Charter System Foundation

School Governance Teams
School Finances and Resource Allocation
School Finances and Resource Allocation
Three Primary Areas of School Finances and Resource Allocation

- The areas of support provided by the District Office
- **Title I** funding and schools (if applicable)
- The “Big Picture” regarding a district’s revenue and expenditures
Learning Objectives

Upon completion of this session, participants will be able to . . .

Choose sound decisions regarding the governance of the local school

Recall the major funding categories of your school’s Title 1 budget (if applicable)

Identify how LSGT QBE charter funds could support student achievement

Recognize the purpose of local school checking accounts

Recall “the big picture” regarding a school district’s revenue and expenditures for a budget year

Recognize finance support services typically provided for schools by the district office
Use the **Anticipation Guide** provided to fill in the column titled "**What Do You Already Know?**" for **School Finances and Resource Allocation**

<table>
<thead>
<tr>
<th>School Finances and Resource Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>What do you already know?</td>
</tr>
<tr>
<td>----------------------------------------</td>
</tr>
<tr>
<td>Business Services</td>
</tr>
<tr>
<td>State/Federal $$$</td>
</tr>
<tr>
<td>Title I: Your School</td>
</tr>
</tbody>
</table>
Typical System Organizational Chart

Business Operations

School Districts are organized to support school finances through the Office of the Assistant Superintendent for Finance

- Budget and Accounting Software
- Internal Auditor
- Payroll
- Accounts Payable
School Districts are organized to support school finances through the Office of the Assistant Superintendent for Finance.
# Business Services (Example)

<table>
<thead>
<tr>
<th>Assistant Superintendent for Finance</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Responsible for all business service operations</td>
</tr>
<tr>
<td></td>
<td>Provides monthly financial statements and analysis; responsible for producing the annual financial statements for annual audit</td>
</tr>
<tr>
<td></td>
<td>Provides analysis and/or support as required by board, superintendent and other departments; responsible for all state or federal reports as required by law</td>
</tr>
<tr>
<td></td>
<td>Works with district leadership to develop the annual budget; directs year-end closing</td>
</tr>
</tbody>
</table>
**Business Services (Example)**

<table>
<thead>
<tr>
<th>Budget Accounting Software</th>
<th>Assists in the development of the annual budget; serves as a resource to departments and schools with budget questions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Maintains the finance portion of the accounting operating system</td>
</tr>
<tr>
<td></td>
<td>Trains employees on the accounting operating system, the accounting manual and procedures; assists departments or schools with accounting questions</td>
</tr>
<tr>
<td>Internal Auditor</td>
<td></td>
</tr>
<tr>
<td>-----------------</td>
<td></td>
</tr>
<tr>
<td>Conducts internal audits on all school checking accounts</td>
<td></td>
</tr>
<tr>
<td>Banking liaison between banking institutions where accounts are located and the school system</td>
<td></td>
</tr>
</tbody>
</table>
Business Services (Example)

Payroll

- Processes payroll for school district employees
- Pays federal, state taxes and deductibles collected
- Processes payroll reports required by federal and state
- Conducts review and audits on payroll files
## Business Services (Example)

<table>
<thead>
<tr>
<th>Asset Coordinator</th>
<th>Conducts audits and reviews of student devices; coordinates the inclusion of all student devices and software</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Conducts audits and reviews of capitalized assets; coordinates the inclusion of these assets to the accounting software operating system</td>
</tr>
<tr>
<td>Purchasing</td>
<td>Issues Request for Proposals (RFPs) as required by departments; coordinates the review of RFPs by qualified personnel</td>
</tr>
<tr>
<td></td>
<td>Presents RFPs to the board of education for approval</td>
</tr>
</tbody>
</table>
Accounting

- Produces the monthly financial statements; processes monthly journal entries
- Reviews requisitions for approval; processes daily receipts
- Assists departments and schools with accounting questions; assists the Assistant Superintendent for Business Operations with projects
- Updates the accounting manual annually
Business Services (Example)

