

Appendix N

BYLAWS OF

The GLOBE Academy, Inc.

a Georgia nonprofit corporation

Approved by the Board of Directors on December 4, 2011.

ARTICLE I

NAME, PRINCIPAL OFFICE AND PURPOSE

Section 1. *Name.* The name of this nonprofit corporation shall be “The GLOBE Academy, Inc.”. The complete name of The GLOBE Academy, Inc., shall be used in all transactions of official business of The GLOBE Academy, Inc.; provided that The GLOBE Academy, Inc. shall apply to conduct business under the trade name “The GLOBE Academy” and, upon approval of said application, may use said trade name in the transaction of its business.

Section 2. *Registered Office and Agent.* The registered office of The GLOBE Academy shall be located in the State of Georgia and The GLOBE Academy shall at all times maintain a registered agent at the address of the registered office.

(a) *Other Offices.* The GLOBE Academy may also have offices at such other places, both within and without the State of Georgia as the Board of Directors may from time to time determine.

Section 3. The GLOBE Academy shall be governed by its articles of incorporation and its bylaws.

Section 4. *Purposes.* The purpose of The GLOBE Academy is to organize and operate a school in Georgia that provides children with a challenging and exciting education that fosters critically thinking, global awareness, and language fluency and to take such other actions that may be necessary or proper in the pursuit of such purpose, provided that such purposes shall be in furtherance of, and not in conflict with, the purposes set forth in Section 5 of this Article I.

Section 5. *Tax Exempt Status.* The GLOBE Academy shall be operated exclusively for business league purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or any corresponding provision of any future U.S. internal revenue law (the “Code”). In furtherance of these purposes, The GLOBE Academy shall act, and shall take such actions to ensure compliance with its tax-exempt status under the Code. The GLOBE Academy is not organized and shall not be operated for profit. No part of the property or the net earnings of The GLOBE Academy shall inure to the benefit or be distributable to any of its directors, officers, or other private persons, except that The GLOBE Academy shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments in furtherance of the purposes set forth herein. The GLOBE Academy shall be primarily supported by government grants for the operation of a public charter pre-K through 12th grade school, private grants and donations that supplement public funding and other income from activities substantially related to business league purposes under Section 501(c)(3) of the Code. Notwithstanding any other

provisions of these Bylaws, The GLOBE Academy shall not carry on any activities not permitted by a corporation exempt from Federal income tax under Section 501(c)(3) of the Code.

ARTICLE II

BOARD OF DIRECTORS

Section 1. *General Powers.* The property, affairs, and business of The GLOBE Academy shall be managed and directed by its Board of Directors. The Board of Directors shall be empowered to determine the size of the Board, provided that the Board of Directors shall consist of not less than five (5) nor more than eleven (11) directors. Effective commencing as of the date of director elections for the year 2010, a maximum of two (2) directors employed or similarly engaged with the same person or entity shall be permitted to serve at a given time on the Board of Directors. The initial Board of Directors (Founding Board) shall consist of at least three (3) persons designated as such in The GLOBE Academy's Articles of Incorporation filed on November 22, 2009 with the Secretary of State of Georgia. The Board of Directors shall set policy, appoint officers, and perform its duties as set forth herein.

Section 2. *Election, Term, Vacancies.* The initial directors shall serve until the next annual election of directors. The term of office of each director shall commence upon the next election of each applicable office and run concurrently with the term of the office held by each director. The terms of directors shall be three (3) years and shall be staggered pursuant to O.C.G.A. §14-3-806, as amended; therefore, one-third of the total number of directors shall be selected annually by the other members of the Board of Directors. In the event of the removal, resignation or other vacancy of a director, said directorship (including any officer position held by such departing director) shall be deemed vacated and shall be filled by the person succeeding to the office held by the departing director, if any. Directors shall be natural persons who have attained the age of 18 years, but need not be residents of the State of Georgia, and may be nominated by the Officers of The GLOBE Academy, Directors serving on the Board of Directors, Committee members serving on a Board created and standing committee, Advisory Board members, or Parents, Teachers or Students at The GLOBE Academy.

Section 3. *Removal of Directors.* Any director may be removed from office, with or without cause, at any regular or special meeting of the Board of Directors by the affirmative vote of a majority of directors then in office. All Directors must be given ten (10) days written notice of a meeting which includes removal of director(s) on the agenda and the specified charges. A removed director's successor may be elected or appointed at the same meeting to serve the unexpired term.

(a) *Absences.* Any elected Officer or Director who shall have been absent from two (2) consecutive regular meetings of the Board of Directors without providing at least five (5) days' advance notice of such absence shall automatically vacate the seat on the Board and the vacancy shall be filled as provided by these Bylaws; however, the Board shall consider each absence of an elected Officer or Director as separate circumstance and may expressly waive such absence by a two-thirds (2/3) vote of the members present at that meeting.

(b) *Impediment to Organizational Mission.* If a Director becomes an impediment to The GLOBE Academy's mission by failing to perform the Director's duties, failing to perform the Director's duties adequately, being disruptive in meetings of the Board of Directors or taking

an action, whether or not in the Director's official capacity, that is inconsistent with these Bylaws or the organizational mission of The GLOBE Academy, any Director may request a vote for removal of such Director and a vote will be placed on the agenda for the next regularly scheduled meeting of the Board of Directors. The Chair may, but is not required to, meet informally with the Director in question to outline concerns regarding their performance before a vote by the Board of Directors on removal.

Section 4. *Location and Conduct of Meetings and Minutes.* The Board of Directors of The GLOBE Academy may hold meetings, both regular and special, either within or without the State of Georgia. The minutes of any meeting shall be taken by the Secretary and be available to board members and any interested party including The GLOBE Academy staff, parents and students. In accordance with the Open and Public Meetings Act, O.C.G.A. §50-14-1 *et seq.*, the GLOBE Academy will

(a) Maintain a posted notice of regularly held meetings at the Board's regular meeting place. Specific notices and an agenda for all meetings including regularly scheduled, emergency and special meetings will be posted at least 24 hours prior to the start of the meeting.

(b) Ensure the public will have access to GLOBE Academy board meetings and are allowed to use visual and sound recording during open meetings. When a meeting is closed to the public the board must provide the specific reasons and record them in the official minutes. The meeting may only be closed to the public by a vote of the present body and the minutes must record who voted which way. During a closed meeting the chairperson or other presiding person must take and file a notarized affidavit stating under oath that the subject matter indeed qualified the meeting to be closed. The reason must then be identified and this must be recorded in the minutes. The exceptions that could close a meeting after a public body's vote:

- Staff meetings held for investigative purposes under duties or responsibilities imposed by law
- Meetings when discussing the future acquisition of real estate
- Meetings when discussing or deliberating upon the appointment, employment, compensation, hiring, disciplinary action or dismissal, or periodic evaluation or rating of a public officer or employee but not when receiving evidence or hearing argument on charges. Any votes on this must be taken in public.
- Meetings when discussing any records that are exempt from public inspection or disclosure
- Meetings between the public body and its attorney that are sensitive and timely enough to be closed

Section 5. *Meetings.* The Board of Directors shall meet no less often than quarterly. Regular meetings of the Board of Directors may be held at such time and at such place as may be determined by the Board of Directors. Special meetings of the Board of Directors may be called by the Chair or by any two members of the Board of Directors. Notice of the time and place of all such meetings shall be given to each member of the Board of Directors by telephone, mail, fax or e-mail, in person or by other reasonable means at least 24 hours before the meeting. Any member of the Board of Directors may execute a waiver of notice either before or after any meeting, and shall be deemed to have waived notice if he or she is present at such meeting. Neither the business to be transacted at, nor the purpose of, any meeting of the Board of Directors need be stated in the notice or waiver of notice of such meeting.

Section 6. *Quorum.* At all meetings of the Board of Directors, a majority of directors in office at any time shall constitute a quorum for the transaction of business, and the act of a majority of the voting Directors present at a meeting where there is a quorum present shall be the act of the Board of Directors, except as may be otherwise specifically provided by law or by these Bylaws. Each director shall have one equal vote.

Section 7. *Committees.* The Board of Directors, by resolution adopted by the majority of the directors, may designate from among the Board of Directors one or more committees, each of which shall consist of at least one director. Any such committee, to the extent provided in the resolution, shall provide recommendations for action to be voted upon by the Board of Directors and, to the extent provided in the resolution, shall have and may exercise the powers of the Board of Directors. The Chair of The GLOBE Academy shall appoint the members and chairperson of such committee with approval of the Board of Directors. Any member thereof may be removed by the Chair whenever in the Chair's judgment, the best interest of The GLOBE Academy shall be served by such removal. The designation and appointment of any such committee and the delegation of authority thereto shall not operate to relieve the Board of Directors, or officer, or any individual director, of any responsibility imposed by law. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided for in the case of original appointments. Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the members of the committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee. **Committees shall include at a minimum: executive, finance, and education/accountability committees.**

Section 8. *Consent of Directors.* Unless otherwise restricted by the Articles of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if a majority of the Board or committee, as the case may be, consent thereto in writing, including electronic communication, setting forth the action so taken, and the writing or writings are filed with the minutes of the proceedings of the Board or committee. Such consent shall have the same force and effect as an affirmative vote of the Board of Directors.

Section 9. *Compensation of Directors.* Directors shall not be entitled to any compensation for their services as Directors or members of any committee of the Board of Directors, except that by resolution of the Board of Directors, a director shall be allowed reimbursement for any reasonable expenses incurred on behalf of The GLOBE Academy and expenses, if any, for attendance at each meeting of the Board.

Section 10. *Public Records.* The GLOBE Academy is subject to and shall comply with the Georgia Open Records Act §50-18-70 *et seq.* The GLOBE Academy shall maintain its adopted policies, budgets, meeting agendas and minutes and shall make such documentation available for public inspection.

ARTICLE III

OFFICERS

Section 1. *Number and Qualifications of Officers.* The officers of The GLOBE Academy shall include a Chair, Vice-Chair, a Secretary, a Treasurer as stipulated in the Articles of Incorporation and such other positions as created from time to time by the Board of Directors. The Board of Directors may from time to time create and establish duties of such officers consistent with the Articles of Incorporation and these Bylaws.

