Business Plan

Fiscal Viability

Tertulia recognizes the importance of maintaining sound and effective fiscal management systems. In its history, *Tertulia's* leadership has demonstrated a tremendous desire to learn and to be responsible stewards of its resources. As with many non-profits, this is not an easy task.

Lessons that we have learned are that financial systems and procedures are critical to management and leadership must ensure that the individual skills are matched to the appropriate position and level of responsibility. This is especially true on the business side of charter schools. School leaders who are educators should head the academic aspects of the school while the financial aspects are left to the business minds.

Upon coming to this realization, *Tertulia* hired an outside vendor to manage the books, and an accountant to handle the tax returns. With the guidance of each financial expert, *Tertulia* has established a process for fiscal decision making that follows strict accounting procedures.

Process used in fiscal decision-making

Fiscal decisions fall into two main categories; operational budgetary decisions, and programmatic budgetary decisions. The operational decisions include those non-instructional aspects of the school including transportation, facilities and ground maintenance, infrastructure, food service programs, employee benefits, and liability and school insurance. These decisions are reviewed annually with the expressed intent of reducing costs while ensuring that the school is receiving the most value for the dollars paid out.

The programmatic decisions are more difficult and require input from different stakeholders in the school. These decisions involve hiring, curriculum and textbook adoption, supplies, and materials, use of outside consultants, and technology. It is *Tertulia's* policy to provide opportunities for stakeholders to be involved in the budget development process. When there is input and decisions are shared with the stakeholders, it is easier to make the specific purchasing decisions throughout the year. In the decision making process, the school remains focused on outcomes by answering the following questions when considering programmatic decisions.

- Will this decision move *Tertulia* forward in meeting established school-wide goals?
- Is this decision based on research?
- How will this decision increase student achievement?

Each category of decisions is reflected in the operating budget that is adopted and revised within the guidelines set forth by the state.

Accounting procedures

Once the decisions have been made regarding the budgets and projected expenses, then the school shifts to more purchasing and accounting procedures. This is not to say that the budget is discounted after adoption. It remains the foundation for the accounting and purchasing that will happen throughout the year.

The procedure for making purchases and accounting for the dollars is outlined below. The

purchasing procedure originates with a staff member who needs to make a purchase and ends with payment for that purchase. Any staff member may begin the process with a purchase request.

Purchasing Guide

Step 1 – Staff member submits completed purchase request to Principal.

Step 2 – Principal acquires approval and a purchase order.

Step 3 – If purchase request is not approved, the purchase request will be returned to the staff member. If the purchase request is approved, the staff member will receive a purchase order and checklist.

Step 4 – Staff member completes the order and delivers purchase order to the administrative assistant.

Step 5 – Administrative Assistant files purchase orders by the appropriate vendor and collects additional paperwork to complete the purchase (i.e. packing slip, invoices, receipts, receiving logs).

Step 6 –If the purchase included materials then the administrative assistant will receive the materials upon arrival, and deliver them to the staff member who placed the order. If services were purchased, then invoices are collected as verification of the completed service. Once the purchase packet is complete (purchase order, receipt, packing slip, receiving log, and invoice), the administrative assistant will then submit purchase for payment.

Step 7 – Payment is requested from the accountant/book keeper who accounts for the payment and sends checks to be forwarded on to the vendors.

Step 8 – Checks are received by the administrative assistant and submitted to the Executive Director for signatures.

Step 9 – Administrative assistant sends checks to vendors and attaches check stubs and check copies to the completed purchase.

Step 10 – Completed transactions are filed according to check number.

Depositing Procedures

At times, *Tertulia* receives money from the state in the form of checks. This occurs with grant disbursements and reimbursements for the National School Lunch Program. The process for

handling these checks is described below beginning with the arrival of the check through filing the documentation for reference.

> *Step 1 – Administrative assistant receives the check via mail, makes a copy of the check, and completes the receiving log.*
>
> *Step 2 – A designated person (other administrative assistant, principal) endorses the check "for deposit only," and includes the account number then completes the deposit of the check.*
>
> *Step 3 – Deposit slip is then returned to the administrative assistant who attaches it to the check copy and receiving log.*
>
> *Step 4- Administrative assistant sends a notice to the bookkeeper and the executive director detailing the deposit and files all paperwork for the deposit in the deposit binders.*

This process ensures that there are several people assigned to the deposit so that no one person is responsible or liable. This protects the school's money and the employees who are part of this process. In addition, the executive director, signer of the checks, is excluded from the process of depositing the funds.

Site-level personnel with fiscal authority
At the site level, there are two people with fiscal authority, the principal, and the executive director. Each of these individuals is authorized to make decisions regarding purchases as long as those decisions are based on the budgets approved by the board of directors. In the event that the principal and the executive director are unavailable, then the purchase is denied.

Fundraising and Philanthropic support
Throughout its history, *Tertulia* has been blessed to receive financial support from many organizations. The Dial Corporation donated a playground, National Council of la Raza has sponsored extensive professional development, and the Make a Difference organization has completed many projects for the school. More recently, the Hunt Corporation has offered its services to help *Tertulia* develop a recreation area for the intermediate students, and Phoenix Sky Harbor airport is including *Tertulia* in its Sound Insulation and Mitigation Service project that includes facilities renovations to reduce noise from the flight path to Sky Harbor. This plan is detailed in the facilities portion of the application.

Tertulia is very grateful for the support it has received from the community. Looking toward the future, *Tertulia* will put more emphasis on actively investigating potential supporters. Through the development of a more local board, the expectation will be that the board members become fundraisers who take an active role in acquiring financial support for the school. More details of the board responsibilities related to fundraising are outlined in the Strength and Stability of the Governing Body portion of this application.