<table>
<thead>
<tr>
<th>Grants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performs grant related post-award functions: financial reporting; drawdown of funds; grant closeout</td>
</tr>
<tr>
<td>Performs analysis of budgets and expenditures to ensure compliance with board policy, state and grant requirements</td>
</tr>
<tr>
<td>Provides budgeting to program managers for allocating staff positions</td>
</tr>
<tr>
<td>Monitors payroll and operating expenditures to ensure accuracy, identify issues and recommend solutions</td>
</tr>
</tbody>
</table>
## Business Services (Example)

<table>
<thead>
<tr>
<th>Grants continue</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Coordinates personnel changes with Human Resources for grants</td>
</tr>
<tr>
<td></td>
<td>Supports all grant program personnel</td>
</tr>
</tbody>
</table>
Beginning the Discussion on Business Services

**ACTIVITY**

Take a moment to reflect on what you have just learned and write down two areas you think would be of interest to your LSGT

Share your thoughts at the next meeting
Federal, State and Other Funding
Focus on Equity Among Schools

Federal, state and other grant programs are designed to allow school districts to better distribute resources in a more equitable manner based on factors such as poverty and student achievement.

The goal is to level the playing field so ALL students and ALL schools have access to the number and type of resources needed to meet their needs and drive student success.
Consider Other Funding in Conjunction with Charter QBE Funds

- Federal Funding
- State Grant Programs
- Charter QBE Funds
- Community-based Funds
- School Based Funds
Federal and State Grants

**Title I**
financial assistance to schools with high percentages of students from low-income families to help ensure all meet academic standards

**Title II**
funding supports preparing, training and recruiting high-quality teachers and principals

**Title III**
funding supports English language instruction for students who are Limited English Proficient and Immigrant Students
Federal Grants

Special Education

Grants to support education of children with disabilities

CTAE

Career, Technical and Agricultural Education funding supports preparing students for post-secondary options
Federal and State Grants

Bright From the Start
State funding for a program responsible for meeting the child care and **early education needs** of Georgia’s children and their families.

Pre-School Handicapped Grant
State funding that provides positions for teachers who teach **special education pre-k students**.

Alcohol Use and Abuse Prevention
State funding to help plan, implement and evaluate activities that **prevent and treat substance abuse**.
Title I Funding Distribution

How do school districts distribute Title I funds to ensure equity?

The driving factors for Title I distribution are **level of poverty** and **number of enrolled students**

Other considerations include **sustaining school staff** paid for by Title I funds and **reviewing previous year’s use** of Title I funds
5 Areas Of Title I Expenditures

Title I funds may be spent on the following major categories:

- Teaching Positions
- Direct Instruction
- Instructional Support & Staff Training
- Parent Involvement
- Extended Learning & Transportation
A Closer Look at Title I Funding at Your School

**Review** your school’s Title I budget and expenditures. What were the **funding categories** for your school?

**Ask:** How could your LSGT support Title 1 programs to improve **student achievement**?

**Share** your thoughts at the next LSGT meeting.
School-Based Funds
School-Based Funds Example

School Checking Accounts

Revenue Source
fund raisers and donations

Used to support instructional and student activities

Average typical revenue

ES- $96k

MS- $65k

HS- $242k

Club activity funds can only be spent for activity collected
School District Revenue and Expenditures: “The Big Picture”
Breakdown of General Fund Revenue Budget (Example)

**FY2018**

- **State** 46.94%
- **Ad Valorem Tax** 51.02%
- **Other R/E Taxes** 0.77%
- **Title Ad Valorem Tax** 0.60%
- **Federal** 0.15%
- **Local** 0.53%