Section 2. *Election and Term of Office.* The initial officers and directors to serve until the next annual election of officers shall be designated by the Board of Directors. Thereafter, officers shall be elected by a majority of the Board of Directors present or by proxy at the meeting designated by the Board of Directors for officer elections (the "Election Meeting"). Directors who do not attend the Election Meeting or provide a vote by proxy shall waive their right to vote for officers at the Election Meeting. Each officer shall serve for a term of one year or until their successors are elected.

Section 3. *Duties.* The duties of the officers shall include the following:

(a) *Chair* shall be the senior executive officer of The GLOBE Academy, who shall have general and active management of The GLOBE Academy, see that all orders and resolutions of the Board of Directors are carried into effect. The Chair and officers designated by the Chair shall have the power and authority to execute all contracts requiring a seal, under the seal of The GLOBE Academy, except where the execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of The GLOBE Academy. Unless otherwise determined by the Board of Directors, the Chair shall also have the title of "President".

(b) *Vice-Chair* shall assist the Chair in his/her duties and perform any other duties as needed to carry out the purposes of The GLOBE Academy. In the absence of the Chair, the Vice-Chair shall exercise the powers of the Chair. The Vice-Chair shall also succeed the Chair after his/her term.

(c) *The Secretary* shall record the minutes of the meetings of the Board of Directors, see that all notices are duly given in accordance with the provisions of these By-laws, be custodian of The GLOBE Academy records, and perform such duties as from time to time may be assigned to him/her by the Chair or the Board of Directors.

(d) *The Treasurer* shall keep full and accurate accounts of receipts and disbursements of The GLOBE Academy; collect all funds due The GLOBE Academy and disburse funds as required to meet the obligations of The GLOBE Academy; keep the funds of The GLOBE Academy in a separate account to the credit of The GLOBE Academy, unless the Board of Directors provides otherwise; and render to the Chair and the Board of Directors, as requested by them but not less than once a year, regular reports of all transactions and of the financial condition of The GLOBE Academy and perform any other duties prescribed under the law. The Treasurer shall perform such duties as from time to time may be assigned to him/her by the Chair or the Board of Directors. Unless otherwise determined by the Board of Directors, the Treasurer shall also have the title of "Chief Financial Officer". The Chief Financial Officer shall possess the following qualifications:

- A baccalaureate or higher degree in business, accounting, or finance from an accredited college or university and a minimum of four (4) years experience in a field related to business or finance; or

- documented experience of ten (10) or more years in the field of business and financial management.

Section 4. *Compensation of Officers.* Officers shall not be entitled to any compensation for their services as Officers, except that by resolution of the Board of Directors, an officer shall be allowed reimbursement for any reasonable expenses incurred on behalf of The GLOBE Academy and expenses, if any, for attendance at each meeting of the officers.

Section 5. *Advisory Board, School Council or Parent-Teacher Association.* The Board of Directors may establish an Advisory Board, School Council, Parent-Teacher Association or such other advisory committees or advisory boards consisting in whole or in part of persons who are not directors as it deems necessary or desirable to assist in its mission. The number of members on the Advisory Board, School Council and Parent-Teacher Association and the manner of their appointment shall be established by the majority vote of the Directors then in office. The Board of Directors may discontinue any such committee at the Board of Directors' pleasure. It shall be the function and purpose of each such committee or body to advise the Board of Directors. Each such committee or body will have such powers and perform such specific duties or functions, not inconsistent with the Articles of Incorporation or these Bylaws, as the Board of Directors may prescribe; provided, however, that no such advisory committee or board will have the authority to act on behalf of the Board of Directors. Appointments to, and the chair of, any such advisory committees or boards will be made by the Chair unless the Board of Directors otherwise provides.

ARTICLE IV

VACANCIES

Section 1. *Resignations.* Any director or officer may resign such position at any time, such resignation to be made in writing and to take effect from the time of its receipt by The GLOBE Academy, unless some other time may be fixed in the resignation, and then from that date. If an officer resigns, said officer will be deemed to resign its position on the Board of Directors. The acceptance of the resignation by the Board of Directors shall not be required to make it effective.

Section 2. *Filling Vacancies.* If the office of any officer or director becomes vacant, by an increase in the number of officers, or by reason of death, resignation, disqualification or otherwise, the remaining members of the Board of Directors, although less than a quorum, by a majority vote may choose a successor or successors who shall hold office for the unexpired term.

Section 3. *Newly Created Officer.* Any office to be filled by reason of an increase in the number Officers shall be filled by election by a majority vote by the Board.

ARTICLE V

LIABILITY AND INDEMNIFICATION

Section 1. The officers, directors and members of The GLOBE Academy shall not be personally liable for the debts, liabilities or obligations of The GLOBE Academy.

Section 2. The GLOBE Academy shall indemnify to the fullest extent permitted by the GNCC, any individual who is a Party to a Proceeding because he or she is or was a Director or Officer against Liability incurred in the Proceeding if such individual (a) conducted himself or herself in good faith and (b) reasonably believed: (i) in the case of conduct in his or her Official Capacity, that his or her conduct was in the best interests of The GLOBE Academy; (ii) in all other cases, that his or her conduct was at least not opposed to the best interests of The GLOBE Academy; and (iii) in the case of any criminal proceeding, he or she had no reasonable cause to believe his or her conduct was unlawful; provided, however, that The GLOBE Academy shall not indemnify a Director or Officer under this Article for any Liability incurred in a Proceeding in which the Director or Officer is adjudged liable to The GLOBE Academy or is subjected to injunctive relief in favor of The GLOBE Academy for: (i) any appropriation, in violation of his or her duties, of any business opportunity of The GLOBE Academy; (ii) acts or omissions which involve intentional misconduct or a knowing violation of law; (iii) the types of liability set forth in GNCC Section 14-3-851; or (iv) any transaction from which he or she received an improper personal benefit. For purposes of this Article, the terms “party”, “proceed-ing”, “director” and “liability” shall have the meanings given to them in the provisions of the Georgia Nonprofit Corporation Code which govern the indemnification of directors.

Section 3. *Advance for Expenses of Directors.* The GLOBE Academy shall pay for or reimburse the reasonable expenses incurred by a director who is a party to a proceeding, in advance of final disposition of the proceeding, if:

(a) The director furnishes The GLOBE Academy a written affirmation of the director’s good faith belief that the director has met the standard of conduct set forth in Section 2 above; and

(b) The director furnishes The GLOBE Academy a written undertaking, executed personally or on the director’s behalf, to repay any advances if it is ultimately determined that the director is not entitled to indemnification.

The written undertaking required by paragraph (b) above must be an unlimited general obligation of the director but need not be secured and may be accepted without reference to financial ability to make repayment.

Section 4. This Article constitutes a contract between the corporation and the indemnified officers, directors, and employees. No amendment or repeal of the provisions of this Article which adversely affects the right of an indemnified officer, director, or employee under this Article shall apply to such officer, director, or employee with respect to those acts or omissions which occurred at any time prior to such amendment or repeal.

ARTICLE VI

DISSOLUTION

Section 1. The Board of Directors may by written consent of not less than 2/3 of the members vote to dissolve The GLOBE Academy at any time. Except in the case of involuntary dissolution or reorganization with the purpose of continuing to operate as a public K12 charter

school, if the school is in operation with students attending The GLOBE Academy at the time of dissolution, the dissolution will not take effect until the end of the then current school year.

Section 2. In the event of dissolution of The GLOBE Academy whether voluntary or involuntary or by operation of law, none of the property of The GLOBE Academy nor any proceeds thereof nor any assets of The GLOBE Academy shall be distributed to any directors or staff, but after payment of the debts of The GLOBE Academy its property and assets shall be given to an exempt purpose within the meaning of section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government for the benefit of public education as selected by the then Board of Directors so long as no part thereof inures to the benefit of any director or officer.

ARTICLE VII

GENERAL PROVISIONS

Section 1. *Execution of Instruments.* All checks or demands for money and notes of The GLOBE Academy shall be signed by such officer or officers or such other person or persons as the Board of Directors or Chair may from time to time designate.

Section 2. *Fiscal Year.* The Fiscal Year of The GLOBE Academy shall begin on July 1 and end June 30 of each year, with the initial fiscal year to commence on the date of incorporation. Not later than three months after the close of each fiscal year, The GLOBE Academy shall prepare:

- (a) A balance sheet showing in reasonable detail the financial condition of the corporation as of the close of its fiscal year, and
- (b) A profit and loss statement showing the results of its operation during its fiscal year.

Section 3. *Authorization for Expenditures.* Any officer may authorize expenditures of up to Five Hundred Dollars (\$500.00). Expenditures of over Five Hundred Dollars (\$500.00) but less than Five Thousand Dollars (\$5,000.00) must be jointly authorized by two officers. Expenditures in excess of Five Thousand Dollars (\$5,000.00) must be approved by a majority of the Board of Directors.

Section 4. *Charter Management Company.* The GLOBE Academy will not be managed directly or indirectly by a for-profit management company and/or service provider in accordance with the business league purposes of The GLOBE Academy within the meaning of Section 501(c)(3) of the Internal Revenue Code. The board of directors by a majority vote may choose to be managed directly or indirectly by a not for profit management company or service provider that has been certified as a 501c3 nonprofit by the Internal Revenue Service.

Section 5. *Nondiscrimination Policy.* The GLOBE Academy shall provide students of any race, color, national and ethnic origin all the rights, privileges, programs and activities generally accorded or made available to students at The GLOBE Academy. The GLOBE Academy shall not discriminate on the basis of race, color, national and ethnic origin in the

administration of its educational policies, admissions policies, and athletic and other school-administered programs.

ARTICLE VIII

AMENDMENT OF BYLAWS

The Bylaws may be amended, repealed, or altered in whole or in part, and new Bylaws may be adopted, by a two-thirds vote of the directors entitled to vote at any meeting of the Board of Directors, duly called and at which a quorum is present.

ARTICLE IX

REQUIRED INFORMATION FOR CHARTER SCHOOL APPLICATION

Section 1. *Required Information for Public Charter School.* This Article contains information required by the Georgia School Code. Every public school academy contract shall include the information contained in this Article.

