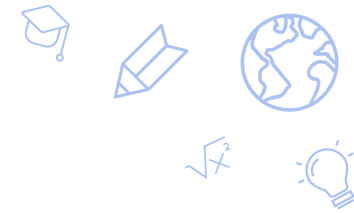
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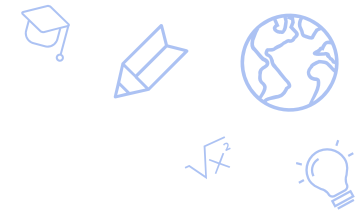
Budgets: What even are they?

- Budgets are LIVING documents. A budget is developed and approved by the board BEFORE the start of each school year.
- The template we have provided allows you to explore the roll-out of your school plan and model, including how expenses are impacted by enrollment and how and when funds are received.
- Your financial plan will project budget elements such as enrollment, staffing, income and expenses annually for the full term of the charter from the incubation period through Y6.
- Once approved, your budget will be your spending guide as well as the tool by which you measure your financial success.



Budgeting Philosophy

- The Committee to Form should have a universal understanding of the governing board's philosophy for financial policy and practice.
- The Board and school staff should be aligned on critical areas such as spending priorities and non-negotiables. These should be clear and aligned to sections 1-4 of your application.
- Balanced annual budgets, or budgets resulting in an annual surplus, are indicators of a stronger proposal. Schools cannot operate with a budget deficit.



QUESTIONS





Agenda

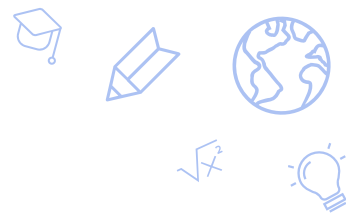
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Background

- Nevada’s per pupil funding formula, referred to as the Nevada Plan, is paid through the Pupil Centered Funding Plan (PCFP).
- Adjusted based funding for Nevada’s public schools is based on Average Daily Enrollment (ADE), reported quarterly by schools.
- Charter schools are paid monthly.
- The first payment of the year is on August 1 and is typically based on the prior year Q4 ADE.
 - For new schools, the August 1 payment is based on audited enrollment as of mid-June.
- Following each quarterly ADE report, NDE will “true up” PCFP payments to reflect actual enrollment for the prior quarter.
- Weighted per pupil funding for FRL, EL, IEP and GATE are based on prior year student counts.
New schools will not receive this funding until their second year of operation.

Annual Calendar

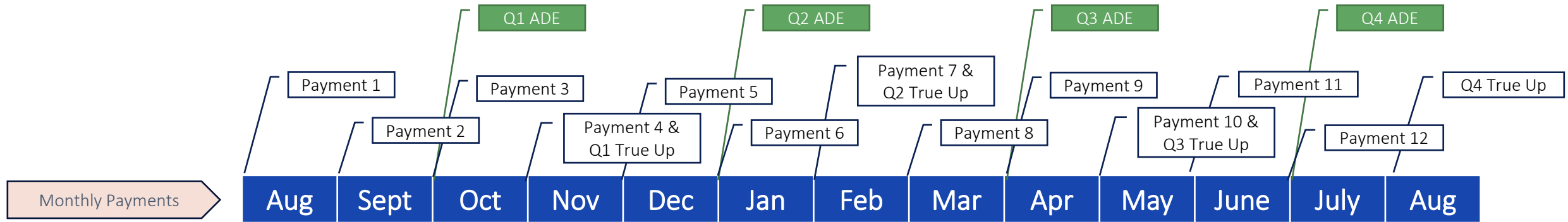


| | Monthly Payment | ADE Used for Payment |
|-------------------------|---------------------------------|--------------------------------------|
| 1 st Quarter | August, September, and October | Prior Year 4 th Quarter |
| 2 nd Quarter | November, December, and January | Current Year 1 st Quarter |
| 3 rd Quarter | February, March, and April | Current Year 2 nd Quarter |
| 4 th Quarter | May, June, and July | Current Year 3 rd Quarter |

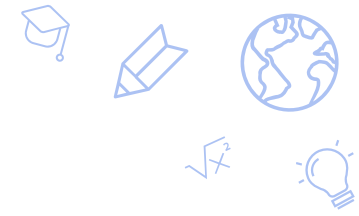


First quarter funding (August through October) will be based on your enrollment audit count. Low enrollment in June is likely to cause a cashflow issue.