**REVENUE TYPE** | **FY2018**
--- | ---
Ad Valorem Tax | 72,875,965
Other R/E Taxes | 1,100,000
Title Ad Valorem Tax | 850,000
State | 67,052,821
Federal | 215,000
Local | 757,500
**TOTAL** | **142,851,286**
Breakdown of Expenditure Budget (Example)

FY2018

- Instruction: 66.51%
- Pupil Services: 2.73%
- Staff Services: 3.91%
- General Administration: 3.81%
- School Administration: 6.03%
- Transportation: 6.30%
- Maintenance and Operations: 10.44%
- School Nutrition: 0.00%
- Other Outlay (ROTC Matching Funds): 0.26%

TOTAL: 145,641,979

86.67% personnel
13.33% operational

EXPENDITURE

<table>
<thead>
<tr>
<th>Expenditure</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction</td>
<td>96,864,658</td>
</tr>
<tr>
<td>Pupil Services</td>
<td>3,977,291</td>
</tr>
<tr>
<td>Staff Services</td>
<td>5,700,821</td>
</tr>
<tr>
<td>General Administration</td>
<td>5,553,531</td>
</tr>
<tr>
<td>School Administration</td>
<td>8,780,879</td>
</tr>
<tr>
<td>Transportation</td>
<td>9,181,210</td>
</tr>
<tr>
<td>Maintenance and Operations</td>
<td>15,201,309</td>
</tr>
<tr>
<td>School Nutrition</td>
<td>4,000</td>
</tr>
<tr>
<td>Other Outlay (ROTC Matching Funds)</td>
<td>378,280</td>
</tr>
</tbody>
</table>

TOTAL: 145,641,979
Any Georgia School District
Board of Education

Annual Financial Report
for the Fiscal Year
Ending June 30, 2016
All Georgia School Districts: Annual External Audit

Financial statements audited annually

Audit conducted by Georgia Department of Audits and Accounts

Another level of oversight of financials
Opinions

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School District, as of June 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.
Georgia Department of Audits and Accounts

To view your school systems latest financial report visit the DOAA website:

https://www.audits.ga.gov/rsaAudits/viewDivisionCategory?divisionCategoryId&filterDivisionValue=2
FY2016 Financial Highlights (Example)

General Fund Revenues - $161,524,804

- General Fund Revenue, 43%
- General Fund Revenue, 1%
- General Fund Revenue, 15%
- General Fund Revenue, 39%
- General Fund Revenue, 0%

GENERAL FUND REVENUES BY CATEGORY

- Property Taxes
- Sales Tax
- State Funds
- Federal Funds
- Charges for Services
- Investment Earnings
- Miscellaneous Revenues
Financial Health (Example)

How are we doing financially?
Did we increase or decrease fund balance in FY16?

Revenues $161,524,804 - Expenditures $162,113,735 = Other financing sources (uses) $2,773,000 = Increase (decrease) in fund balance $2,184,068

In the General Fund, fund balance increased by $2,184,068 in FY16
What Do You Already Know About School Finances and Resource Allocation?

ACTIVITY

Did you learn some things you did not know about School Finances and Resource Allocation?

Were some ideas clarified from what you previously thought?
Final Thoughts . . .
## Best Practices

<table>
<thead>
<tr>
<th>Maintain a schoolwide perspective on issues</th>
<th>Take no private action that will compromise the LSGT or school leadership</th>
</tr>
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<tbody>
<tr>
<td>Act with integrity and maintain confidentiality of sensitive confidential information shared in the process of conducting the work of the LSGT</td>
<td>Communicate in a respectable professional manner</td>
</tr>
<tr>
<td>Devote sufficient time, thought and study to the performance of your duties</td>
<td>Become informed about current educational issues</td>
</tr>
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</table>
Resources

Charter System Foundation  www.charter-system.org

Georgia Department of Education  www.gadoe.org
Provide Information for Your Charter System

Viewing this presentation to fulfill a training requirement?

Complete “Pulse Check” on the content of this presentation

Submit to Charter System Coordinator
Thank You!