Section 2. *Governance Structure of Public Charter School.* In addition to the provisions of these Bylaws, additional provisions for the governance structure are set forth in the charter contract.

Section 3. *Educational Goals.* The educational goals and objectives of The GLOBE Academy are set forth in the charter contract. The educational scope and sequence, and assessments of the corporation are set forth in the charter contract. These educational goals fulfill at least one of the purposes set forth in the Georgia School Code.

Section 4. *Curriculum.* The curriculum plan of The GLOBE Academy is set forth in the charter contract. The curriculum, together with the educational goals and programs, fulfills at least one of the purposes set forth in the Georgia School Code.

Section 5. *Methods of Pupil Assessment.* The methods of pupil assessment of The GLOBE Academy are set forth in the charter contract.

Section 6. *Admission Policy and Selection Process.* The admission policy and selection process of The GLOBE Academy are set forth in the charter contract.

Section 7. *School Calendar and School Day Schedule.* The school calendar and school day schedule of The GLOBE Academy are set forth in the charter contract.

Section 8. *Grade Range of Pupils to Be Enrolled.* The age or grade range of pupils to be enrolled by The GLOBE Academy are set forth in the charter contract.

Section 9. *Annual Reporting.* An annual report outlining the previous year's progress by the GLOBE Academy to the state board; to parents and guardians of students

enrolled in the school; and to the Department of Education no later than October 1 of each year. The report shall contain, but is not limited to:

- (a) An indication of progress toward the goals as included in the charter;
- (b) Academic data for the previous year, including state academic accountability data, such as standardized test scores and adequate yearly progress data;
- (c) Unaudited financial statements for the fiscal year ending on June 30, provided that audited statements conducted by an independent Georgia licensed Certified Public Accountant will be forwarded to the local board and state board upon completion;
- (d) Updated contact information for The GLOBE Academy and the administrator;
- (e) Proof of current nonprofit status, if applicable;
- (f) Any other supplemental information that The GLOBE Academy chooses to include or that the state board requests that demonstrates The GLOBE Academy's success;

Section 10. *School's Commitment to Comply with Laws.* The GLOBE Academy's commitment to comply with all applicable laws is set forth in the charter contract.

CERTIFICATION

I, Reshma Kakkar , Secretary of The GLOBE Academy, Inc., a Georgia nonprofit corporation, hereby certify that the attached *Bylaws* were adopted by the Board of Directors of The GLOBE Academy, Inc., in a legally called meeting held on December 4, 2011. After being put to a vote, the following directors of the GLOBE Academy, which represent the number of votes sufficient for its approval, approved these Bylaws on December 4, 2011.

Brandi Kenner

Graham Balch

Jackeline Ubiles

Reshma Kakkar

Karen Gravel

Betsy Helgager Hughes

IN WITNESS WHEREOF, I have hereunto set my hand this 4th day of December, 2011.

The GLOBE Academy Inc.,
A Georgia nonprofit corporation

By: _____
Reshma Kakkar, Secretary

Appendix O

Fundraising Strategy

The GLOBE Academy intends to operate a balanced budget based on state and local funding. The GLOBE Academy values fundraising as an important way to build community support and public awareness, as well as to secure incremental funding to support needs outside what state and local funding might provide. While The GLOBE Academy will not rely on grant funds, we will certainly apply to any grant that the school might be eligible for and launch a rigorous fundraising campaign.

Fundraising needs will include facilities, outdoor classroom and playground enhancements, additional transportation options, hiring and paying the school leader prior to authorizer approval, and/or supplemental curricula and instructional technology needs.

The GLOBE Academy will be aggressive with its fundraising from private sources before and during its first operational year. Below are several grassroots fundraising plans to generate additional income for the school, as well as grants that are being explored for application.

Community Introduction and Support

In an effort to generate a groundswell of support for The GLOBE Academy it will be important to engage the community (individuals, organizations and businesses) prior to the school opening.

We will approach the launching of The GLOBE Academy as a marketer would approach a new product or service launch. We will host large scale events in which parents, business leaders, community influencers, media, and organizations with international or foreign languages interests will be invited to become involved in the shaping of our community and charter school. We will ask for their support in time, resources or services, and tax-deductible donations to enhance the existing plans. We will welcome all contributors of our mission to become “Friends of The GLOBE Academy.” The following summaries are overviews of estimated expected fundraising dollars by source:

Pledge and Donation Emphases at Multiple Touch Points

Donation and pledge cards will be incorporated in all marketing materials including the official website, school brochure and Facebook/Twitter and other social media. It will give supporters a variety of options to contribute like using Pay Pal, cash, check or charge.

Additionally, a “Search for 2,013 Founding Supporters by Opening Day - August 2013” campaign will kick off during the summer of 2012 as a way to not only inform potential parents about the school’s existence, but also to generate revenue for the foundational costs for starting the school. There will be different levels of support, allowing every level of contributor to give, and significant recognition to those who give above a certain mark in time and money.

Fundraising Estimate: \$250,000

Wings, Floors & Rooms Sponsorship

As we renovate and build out the respective rooms, wings and floors of The GLOBE Academy at the North Druid Hills Road location starting prior to year 3, we would seek sponsorship from relevant businesses who want to be associated with the school because it makes sense to their business mission and our families are a part of their target audiences (e.g. the library (Barnes & Noble), the Cafeteria (DeKalb Farmers Market or Whole Foods), Science Lab (Georgia Aquarium), and the auditorium (Best Buy Auditorium)).

Fundraising Estimate: \$150,000

Community Big Board (wall and/or floor)

In an effort to provide a “foundation” and a visual impact of the school and all of the care and concern the community has for the children who attend, we would create a portable Community Big Board of supporters that is showcased in the form of a molded hand print with their name or family name associated with it. They can donate \$100.00 for a footprint, \$250.00 for a hand print, or they can make a larger donation above and beyond that. If they donate \$1,000 or more, their handprint will be placed inside a painted “globe” on the wall. Otherwise, they are a part of a wall or floor border. Volunteer hours will be tracked too for acknowledgement in terms of numbers of hours. After 100 hours, they earn a footprint, after 250 hours they earn a handprint on the wall. After 500 hours, they get their handprint placed in the globe.

Fundraising Estimate: \$200,000

International Silent Auction benefiting The GLOBE Academy

Host, in partnership with foreign consulates and related organizations, Atlanta’s first International-themed Silent Auction benefiting The GLOBE Academy. It would focus on enhancing the awareness and importance of foreign language learning and global experiences in its content and items. Items would be relevant to adult and child foreign language and socialization experiences. Global entertainment would be a part of the evening, allowing local dance troupes and performers with an international flare a platform to share their talents. This event would be heavily publicized.

Fundraising Estimate for year one: \$100,000

The GLOBE Academy International Food Festival

We plan on hosting an international food festival for the community in an effort to expose the community to international cuisine as well as to the school. We plan on approaching vendors that offer nutritious and/or international foods. An Atlanta Food Festival already exists, but it is very broad in scope. We would execute a plan that hand-picks restaurants to participate to ensure a full scope of cuisines. The cost of booth rental as well as public admission fees will result in additional funds for the school. This event would be heavily publicized.

Fundraising Estimate for year one: \$25,000

School Spirit Nights

Additionally, we would approach participating and non-participating restaurants to offer The GLOBE Academy percentage fundraiser nights where a percentage of the night's sales go back to the school.

Fundraising Estimate: \$5,000

DonorsChoose.org

We would submit needs for the classroom on this site for consideration. Anonymous donors review the requests and decide who to give their resources to in an effort to make a project posted by a teacher from The GLOBE Academy. This includes equipment requests.

Fundraising Estimate: \$3,000

Cartridge World

Participate in the Cartridge World ink cartridge recycling/fundraising program. For every empty cartridge a parent or the school places in the collection box, Cartridge World will give the school \$.50 for ink tanks, \$1.00 for each inkjet cartridge, and \$2.00 for each laser cartridge. Not only does this program help The GLOBE Academy earn funds for the school, it helps to keep millions of pounds of empty cartridges out of landfills.

Fundraising Estimate: \$1,500

\$734,500.00 In Options For Funds From Self-Initiated Efforts (2 year Plan)

SECURED GRANTS

The GLOBE Academy has already secured the following planning grants:

- GA DOE Planning Grant – \$8,000
- Walton Foundation Planning Grant – \$30,000

ADDITIONAL GRANTS

Although we realize grants are not guaranteed and should not be the focus of our efforts, we are aware of the following opportunities to augment our original fundraising efforts.

On our grant forecast, we will be applying for the following grants in addition to our organic fundraising programs:

- **Walton Post-Authorization Grant (\$200,000)**
- **Georgia Department of Education Implementation Grant**
- **Georgia Department of Education Facilities Grant**

- **KaBOOM Playground Grant (TBD Annually)**

FOUNDATION GRANTS

Next Generation Learning Challenges from Bill & Melinda Gates Foundation.

The Bill & Melinda Gates Foundation has announced the Next Generation Learning Challenges, a collaborative, multiyear initiative that aims to dramatically improve college readiness and college completion in the United States through the use of technology. The program will provide grants to organizations and innovators to expand promising technology tools to more students, teachers, and schools. It is led by nonprofit EDUCAUSE, which works to advance higher education through the use of information technology

Average Amount:

\$250,000.00 - \$750,000.00

Eligibility: Public School, Private/Charter School, Higher Education, Other.

Adrian & Jessie Archbold Charitable Trust Grants

The Adrian & Jessie Archbold Charitable Trust awards grants to organizations in the northeastern U.S. with some giving in Georgia. Focus areas include medical science, education, health-related organizations, child welfare and youth programs, and social service agencies.

Average Amount:

\$1,000.00 - \$15,717,820.00

Eligibility: Public School, Private/Charter School, Higher Education, Faith-based, Other.

The Sunshine Lady Foundation

The mission of the Sunshine Lady Foundation is to invest in organizations and programs dedicated to providing opportunities for the advancement of education, well being and new life choices for disadvantaged people with special empathy for the working poor and families in crisis.

