C.5 Operational Expenditures/Overhead

Office Supplies This estimate based on similar sized schools will cover office supplies for administrative staff and teachers. This item is budgeted as follows: Startup - $1,000, Year 1 - $4,000; Year 2 - $5,000; and Year 3 - $6,000. It is expected that the cost of office supplies will be approximately the same each month of the budgeted period except in the startup period when most office supplies will be purchased in February ($500) followed by $100 per month expenditures thereafter. The monthly average of expenditures will be $330 for Year 1; $415 for Year 2; and, $500 for Year 3.

Membership Dues, Registrations, & Travel This estimate is based on similar sized schools, and budgeted as follows: Startup - $3,000; Year 1 - $1,000; Year 2 - $4,000; and Year 3 - $6,000. Registrations & Travel will correspond to professional development courses and may only occur once or twice a year.

Purchased Services – Accounting Services, Legal This amount is calculated based upon estimated contracts from Diamond Financial Solutions, a business and financial service provider, and estimate for legal counsel, and consulting services as follows: Startup - $17,000; Year 1 - $30,000; Year 2 - $25,000; and Year 3 - $28,000. Payments are anticipated as below: 1) per year and 2) in terms of average monthly payments:

	Startup	Year 1	Year 2	Year 3
1) Legal annual budget	$2,000	$2,000	$2,000	$2,000
2) Legal average monthly payments	$286	$167	$167	$167
1) Financial annual budget	$5,000	$18,000	$18,000	$18,000
2) Financial average monthly payments	$714	$1,500	$1,500	$1,500
1) Curriculum Specialist annual budget	$10,000	$10,000	$2,000	$2,000
2) Curriculum Specialist average monthly payments	$1,429	$833	$167	$167
1) Professional Development annual budget	-0-	-0-	$3,000	$6,000
2) Professional Development average monthly payments	-0-	-0-	$250	$500

Auditor Fees Charter school annual audits must be conducted by an independent certified public accounting under generally accepted accounting standards and government auditing standards. Institute for Transformative Education will contract with an independent CPA/Auditing firm to provide this service. Auditor fees have been budgeted for Year 1 - $1,000 (initial payment made for the start of the audit prior to the end of the school year), Year 2 - $11,000, and Year 3 - $13,000. Auditor's fees will be paid once annually after the end of the school year.

Purchased Service, Custodial/Maintenance This is an estimate based upon similar sized schools and is budgeted at approximately $1 per square foot. This item is budgeted as follows: Year 1 - $15,000; Year 2 - $20,000; and Year 3 - $25,000. Recurring monthly payments will be made as follows: $1,250 in Year 1, $1667 in Year 2, and $2,083 in Year 3.

Building Lease Every Voice in Action Foundation (EViA) will secure a property for the Western Institute for Leadership Development (Western Institute) and lease it to ITE. Because charters operate on less funding than district public schools, the Foundation seeks to equalize the Western Institutes chance for success by subsidizing facility costs for the initial years of operation. All cost for acquisition and building improvement for the school will be incurred by EViA. The building will be leased to ITE for below market rent until school operations can support market rent (lease cost – Year 1 no rent; Year 2 - $84,000; Year 3 - $120,000). Rent will be paid monthly as follows: Year 2 - $7,000/month; Year 3 - $10,000/month.

Liability Insurance This budget line is based on a market value quote by a school insurance provider and is budgeted as follows: Start-up - $8,125; Year 1 - $19,500; Year 2 - $21,000; Year 3 - $22,500. It is anticipated that a monthly payment schedule will be arranged with the insurance provider. Payments will be as follows: Start-up - $1,161/month; Year 1 - $1,625/month; Year 2 - $1,750/month; Year 3 - $1,875/month

Utilities This is an estimate based upon similar sized schools and is budgeted at $5,000 for Startup (includes utility deposits); $20,000 for Year 1; $24,000 for Year 2; and $28,000 for Year 3. During Startup a portion of the budget will be expended for utility deposits. Thereafter utilities will be paid monthly in approximately the same amounts as follows: Year 1 - $1,667/month; Year 2 - $2,000; Year 3 - $2,333.

Phone/Communications/Internet Connectivity This is an estimate based upon similar sized schools and is budgeted as follows: Startup - $2,000; Year 1 - $12,000; Year 2 - $15,000; and Year 3 - $18,000. Payments for phone service and internet connectivity will be paid monthly as follows: Startup - $285; Year 1 - $1,000; Year 2 - $1,250; and Year 3 - $1,500.

Office Furniture and Other Equipment Most of the office furniture will be purchased in the start-up period ($3,000 budgeted). Additional office furniture will be added in years two and three with budgeted amounts of $2,000 and $2,000 respectively. Expenditures for office furniture and other equipment will be made as needed once or twice a year.

Office Technology Equipment When EViA refits the building the bulk of office technology equipment will be installed, and will not be reflected in the Western Institute's budget. Additional office technology equipment will be purchased in the startup period ($4,000 budgeted). Additional office technology equipment will be added in years two and three with budgeted amounts of $2,000 in each year. Expenditures for office technology equipment will be made as needed once or twice a year.

Other Leases – Copier A large copier will be leased to completely meet the needs of the school office. It will be a network ready copier so it can be used as a large document printer as well. The copier lease is budgeted at $1,750 for Startup, $3,000 for Year 1; $6,000 for Year 2; and $10,000 for Year 3. Budget estimates are based on similar sized schools. Lease payments will be made in equal monthly payments as follows: Startup - $250/month; Year 1 - $250/month; Year 2 - $500/month; Year 3 - $833/month.