Business Plan

C.5 Operational Expenditures/Overhead

Expenditures that support the operation of the school

AIM Schools have created an operational budget that will ensure a sound financial model that has proven effective in providing an excellent academic education to students.

The following is a description of operational expenditures for Tucson AIM:

Descriptions of services	**Timeline***See Note Below**	**Cost**
Expenditures incurred during the start-up period of school	**March – June 2012**	
1) Director/Principal (1.0 FTE) 2) Administrative Assistant (1.0 FTE) 3) Bookkeeper/Finance Manager (0.5 FTE)	March - June 2012 April - June 2012 April - June 2012	$20,000 $10,000 $7,500
Employee Benefits calculated@20% of salaries	March - June 2012	$7,500
Office Supplies (paper, postage, etc.)	March - June 2012	$1,000
Craigslist Employment Announcement for 8 ads @ $75 each to recruit AIM employees	March - May 2012	$600
Computer equipment and Student Accountability Information Systems (SAIS)	March - June 2012	$1,000
Copy Machine $300 per month	March - June 2012	$1,200
Student Recruitment	February – June 2012	$500
Office lease at 910 South 3rd Ave, Tucson, Arizona **(See Note #1 Below)**	March - June 2012	In-kind donation
TOTAL START-UP BUDGET	**MARCH-JUNE 2012**	**$49,300**
Expenditure incurred during implementation of school	**Year 1 through Year 3**	**Cost**
Salaries for Principal, Administrative Assistant, Financial Manager and Janitor.	July 1, 2012 - June 30, 2015	Year 1 Salaries - $142,000 Year 2 Salaries - $208,400 Year 3 Salaries - $233,052
This also includes non-instructional benefits based on 20% of salary.	July 1, 2012 - June 30, 2015	Year 1 Benefits - $28,400 Year 2 Benefits - $41,680 Year 3 Benefits - $46,610

Office supplies, postage, print material, and copier.	July 1, 2012 - June 30, 2015	Year 1 - $3,000 Year 2 - $3,060 Year 3 - $3,121
Computer equipment and Student Accountability Information Systems (SAIS). This also includes costs for upgrades and maintenance each year.	July 1, 2012 - June 30, 2015	Year 1 - $2,500 Year 2 - $1,000 Year 3 - $1,000
CPA auditor costs for the school each year. Auditor will provide a report to the governance board by December 15 each year. (N/A 1st year)	July 1, 2013 - June 30, 2015	Year 2 - $6,000 Year 3 - $6,120
Supplies such as cleaning and other materials needed for the facility	July 1, 2012 - June 30, 2015	Year 1 - $2,400 Year 2 - $2,448 Year 3 - $2,497
Rental lease of the facility at 200 E. Yavapai Rd., Tucson, Arizona of 14,105 square feet x $1.00 per square foot = $14,105.	July 1, 2012 - June 30, 2015	Year 1 - $169,260 Year 2 - $172,645 Year 3 - $176,098
Property/casualty/liability insurance **(See Note #2 below)**	July 1, 2012 - June 30, 2015	Year 1 - $10,300 Year 2 - $12,600 Year 3 - $15,100
Utilities for school, electric, gas, water and waste based on $2,000 per month in year one.	July 1, 2012 - June 30, 2015	Year 1 – $24,000 Year 2 - $24,080 Year 3 - $24,970
Telephone and internet services for this facility based on $300 per month in year one.	July 1, 2012 - June 30, 2015	Year 1 - $3,600 Year 2 - $3,672 Year 3 - $3,745
Office and classroom furniture. This will be an in-kind donation from AIM Schools. **(See Note #1 Below)**	July 1, 2012 - June 30, 2015	No Cost
Office technology and equipment, such as computers, for non-instructional personnel.	July 1, 2012 - June 30, 2015	Year 1 - $2,500 Year 2 - $2,550 Year 3 - $2,601
Other leases such as copier @ $300 per month.	July 1, 2012 - June 30, 2015	Year 1 - $3,600 Year 2 - $3,672 Year 3 - $3,745
Any food service will be contracted at the same amount as the reimbursement rate from the state and will have no impact on the budget.	August 2012 through June 2015	

Each year a minimum 2% increase is reflected in each line item for 2013-2015 Operational Budget. For

additional information see both budget attachments for detailed information regarding the Operational Budget for 2012 through 2015.

Note #1: The office lease at 910 South 3rd Ave, Tucson, Arizona, from March-June 2012, will be an in-kind donation as mentioned above. The building owner has offered us free office space to use for those four months while the 200 E. Yavapai Road facility is being worked on. The owner is also providing an in-kind donation for utilities and communications, as reflected in the start-up budget. This arrangement has been secured. Also secured is office and classroom furniture that meets our enrollment and staffing needs. That will be provided by the parent organization, American Indian Model Schools, as an in-kind donation as mentioned above.

Note #2: We sought an updated insurance quote from Filiberto Islas of Neace Lukens Insurance Agency in Tucson. The Property/Casualty/Liability insurance quote he gave us is listed above by year. Both Property/Casualty and Liability insurance costs are included in one policy. This policy includes coverage for our school facility, workers' compensation, an accident policy, directors and officers' liability, and other general liability coverage to cover incidents that affect staff, vendors, and stakeholders. Please note that due to the increased projected cost of insurance, Tucson AIM has clearance to defer the first loan repayment of $15,000 to Year Two.

*****More on the Timeline for Securing Goods**: As described above, an in-kind office space lease has been secured for March-June 2012. The utilities and communications (phone, internet, fax) will also be donated by the building owner during that time period. The director/principal, administrative assistant, and bookkeeper/finance manager will be working from the donated office space and will begin to receive a salary and benefits in the amount and schedule as listed above. All expenses in the start-up phase will be paid for by a $100,000 loan from the parent organization, American Indian Model Schools. The administrative assistant will have a banner created to hang off the 200 E. Yavapai building announcing enrollment and will print up flyers and brochures as discussed in the advertising and promotion section. The director/principal will oversee the advertising/recruitment process, as described in the advertising and promotion section. The three start-up staff members, with the approval of the finance manager, will secure computers and office supplies as needed for start-up duties. In July 2012, the staff will be able to occupy the 200 E. Yavapai building. The school year for students will start in August 2012.

Tucson AIM plans to apply for the Arizona Charter Schools Program $230,000/year start-up grant. If awarded the start-up grant funding, some of that money would be used (where allowable) to pay for start-up and other costs.