The Sunshine Lady Foundation is a private family foundation founded in 1996 by Doris Buffett and funded through her generosity. The mission of the foundation reflects the mid-western values and no-nonsense approach to decision-making that Doris grew up with in Omaha, Nebraska. Each Sunshine Lady Foundation grant is considered an investment, and the decision to grant funds is always based on an expected successful return. Doris Buffett is grateful to her father, Howard Buffett, and brother, Warren Buffett, not only for providing her with the wealth to fund the foundation but also for their inspirational examples of integrity and generosity.

Harriman Foundation Educational Grants from Gladys and Roland Harriman Foundation.

Giving on a national basis; primarily for education; support also for youth and social service agencies, arts and cultural organizations, and health agencies and hospitals. No grants to individuals.

Average Amount:

\$10,000.00 - \$150,000.00

Eligibility: Public School, Private/Charter School, Higher Education, Other.

Partners for Developing Futures

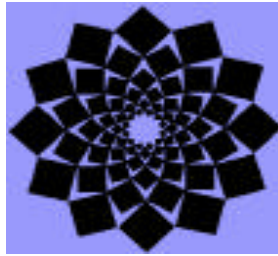
A social venture investment fund that supports entrepreneurial leaders of color in creating and running high-performing public charter schools that serve the underserved. Partners provides varying levels of capital to minority-led charter schools and networks through staged investments based on organizational needs and goals. As a result, actual investments will vary across funded charter schools. Our charter school investments provide seed capital in the form of grants and loans to a small number of the most qualified applicants. Investments may be multi-year and entrepreneurs may use the funding in various ways; operations, supplemental strategic planning, instruction, professional development and training are just some examples of how the funds may be allocated.

Average Amount: Varies (No Ceiling, excludes facilities only)

Foreign Language Assistance Program (FLAP) Grant

This program provides grants to establish, improve, or expand innovative foreign language programs for elementary and secondary school students. In awarding grants under this program, the secretary of education supports projects that: (a) show the promise of being continued beyond their project period and (b) demonstrate approaches that can be disseminated and duplicated by other LEAs.

American Council on the Teaching of Foreign Languages



ACTFL PROFICIENCY GUIDELINES_CSPEAKING

Revised 1999

The *ACTFL Proficiency Guidelines C Speaking* (1986) have gained widespread application as a metric against which to measure learners' functional competency; that is, their ability to accomplish linguistic tasks representing a variety of levels. Based on years of experience with oral testing in governmental institutions and on the descriptions of language proficiency used by Interagency Language Roundtable (ILR), the *ACTFL Guidelines* were an adaptation intended for use in academia (college and university levels particularly) in the United States. For this reason, the authors of the *Provisional Guidelines* (1982) conflated the top levels (ILR 3-5), expanded the descriptions of the lower levels (ILR 0-1), and defined sublevels of competency according to the experience of language instructors and researchers accustomed to beginning learners. Their efforts were further modified and refined in the *ACTFL Proficiency Guidelines* published in 1986.

After additional years of oral testing and of interpretation of the *Guidelines*, as well as numerous research projects, scholarly articles, and debates, the time has come to reevaluate and refine the *Guidelines*, initially those for Speaking, followed by those for the other skills. The purposes of this revision of the *Proficiency Guidelines C Speaking* are to make the document more accessible to those who have not received recent training in ACTFL oral proficiency testing, to clarify the issues that have divided testers and teachers, and to provide a corrective to what the committee perceived to have been possible misinterpretations of the descriptions provided in earlier versions of the *Guidelines*.

An important example is the treatment of the Superior level. The ILR descriptions postulate a spectrum of proficiency abilities from 0 which signifies no functional competence, to 5 which is competence equivalent to that of a well-educated native speaker. Due to the language levels most often attained by adult learners, the *ACTFL Guidelines* do not include descriptions of the highest ILR levels. The ACTFL Superior level, roughly equivalent to the ILR 3 range, is thus to be seen as a baseline level; that is, it describes a particular set of functional abilities essential to that level, but not necessarily the whole range of linguistic activities that an educated speaker with years of experience in the target language and culture might attain. Keeping this distinction in mind reduces the tendency to expect the Superior speaker to demonstrate abilities defined at higher ILR levels.

For this reason, among others, the committee has broken with tradition by presenting this version of the Speaking Guidelines *C* in **descending** rather than ascending order. This top-down approach has two advantages. First, it emphasizes that the High levels are more closely related to the level above than to the one below, and represents a considerable step towards accomplishing the functions at the level above, not just excellence in the functions of the level itself. Second, it allows for fewer negatives and less redundancy in the descriptions when they refer, as they must, to the inability of a speaker to function consistently at a higher level.

Another significant change to the 1986 version of the *Guidelines* is found in the division of the Advanced level into the High, Mid, and Low sublevels. This decision reflects the growing need in both the academic and commercial communities to more finely delineate a speaker's progress through the Advanced level of proficiency. The new descriptors for **Advanced Mid** and **Advanced Low** are based on hundreds of Advanced-level language samples from OPI testing across a variety of languages.

The committee has also taken a slightly different approach to the presentation of these *Guidelines* from previous versions. The full **prose descriptions** of each level (and, when applicable, its sub-levels) are preceded by clearly delineated **thumb-nail sketches** that are intended to alert the reader to the major features of the levels and to serve as a quick reference, but not in any way to replace the full picture presented in the descriptions themselves. Indeed, at the lower levels they refer to the Mid rather than to the baseline proficiency, since they would otherwise describe a very limited profile and misrepresent the general expectations for the level.

This revision of the *ACTFL Proficiency Guidelines Speaking* is presented as an additional step toward more adequately describing speaking proficiency. Whereas this effort reflects a broad spectrum of experience in characterizing speaker abilities and includes a wide range of insights as a result of on-going discussions and research within the language teaching profession, the revision committee is aware that there remain a number of issues requiring further clarification and specification. It is the hope of the committee that this revision will enhance the *Guidelines*'s utility to the language teaching and testing community in the years to come.

Acknowledgments

ACTFL is indebted to the following individuals who contributed to the original *ACTFL Proficiency Guidelines Project* of 1986: Heidi Byrnes, James Child, Nina Patrizio, Pardee Lowe, Jr., Seiichi Makino, Irene Thompson, and A. Ronald Walton. Their work was the foundation for this revision project.

We would also like to thank the following committee members and reviewers who generously gave of their time and expertise during the current revision process: Lucia Caycedo Garner, Helen Hamlyn, Judith Liskin-Gasparro, Arthur Mosher, Lizette Mujica Laughlin, Chantal Thompson, and Maureen Weissenreider.

Finally, ACTFL wishes to acknowledge the work of the *Guidelines*'s editors, and authors of the Explanatory Notes that accompany the *ACTFL Proficiency Guidelines Speaking* (Revised 1999). They are Karen E. Breiner-Sanders, Pardee Lowe, Jr., John Miles, Elvira Swender.

The Revision of the *ACTFL Proficiency Guidelines* was supported by a grant from the United States Department of Education International Research and Studies Program.

The *ACTFL Proficiency Guidelines-Speaking (Revised 1999)* may be used for non-profit, educational purposes only, provided that they are reproduced in their entirety, with no alterations, and with credit to ACTFL.

SUPERIOR

Speakers at the Superior level are able to communicate in the language with accuracy and fluency in order to participate fully and effectively in conversations on a variety of topics in formal and informal settings from both concrete and abstract perspectives. They discuss their interests and special fields of competence, explain complex matters in detail, and provide lengthy and coherent narrations, all with ease, fluency, and accuracy. They explain their opinions on a number of topics of importance to them, such as social and political issues, and provide structured argument to support their opinions. They are able to construct and develop hypotheses to explore alternative possibilities. When appropriate, they use extended discourse without unnaturally lengthy hesitation to make their point, even when engaged in abstract elaborations. Such discourse, while coherent, may still be influenced by the Superior speakers own language patterns, rather than those of the target language.

Superior speakers command a variety of interactive and discourse strategies, such as turn-taking and separating main ideas from supporting information through the use of syntactic and lexical devices, as well as intonational features such as pitch, stress and tone. They demonstrate virtually no pattern of error in the use of basic structures. However, they may make sporadic errors, particularly in low-frequency structures and in some complex high-frequency structures more common to formal speech and writing. Such errors, if they do occur, do not distract the native interlocutor or interfere with communication.

ADVANCED HIGH

Speakers at the Advanced-High level perform all Advanced-level tasks with linguistic ease, confidence and competence. They are able to consistently explain in detail and narrate fully and accurately in all time frames. In addition, Advanced-High speakers handle the tasks pertaining to the Superior level but cannot sustain performance at that level across a variety of topics. They can provide a structured argument to support their opinions, and they may construct hypotheses, but patterns of error appear. They can discuss some topics abstractly, especially those relating to their particular interests and special fields of expertise, but in general, they are more comfortable discussing a variety of topics concretely.

Advanced-High speakers may demonstrate a well-developed ability to compensate for an imperfect grasp of some forms or for limitations in vocabulary by the confident use of communicative strategies, such as paraphrasing, circumlocution, and illustration. They use precise vocabulary and intonation to express meaning and often show great fluency and ease of speech. However, when called on to perform the complex tasks associated with the Superior level over a variety of topics, their language will at times break down or prove inadequate, or they may avoid the task altogether, for example, by resorting to simplification through the use of description or narration in place of argument or hypothesis.

ADVANCED MID

Speakers at the Advanced-Mid level are able to handle with ease and confidence a large number of communicative tasks. They participate actively in most informal and some formal exchanges on a variety of concrete topics relating to work, school, home, and leisure activities, as well as to events of current, public, and personal interest or individual relevance.

Advanced-Mid speakers demonstrate the ability to narrate and describe in all major time frames (past, present, and future) by providing a full account, with good control of aspect, as they adapt flexibly to the demands of the conversation. Narration and description tend to be combined and interwoven to relate relevant and supporting facts in connected, paragraph-length discourse.

Advanced-Mid speakers can handle successfully and with relative ease the linguistic challenges presented by a complication or unexpected turn of events that occurs within the context of a routine situation or communicative task with which they are otherwise familiar. Communicative strategies such as circumlocution or rephrasing are often employed for this purpose. The speech of Advanced-Mid speakers performing Advanced-level tasks is marked by substantial flow. Their vocabulary is fairly extensive although primarily generic in nature, except in the case of a particular area of specialization or interest. Dominant language discourse structures tend to recede, although discourse may still reflect the oral paragraph structure of their own language rather than that of the target language.