Annual Calendar

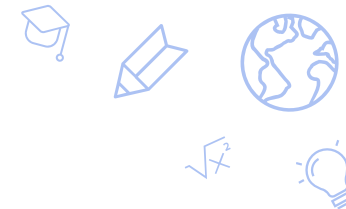


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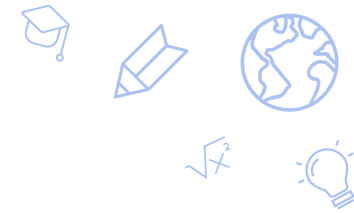
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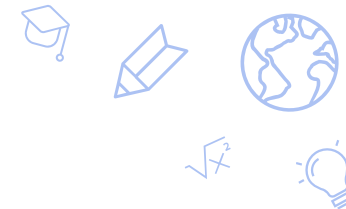
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Financial Plan Workbook: Purpose

- The workbook is designed to allow you to demonstrate knowledge of the actual costs and expenses of the school you propose.
- It is an opportunity for you to show understanding of cashflows with regard to public school funding.
- Used correctly, the tool will evidence your understanding of the fiscal responsibilities of a charter school and the appropriate use of public funds.
- Your completed financial plan workbook will not become your actual Y0/Y1 budget if you are approved.



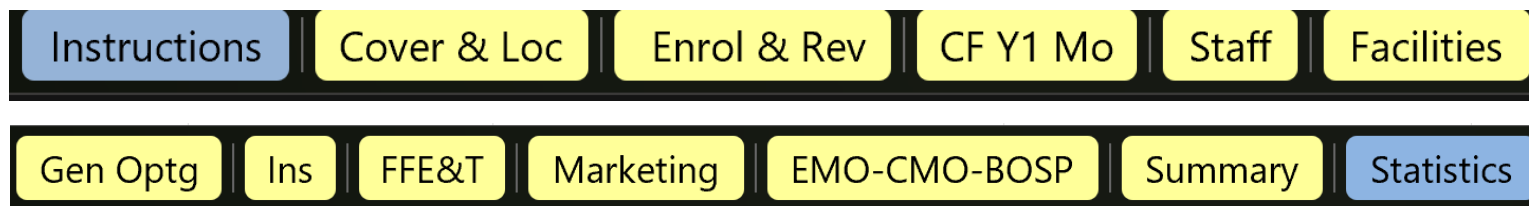
Financial Plan Workbook: Template

- The financial plan workbook template is designed to help your team determine the cost of your program, and sources of revenue need to operationalize the model.
- It is a tool that should be used in the application development process and should be frequently checked against new sections of the application as you write, as well as against all attachments.
- Once submitted, your entire team should closely study the budget in advance of the capacity interview.
- It is advisable for all members of the applicant team to have access to the completed financial plan workbook during the interview.



Financial Plan Workbook: Basic Guidance

- There are 13 worksheets in the template.



- The workbook is populated with complex formulas that pull your data inputs between sheets and run calculations in and across worksheets.
- In each worksheet, applicants should enter data ONLY in cells with **YELLOW** fills.
- Not every yellow cell will REQUIRE an input.



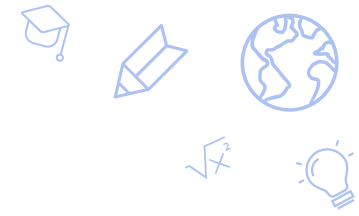
Financial Plan Workbook: Helpful Hints

DO

- Use the “Comments, Notes, Sources” column to explain the basis for your assumptions, and to demonstrate that they are realistic and feasible.
- Work across sheets to check the implications of your inputs on other areas of the workbook.
- Ensure that the worksheets match the information provided in the narrative and attachments.

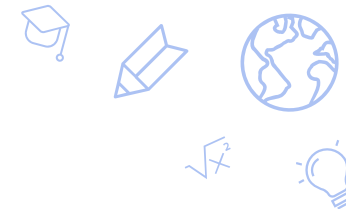
DON'T

- Add, delete, hide, or unhide worksheets or rows/columns within worksheets.
- Reformat or reorganize sheets or individual cells (fonts, fills, text characteristics, etc.).



QUESTIONS





Agenda

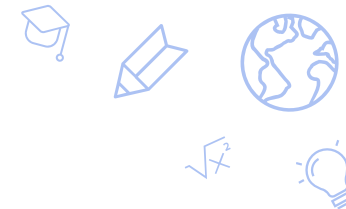
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| Financial Plan | February 6, 2025 |
| Clarifying Questions & Capacity Interview | February 24, 2025 |

All trainings will be virtual. Additionally, each module will be recorded and posted to the SPCSA website.



Important Upcoming Dates

- The window for Letters of Intent has closed. SPCSA staff should have confirmed receipt of your LOI to you and may have already reached out with clarifying questions.
- SPCSA staff will be reaching out to schedule 1:1 meetings to provide more targeted technical support in the next week or so.
- Applications are due via Epicenter between April 15 –30.
 - Questions regarding Epicenter should be directed to Danny Peltier (dpeltier@spsca.nv.gov). Note that you will receive an invitation to setup your school's profile for the application submission in the weeks ahead.
 - Details regarding the specifics of uploading your application can be found within the [Guidance document](#) under *Submission Directions* (pages 13-15).