Advanced-Mid speakers contribute to conversations on a variety of familiar topics, dealt with concretely, with much accuracy, clarity and precision, and they convey their intended message without misrepresentation or confusion. They are readily understood by native speakers unaccustomed to dealing with non-natives. When called on to perform functions or handle topics associated with the Superior level, the quality and/or quantity of their speech will generally decline. Advanced-Mid speakers are often able to state an opinion or cite conditions; however, they lack the ability to consistently provide a structured argument in extended discourse. Advanced-Mid speakers may use a number of delaying strategies, resort to narration, description, explanation or anecdote, or simply attempt to avoid the linguistic demands of Superior-level tasks.

ADVANCED LOW

Speakers at the Advanced-Low level are able to handle a variety of communicative tasks, although somewhat haltingly at times. They participate actively in most informal and a limited number of formal conversations on activities related to school, home, and leisure activities and, to a lesser degree, those related to events of work, current, public, and personal interest or individual relevance.

Advanced-Low speakers demonstrate the ability to narrate and describe in all major time frames (past, present and future) in paragraph length discourse, but control of aspect may be lacking at times. They can handle appropriately the linguistic challenges presented by a complication or unexpected turn of events that occurs within the context of a routine situation or communicative task with which they are otherwise familiar, though at times their discourse may be minimal for the level and strained. Communicative strategies such as rephrasing and circumlocution may be employed in such instances. In their narrations and descriptions, they combine and link sentences into connected discourse of paragraph length. When pressed for a fuller account, they tend to grope and rely on minimal discourse. Their utterances are typically not longer than a single paragraph. Structure of the dominant language is still evident in the use of false cognates, literal translations, or the oral paragraph structure of the speaker's own language rather than that of the target language.

While the language of Advanced-Low speakers may be marked by substantial, albeit irregular flow, it is typically somewhat strained and tentative, with noticeable self-correction and a certain >grammatical roughness.= The vocabulary of Advanced-Low speakers is primarily generic in nature.

Advanced-Low speakers contribute to the conversation with sufficient accuracy, clarity, and precision to convey their intended message without misrepresentation or confusion, and it can be understood by native speakers unaccustomed to dealing with non-natives, even though this may be achieved through repetition and restatement. When attempting to perform functions or handle topics associated with the Superior level, the linguistic quality and quantity of their speech will deteriorate significantly.

INTERMEDIATE HIGH

Intermediate-High speakers are able to converse with ease and confidence when dealing with most routine tasks and social situations of the Intermediate level. They are able to handle successfully many uncomplicated tasks and social situations requiring an exchange of basic information related to work, school, recreation, particular interests and areas of competence, though hesitation and errors may be evident.

Intermediate-High speakers handle the tasks pertaining to the Advanced level, but they are unable to sustain performance at that level over a variety of topics. With some consistency, speakers at the Intermediate High level narrate and describe in major time frames using connected discourse of paragraph length. However, their performance of these Advanced-level tasks will exhibit one or more features of breakdown, such as the failure to maintain the narration or description semantically or syntactically in the appropriate major time frame, the disintegration of connected discourse, the misuse of cohesive devices, a reduction in breadth and appropriateness of vocabulary, the failure to successfully circumlocute, or a significant amount of hesitation.

Intermediate-High speakers can generally be understood by native speakers unaccustomed to dealing with non-natives, although the dominant language is still evident (e.g. use of code-switching, false cognates, literal translations, etc.), and gaps in communication may occur.

INTERMEDIATE MID

Speakers at the Intermediate-Mid level are able to handle successfully a variety of uncomplicated communicative tasks in straightforward social situations. Conversation is generally limited to those predictable and concrete exchanges necessary for survival in the target culture; these include personal information covering self, family, home, daily activities, interests and personal preferences, as well as physical and social needs, such as food, shopping, travel and lodging.

Intermediate-Mid speakers tend to function reactively, for example, by responding to direct questions or requests for information. However, they are capable of asking a variety of questions when necessary to obtain simple information to satisfy basic needs, such as directions, prices and services. When called on to perform functions or handle topics at the Advanced level, they provide some information but have difficulty linking ideas, manipulating time and aspect, and using communicative strategies, such as circumlocution.

Intermediate-Mid speakers are able to express personal meaning by creating with the language, in part by combining and recombining known elements and conversational input to make utterances of sentence length and some strings of sentences. Their speech may contain pauses, reformulations and self-corrections as they search for adequate vocabulary and appropriate language forms to express themselves. Because of inaccuracies in their vocabulary and/or pronunciation and/or grammar and/or syntax, misunderstandings can occur, but Intermediate-Mid speakers are generally understood by sympathetic interlocutors accustomed to dealing with non-natives.

INTERMEDIATE LOW

Speakers at the Intermediate-Low level are able to handle successfully a limited number of uncomplicated communicative tasks by creating with the language in straightforward social situations. Conversation is restricted to some of the concrete exchanges and predictable topics necessary for survival in the target language culture. These topics relate to basic personal information covering, for example, self and family, some daily activities and personal preferences, as well as to some immediate needs, such as ordering food and making simple purchases. At the Intermediate-Low level, speakers are primarily reactive and struggle to answer direct questions or requests for information, but they are also able to ask a few appropriate questions.

Intermediate-Low speakers express personal meaning by combining and recombining into short statements what they know and what they hear from their interlocutors. Their utterances are often filled with hesitancy and inaccuracies as they search for appropriate linguistic forms and vocabulary while attempting to give form to the message. Their speech is characterized by frequent pauses, ineffective reformulations and self-corrections. Their pronunciation, vocabulary and syntax are strongly influenced by their first language but, in spite of frequent misunderstandings that require repetition or rephrasing, Intermediate-Low speakers can generally be understood by sympathetic interlocutors, particularly by those accustomed to dealing with non-natives.

NOVICE HIGH

Speakers at the Novice-High level are able to handle a variety of tasks pertaining to the Intermediate level, but are unable to sustain performance at that level. They are able to manage successfully a number of uncomplicated communicative tasks in straightforward social situations. Conversation is restricted to a few of the predictable topics necessary for survival in the target language culture, such as basic personal information, basic objects and a limited number of activities, preferences and immediate needs. Novice-High speakers respond to simple, direct questions or requests for information; they are able to ask only a very few formulaic questions when asked to do so.

Novice-High speakers are able to express personal meaning by relying heavily on learned phrases or recombinations of these and what they hear from their interlocutor. Their utterances, which consist mostly of short and sometimes incomplete sentences in the present, may be hesitant or inaccurate. On the other hand, since these utterances are frequently only expansions of learned material and stock phrases, they may sometimes appear surprisingly fluent and accurate. These speakers' first language may strongly influence their pronunciation, as well as their vocabulary and syntax when they attempt to personalize their utterances. Frequent misunderstandings may arise but, with repetition or rephrasing, Novice-High speakers can generally be understood by sympathetic interlocutors used to non-natives. When called on to handle simply a variety of topics and perform functions pertaining to the Intermediate level, a Novice-High speaker can sometimes respond in intelligible sentences, but will not be able to sustain sentence level discourse.

NOVICE MID

Speakers at the Novice-Mid level communicate minimally and with difficulty by using a number of isolated words and memorized phrases limited by the particular context in which the language has been learned. When responding to direct questions, they may utter only two or three words at a time or an occasional stock answer. They pause frequently as they search for simple vocabulary or attempt to recycle their own and their interlocutor's words. Because of hesitations, lack of vocabulary, inaccuracy, or failure to respond appropriately, Novice-Mid speakers may be understood with great difficulty even by sympathetic interlocutors accustomed to dealing with non-natives. When called on to handle topics by performing functions associated with the Intermediate level, they frequently resort to repetition, words from their native language, or silence.

NOVICE LOW

Speakers at the Novice-Low level have no real functional ability and, because of their pronunciation, they may be unintelligible. Given adequate time and familiar cues, they may be able to exchange greetings, give their identity, and name a number of familiar objects from their immediate environment. They are unable to perform functions or handle topics pertaining to the Intermediate level, and cannot therefore participate in a true conversational exchange.



PRELIMINARY

Proficiency Guidelines C Writing

Revised 2001

Karen E. Breiner-Sanders

Georgetown University

Elvira Swender

American Council on the Teaching of Foreign Languages

Robert M. Terry

University of Richmond

INTRODUCTION

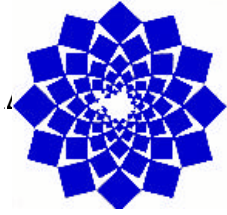
The ACTFL Proficiency Guidelines, first published in 1986, are global characterizations of integrated performance in each of four language skills C speaking, writing, reading, and listening. The ACTFL Guidelines are based in large part on the language skill level descriptions used by the Interagency Language Roundtable (ILR) and adapted for use in academic environments.

The ACTFL Speaking Guidelines have been extensively tested and interpreted, owing to their role as the evaluative core of the Oral Proficiency Interview (OPI) and in the context of research projects, articles, and debates. In 1999, the time had come for them to be reevaluated, revised, refined, with the anticipation of a reworking of the remaining three skills C writing, listening, and reading C to follow.

This revision of the Writing Guidelines follows the precedent set in the revised guidelines for speaking C they are presented in a top-down fashion (from Superior to Novice) rather than in a bottom-up order, thereby allowing for more positive descriptive statements for each level and sublevel, stressing what language users *can do* with the language rather than what they cannot do. This top-down ordering also manifests more clearly the close link between a specific proficiency level and the next lower level by focusing on a narrower sphere of performance rather than by regarding the expansion of functional tasks and expectations as leaps as one moves up the proficiency scale. It must be noted that the Superior level encompasses levels 3, 4, and 5 of the ILR scale. However, the abilities at the Superior level described in these guidelines are *baseline* abilities for performance at that level rather than a complete description of the full range of Superior.

For the two productive skills (speaking and writing), commercial and academic requirements have demonstrated the need for more clearly delineated language proficiency criteria and specific distinctions in performance at the Advanced level (described as *limited working proficiency* for level 2 on the ILR scale). The division of the Advanced level into High, Mid, and Low responds to these needs and is consonant with the distinctions made at lower levels of the Writing Guidelines and also in the revised guidelines for speaking.

Most significantly, writing, as discussed in this document, refers to both spontaneous and reflective writing. *Spontaneous* writing does not incorporate sufficient time for revision, rewriting, or clarification and elaboration. *Reflective* writing, on the other hand, affords the writer the time to better plan and organize the written material, and to be fully involved in the entire writing process through rereading, revising, and rewriting. Both types of writing can be evaluated using these guidelines since it is not the *type of writing* but the *product* that is being evaluated. One might anticipate that reflective writing would result in a richer and more accurate sample than spontaneous writing.



PRELIMINARY

Proficiency Guidelines C Writing

Revised 2001

As tasks shift upward, the writing, by necessity, becomes more reflective in order to satisfy the demands of the higher levels. Writers become more aware of and more focused on the other, on the reader of the text, and also on the aims that they have for the reception of the text. In the real world, most writing tasks above the Intermediate level require some degree of reflective writing. At higher proficiency levels, more tools are used and are used more skillfully (proofreading, editing, use of dictionary, spell checks, and other printed and electronic resources). Upper-level writers function as their own editors to enhance the content, style, and impact of their text.

These revisions of the Writing Guidelines are provided as a first step in the revision process. Since language as communication is a constantly evolving phenomenon, we anticipate additional study, discussion, and research on writing itself and on its place in teaching, learning, and life. The committee invites the profession to use these guidelines to assess writing proficiency and to consider the implications of these revisions on instruction and curricular design. The committee also invites the profession to continue to study, discuss, and carry out research on these writing guidelines so that they can be further refined to more precisely describe writing performance.

Acknowledgments

ACTFL is indebted to the following individuals who contributed to the original ACTFL Proficiency Guidelines Project of 1986: Heidi Byrnes, James Child, Nina Patrizio, Pardee Lowe, Jr., Seiichi Makino, Irene Thompson, and A. Ronald Walton. Their work was the foundation for this revision project.

We would also like to thank the following committee members and reviewers who helped in the current revision process: Lucía Caycedo Garner, Chantal Thompson, Eileen Glisan, Ray T. Clifford, Seiichi Makino, Martha Herzog, Pardee Lowe, Jr.

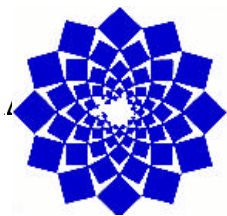
The revision of the ACTFL Proficiency Guidelines was supported by a grant from the United States Department of Education International Research and Studies Program.

The ACTFL Proficiency Guidelines - Writing (Revised 2001) may be used for non-profit, educational purposes only, provided that they are reproduced in their entirety, with no alterations, and with credit to ACTFL.

SUPERIOR

Writers at the Superior level are able to produce most kinds of formal and informal correspondence, complex summaries, precis, reports, and research papers on a variety of practical, social, academic, or professional topics treated both abstractly and concretely. They use a variety of sentence structures, syntax, and vocabulary to direct their writing to specific audiences, and they demonstrate an ability to alter style, tone, and format according to the specific requirements of the discourse. These writers demonstrate a strong awareness of writing for the other and not for the self.

Writers at the Superior level demonstrate the ability to explain complex matters, provide detailed narrations in all time frames and aspects, present and support opinions by developing cogent arguments and hypotheses. They can organize and prioritize ideas and maintain the thrust of a topic through convincing structure and lexicon and skillful use of writing protocols, especially those that differ from oral protocols, to convey to the reader what is significant. Their writing is



PRELIMINARY

Proficiency Guidelines C Writing

Revised 2001

characterized by smooth transitions between subtopics and clear distinctions made between principal and secondary ideas. The relationship among ideas is consistently clear, evidencing organizational and developmental principles such as cause and effect, comparison, chronology, or other orderings appropriate to the target language culture. These writers are capable of extended treatment of a topic which typically requires at least a series of paragraphs but can encompass a number of pages.

Writers at the Superior level demonstrate a high degree of control of grammar and syntax, both general and specialized/professional vocabulary, spelling or symbol production, cohesive devices, and punctuation. Their vocabulary is precise and varied with textured use of synonyms, instead of mere repetition of key words and phrases. Their writing expresses subtlety and nuance and is at times provocative. Their fluency eases the reader's task.

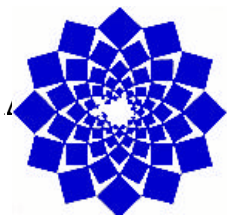
Writers at the baseline of the Superior level will not demonstrate the full range of the functional abilities of educated native writers. For example, their writing may not totally reflect target language cultural, organizational, syntactic, or stylistic patterns. At the baseline Superior level, occasional errors may occur, particularly in low-frequency structures, but there is no pattern. Errors do not interfere with comprehension and they rarely distract the native reader.

ADVANCED-HIGH

Writers at the Advanced-High level are able to write about a variety of topics with significant precision and detail. They can handle most social and informal correspondence according to appropriate conventions. They can write summaries, reports, precis, and research papers. They can also write extensively about topics relating to particular interests and special areas of competence, but tend to emphasize the concrete aspects of such topics. Advanced-High writers can describe and narrate in all major time frames, with good control of aspect. In addition, they are able to demonstrate some ability to incorporate the functions and other criteria of the Superior level, showing some ability to develop arguments and construct hypotheses. They cannot, however, sustain those abilities and may have difficulty dealing with a variety of topics in abstract, global, and/or impersonal terms. They often show remarkable ease of expression when writing at the Advanced level, but under the demands of Superior-level writing tasks, patterns of error appear. Although they have good control of a full range of grammatical structures and a fairly wide general vocabulary, they may not use these comfortably and accurately in all cases. Weaknesses in grammar, syntax, vocabulary, spelling or symbol production, cohesive devices, or punctuation may occasionally distract the native reader from the message. Writers at the Advanced-High level do not consistently demonstrate flexibility to vary their style according to different tasks and readers. Their writing production often reads successfully but may fail to convey the subtlety and nuance of the Superior level.

ADVANCED-MID

Writers at the Advanced-Mid level are able to meet a range of work and/or academic writing needs with good organization and cohesiveness that may reflect the principles of their first language. They are able to write straightforward summaries and write about familiar topics relating to interests and events of current, public, and personal relevance by means of narratives and descriptions of a factual nature. Advanced-Mid writers demonstrate the ability to narrate and describe with detail in all major time frames. Their writing is characterized by a range of general vocabulary that expresses thoughts clearly, at times supported by some paraphrasing or elaboration. Writing at the Advanced-Mid level exhibits some variety of cohesive devices in texts of several paragraphs in length. There is good control of the most frequently used target language syntactic structures, e.g., common word order patterns, coordination, subordination. There may be errors in complex sentences, as well as in punctuation, spelling, or the formation of non-alphabetic symbols and character production. While features of the written style of the target language may be present, Advanced-Mid writing may at times resemble oral



PRELIMINARY

Proficiency Guidelines C Writing

Revised 2001

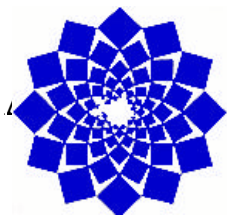
discourse or the writing style of the first language. Advanced-Mid writing incorporates organizational features both of the target language or the writer's first language. While Advanced-Mid writers are generally aware of writing for the other, with all the attendant tailoring required to accommodate the reader, they tend to be inconsistent in their aims and focus from time to time on the demands of production of the written text rather than on the needs of reception. When called on to perform functions or to treat topics at the Superior level, Advanced-Mid writers will generally manifest a decline in the quality and/or quantity of their writing, demonstrating a lack of the rhetorical structure, the accuracy, and the fullness of elaboration and detail that would be characteristic of the Superior level. Writing at the Advanced-Mid level is understood readily by natives not used to the writing of non-natives.

ADVANCED-LOW

Writers at the Advanced-Low level are able to meet basic work and/or academic writing needs, produce routine social correspondence, write about familiar topics by means of narratives and descriptions of a factual nature, and write simple summaries. Advanced-Low writers demonstrate the ability to narrate and describe in major time frames with some control of aspect. Advanced-Low writers are able to combine and link sentences into texts of paragraph length and structure. Their writings, while adequate to satisfy the criteria of the Advanced level, may not be substantive. Writers at the Advanced-Low level demonstrate an ability to incorporate a limited number of cohesive devices but may resort to much redundancy, and awkward repetition. Subordination in the expression of ideas is present and structurally coherent, but generally relies on native patterns of oral discourse or the writing style of the writer's first language. Advanced-Low writers demonstrate sustained control of simple target-language sentence structures and partial control of more complex structures. When attempting to perform functions at the Superior level, their writing will deteriorate significantly. Writing at the Advanced-Low level is understood by natives not used to the writing of non-natives although some additional effort may be required in the reading of the text.

INTERMEDIATE -HIGH

Writers at the Intermediate-High level are able to meet all practical writing needs such as taking notes on familiar topics, writing uncomplicated letters, simple summaries, and compositions related to work, school experiences, and topics of current and general interest. Intermediate-High writers connect sentences into paragraphs using a limited number of cohesive devices that tend to be repeated, and with some breakdown in one or more features of the Advanced level. They can write simple descriptions and narrations of paragraph length on everyday events and situations in different time frames, although with some inaccuracies and inconsistencies. For example, they may be unsuccessful in their use of paraphrase and elaboration and/or inconsistent in the use of appropriate major time markers, resulting in a loss in clarity. In those languages that use verbal markers to indicate tense and aspect, forms are not consistently accurate. The vocabulary, grammar, and style of Intermediate-High writers essentially correspond to those of the spoken language. The writing of an Intermediate-High



PRELIMINARY

Proficiency Guidelines C Writing

Revised 2001

writer, even with numerous and perhaps significant errors, is generally comprehensible to natives not used to the writing of non-natives, but gaps in comprehension may occur.

INTERMEDIATE-MID

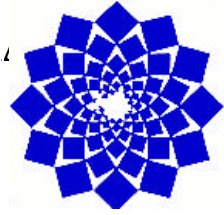
Writers at the Intermediate-Mid level are able to meet a number of practical writing needs. They can write short, simple communications, compositions, descriptions, and requests for information in loosely connected texts that are based on personal preferences, daily routines, common events, and other topics related to personal experiences and immediate surroundings. Most writing is framed in present time, with inconsistent references to other time frames. The writing style closely resembles the grammar and lexicon of oral discourse. Writers at the Intermediate-Mid level show evidence of control of syntax in non-complex sentences and in basic verb forms, and they may demonstrate some ability to use grammatical and stylistic cohesive elements. This writing is best defined as a collection of discrete sentences and/or questions loosely strung together; there is little evidence of deliberate organization. Writers at the Intermediate-Mid level pay only sporadic attention to the reader of their texts; they focus their energies on the production of the writing rather than on the reception the text will receive. When Intermediate-Mid writers attempt Advanced-level writing tasks, the quality and/or quantity of their writing declines and the message may be unclear. Intermediate-Mid writers can be understood readily by natives used to the writing of non-natives.

INTERMEDIATE-LOW

Writers at the Intermediate-Low level are able to meet some limited practical writing needs. They can create statements and formulate questions based on familiar material. Most sentences are recombinations of learned vocabulary and structures. These are short and simple conversational-style sentences with basic subject-verb-object word order. They are written mostly in present time with occasional and often incorrect use of past or future time. Writing tends to be a few simple sentences, often with repetitive structure. Vocabulary is limited to common objects and routine activities, adequate to express elementary needs. Writing is somewhat mechanistic and topics are limited to highly predictable content areas and personal information tied to limited language experience. There may be basic errors in grammar, word choice, punctuation, spelling, and in the formation and use of non-alphabetic symbols. When Intermediate-Low writers attempt to perform writing tasks at the Advanced level, their writing will deteriorate significantly and their message may be left incomplete. Their writing is understood by natives used to the writing of non-natives, although additional effort may be required.

NOVICE-HIGH

Writers at the Novice-High level are able to meet limited basic practical writing needs using lists, short messages, postcards, and simple notes, and to express themselves within the context in which the language was learned, relying mainly on practiced material. The writing is generally writer-centered and is focused on common, discrete elements of daily life. Novice-High writers are able to recombine learned vocabulary and structures to create simple sentences on very familiar topics, but the language they produce may only partially communicate what is intended. Control of features of the Intermediate level is not sustained due to inadequate vocabulary and/or grammar. Novice-High writing is often comprehensible to natives used to the writing of non-natives, but gaps in comprehension may occur.



PRELIMINARY

Proficiency Guidelines C Writing

Revised 2001

NOVICE-MID

Writers at the Novice-Mid level are able to copy or transcribe familiar words or phrases, and reproduce from memory a modest number of isolated words and phrases in context. They can supply limited information on simple forms and documents, and other basic biographical information, such as names, numbers, and nationality. Novice-Mid writers exhibit a high degree of accuracy when writing on well-practiced, familiar topics using limited formulaic language. With less familiar topics, there is a marked decrease in accuracy. Errors in spelling or in the representation of symbols may be frequent. There is little evidence of functional writing skills. At this level, the writing may be difficult to understand even by those accustomed to reading the texts of non-natives.

NOVICE-LOW

Writers at the Novice-Low level are able to form letters in an alphabetic system and can copy and produce isolated, basic strokes in languages that use syllabaries or characters. Given adequate time and familiar cues, they can reproduce from memory a very limited number of isolated words or familiar phrases, but errors are to be expected.



PRELIMINARY

Proficiency Guidelines C Writing

Revised 2001

Summary Highlights

SUPERIOR	ADVANCED	INTERMEDIATE	NOVICE
<p>Superior-level writers are characterized by the ability to</p> <ul style="list-style-type: none"> ! express themselves effectively in most informal and formal writing on practical, social, and professional topics treated both abstractly as well as concretely. ! present well developed ideas, opinions, arguments, and hypotheses through extended discourse. ! control structures, both general and specialized/professional vocabulary, spelling or symbol production, punctuation, diacritical marks, cohesive devices, and other aspects of written form and organization with no pattern of error to distract the reader. 	<p>Advanced-level writers are characterized by the ability to</p> <ul style="list-style-type: none"> ! write routine informal and some formal correspondence, narratives, descriptions, and summaries of a factual nature. ! narrate and describe in major time frames, using paraphrase and elaboration to provide clarity, in connected discourse of paragraph length. ! express meaning that is comprehensible to those unaccustomed to the writing of non-natives, primarily through generic vocabulary, with good control of the most frequently used structures. 	<p>Intermediate-level writers are characterized by the ability to</p> <ul style="list-style-type: none"> ! meet practical writing needs C e.g., simple messages and letters, requests for information, notes C and ask and respond to questions. ! create with the language and communicate simple facts and ideas in a loosely connected series of sentences on topics of personal interest and social needs, primarily in the present. ! express meaning through vocabulary and basic structures that is comprehensible to those accustomed to the writing of non-natives. 	<p>Novice-level writers are characterized by the ability to</p> <ul style="list-style-type: none"> ! produce lists and notes and limited formulaic information on simple forms and documents. ! recombine practiced material supplying isolated words or phrases to convey simple messages, transcribe familiar words or phrases, copy letters of the alphabet or syllables of a syllabary, or reproduce basic characters with some accuracy. ! communicate basic information.



PRELIMINARY

Proficiency Guidelines C Writing

Revised 2001

Glossary

argument C a type of discourse that is intended to persuade or convince; because of the polemic nature of argument, one can expect to find a significant number and variety of connectors that facilitate elaboration, detailing, and the incorporation of examples, for a cogent and cohesive organization of ideas.

aspect C a verbal category that refers to some characteristic of the activity or state of a verb; indicates if an action or state is viewed as completed or in progress (*I went / I was going*), instantaneous or enduring (*The sun came out / The sun was shining*), momentary or habitual (*They vacationed at the shore / They used to vacation at the shore*). Aspect is often indicated by prefixes, suffixes, infixes, phonetic changes in the root verb, use of auxiliaries.

circumlocution C an indirect or roundabout compensation strategy to express a thought or meaning when appropriate lexical items are unknown.

cohesive devices C language components that link ideas for seamless flow within and among sentences and paragraphs, such as relative pronouns, pronoun substitutions [subject and object], coordinating and subordinating conjunctions, adverbs of time, subordinate clauses.

distract the native reader C errors (misspelling, incorrect grammar, incorrect lexical items, faulty structure) appearing in writing samples that focus the attention of the native language user on the form rather than on the meaning.

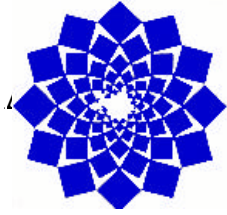
elaboration C adding more detail and specificity in the exposition of a particular idea.

fluency C a flow in the written language as perceived by the reader, made possible by clarity of expression, the acceptable ordering of ideas, use of vocabulary and syntax appropriate to the context, with words, phrases, and idiomatic expressions that go together by common lexical convention.

formal/informal writing C features of writing (format, punctuation, choice of vocabulary) that reflect different audiences and purposes for the communication. For example, in informal writing, the use of contractions and colloquialisms, direct discourse, generic vocabulary; in formal writing, the use of honorifics, indirect discourse, specific and thematically appropriate vocabulary. See also *tailoring of writing*.

functions C also called *task universals* or *global tasks*, this latter particularly referring to communicative tasks (descriptive, informative, narrative, persuasive, and/or hypothetical writing) that have been identified as the key criteria for a given level of proficiency.

functional writing skills C what an individual is able to do with written language, for example, those writing capabilities that are appropriate to satisfy communication needs for specific writing purposes (personal,



PRELIMINARY

Proficiency Guidelines C Writing

Revised 2001

practical, academic, professional, creative writing, etc.)

generic vocabulary C those words and expressions that serve equally well in a variety of categories and contexts. Such vocabulary is readily intelligible to the general public, but does not normally deepen meaning. (See also *specialized vocabulary*).

low-frequency structures C complex language constructions that are seldom utilized or required in a given language in its less formal expression, but often necessary in the most formal types of writing geared to high-level communicative tasks such as persuading and hypothesizing. Examples of such constructions are some compound tenses (A*She would have thought*®), the sequencing of tenses (A*If they had considered the implications, they would have opted for another solution*®), and compounded subordination (A*Given the clear and present danger, and in view of the significant loss already suffered by the villagers, the council decided to ...*®).

non-alphabetic symbols C those elements of meaning that appear in both Roman and non-Roman languages that indicate stress, punctuation, syllabification; including ideographs and pictograms C *Un hombre muy tímido entró*; *The first- and second-year students are here*; (? \$) * + 8.

oral discourse C a style of language that contains the characteristics of informal spoken language, i.e., redundancy, repetition, fragments, contractions, simple sentences.

paragraph C a specific unit of thought that reflects a structural and thematic chronology (beginning, middle, end), usually organized through a group of related sentences that encompass a sense of unity and completeness. Often, and especially in academic formats, the paragraph contains a topic sentence (a clear statement of the principal idea or thesis), and the sentences that follow help explain or contribute to the elaboration of the topic sentence.

paraphrase C stating the contents of a passage or text in similar language without quoting the original text or using the language verbatim.

redundancy C linguistic and structural components that serve the same purpose within the communication; also superfluous words (a verbatim quotation), repetition (This is my father. I work for my father.), or unnecessary verbiage (Two years ago in 1999,).

reflective writing C written material that is planned and organized through rereading, revising, editing, and rewriting. The writer has time to plan and organize the written material, to be fully involved in the entire writing process. This type of writing is generally necessary to produce texts at high proficiency levels. Writers C and most decidedly high-level writers C will generally produce higher-level written texts through reflective writing than through spontaneous writing.



PRELIMINARY

Proficiency Guidelines C Writing

Revised 2001

specialized vocabulary C words, expressions, technical terms, etc., that are meaningful to members of a specific group or field of study or endeavor, but not to the general public. While sometimes referred to as *jargon*, a specialized vocabulary channels meaning and makes the information more precise, more focused, and at times more profound. (See also *generic vocabulary*)

spontaneous writing C writing that is produced when preparation and production need to occur at the same time; it does not allow sufficient opportunity for revision, rewriting, or editing.

symbol production C the production of ideographs or pictograms (as in Chinese, Japanese), or non-alphabetic elements of a given language.

time frames C general periods in time: *past*, *present*, or *future*, but not necessarily tenses that indicate those specific times. For example, future time can be indicated by use of the future tense, but also by the present tense: *I am going to the movies this afternoon*. Likewise, past time can be indicated by use of the present tense: *Elle vient de partir*; *Ella acaba de salir* [*She has just left*].

tailoring of writing C selecting language, information, and ideas, and ordering these components, to create a particular effect in the reader, whether to convince or persuade, to incite or anger, to comfort, or to summon support or action, etc. Such tailoring also includes the use of appropriate variables in register, i.e., in expository writing vs. information writing.

verbal markers C those morphological, phonological and/or semantic elements that indicate differences in tense [ran / have run; hablo / habló (I speak / he spoke)]; person C (I eat / He eats); auxiliaries [Elle est sortie hier soir (*She went out last night*) / Elle a sorti la poubelle (*She took the trash can out*)]; and aspects of verbs [They ran / They were running].

What is the Workshop Model?

The **workshop model** of teaching uses curriculum, individually paced work, student constructed meaning, processes, risk taking, portfolio/performance assessment, self assessment, and individualized learning and evaluation.

The **workshop environment** has standards posted, classroom management charts, classroom libraries categorized by reading level/genre/author/special interests, word walls, group learning, centers for conferencing, independent work stations, are a few of the key attributes.

The **workshop routine** is carried out everyday. It may include:

Opening and Mini Lesson (5-15 minutes)

Procedure
Craft
Skills
Strategies

Work Session (20-40minutes)

Cooperative Learning
Independent Reading/Writing
Small Group Instruction
Conferencing
Authentic Literacy Activities

Closing (5-20minutes)

Refocusing
Students Sharing Learning
Student Work

What is the purpose of each portion of the workshop model?

The Mini Lesson

Purpose

- To motivate and engage students
- Activate prior knowledge
- To make connections
- To LINK how the information will be USED TODAY, in the FUTURE, and in the REAL-WORLD

The Work Period

Purpose

- Students Experience Learning
- Students Learn Social Skills
- Students Practice Strategies modeled in the mini-lesson

Students are engaged learning through participation in individual and/or group activities.

The Closing

Purpose

- Refocus on the standard
- Share accomplishments/work/learning

Appendix S

Marzano Research Lab Research-based Strategies

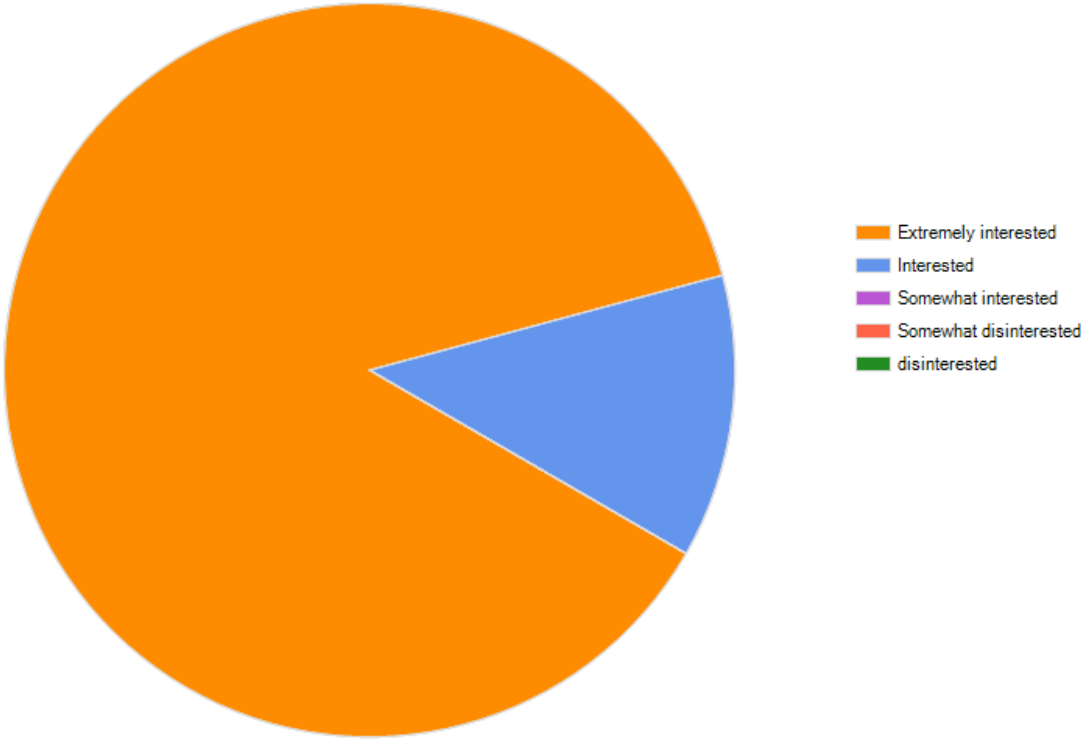
Strategy: Description

1. **Advance Organizers:** Providing students with a preview of new content [More data available](#)
2. **Building vocabulary:** Using a complete six-step process to teach vocabulary that includes teacher explanation, student explanation, student graphic or pictographic representation, review using comparison activities, student discussion of vocabulary terms, and use of games [More data available](#)
3. **Complex cognitive tasks:** Working on complex tasks such as investigation, problem solving, decision making, and experimental inquiry
4. **Cooperative learning:** Students working together in small groups [More data available](#)
5. **Cues and questions:** Using hints and questions to activate prior knowledge and deepen student understanding [More data available](#)
6. **Effort and recognition:** Reinforcing and tracking student effort and providing recognition for achievement [More data available](#)
7. **Engagement strategies:** Using activities designed to help capture students' attention [More data available](#)
8. **Feedback:** Providing students with information relative to how well they are doing regarding a specific assignment [More data available](#)
9. **Graphic organizers:** Providing a visual display of something being discussed or considered (e.g., using a Venn diagram to compare two items)
10. **Homework:** Providing students with opportunities to increase their understanding through assignments completed outside of class
11. **Identifying similarities and differences:** Identifying similarities and/or differences between two or more items being considered
12. **Interactive games:** Using academic content in game-like situations
13. **Kinesthetic activities:** Students representing new content physically
14. **Nonlinguistic representations:** Providing a representation of knowledge without words (e.g., a graphic representation or physical model)
15. **Note taking:** Recording information that is considered important
16. **Partial vocabulary:** Using one or more aspects of a six-step process to teach vocabulary which may include teacher explanation, student explanation, student graphic or pictographic representation, review using comparison activities, student discussion of vocabulary terms, and use of games
17. **Practice:** Massed and distributed practice on a specific skill, strategy, or process
18. **Setting goals/objectives:** Identifying a learning goal or objective regarding a topic being considered in class
19. **Student discussion/chunking:** Breaking a lesson into chunks for student or group discussion regarding the content being considered
20. **Summarizing:** Requiring students to provide a brief summary of content
21. **Tracking student progress and scoring scales:** Using scoring scales and tracking student progress toward a learning goal [More data available](#)
22. **Voting technology:** Using interactive clicker technology to collect data regarding student knowledge during class

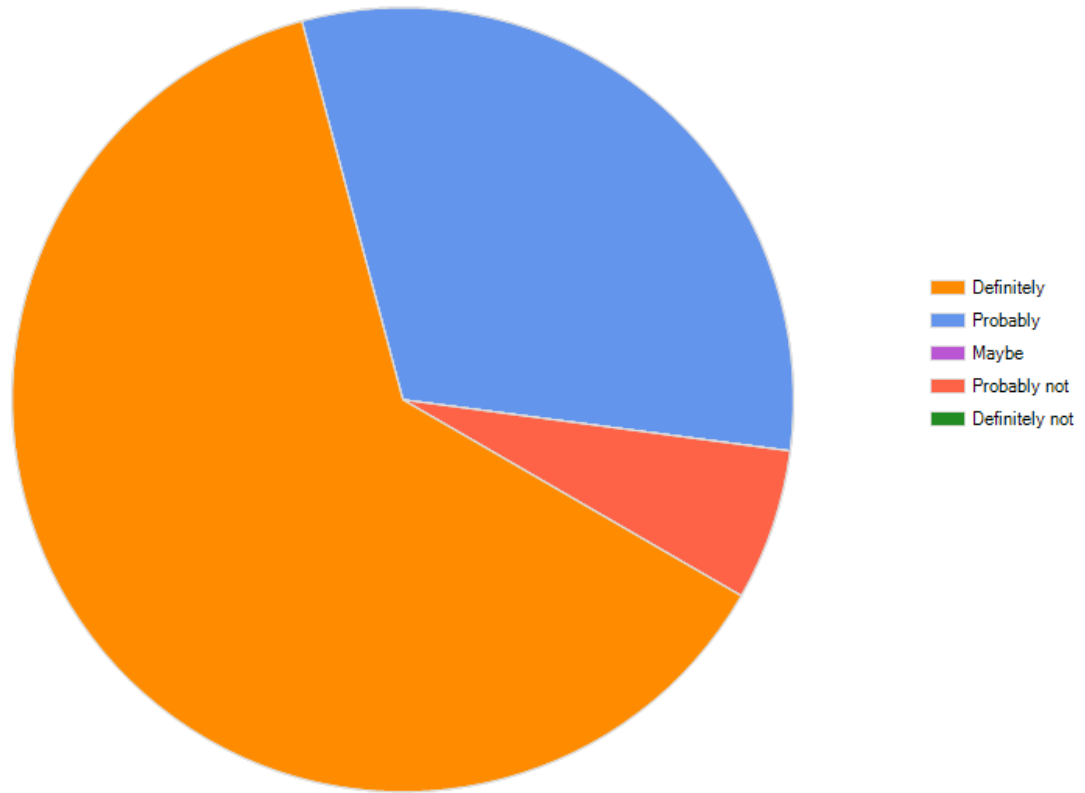
Appendix T
The GLOBE Academy
Preliminary Parent Survey Data

The Following charts are summaries of some of the data collected on prospective families thus far.

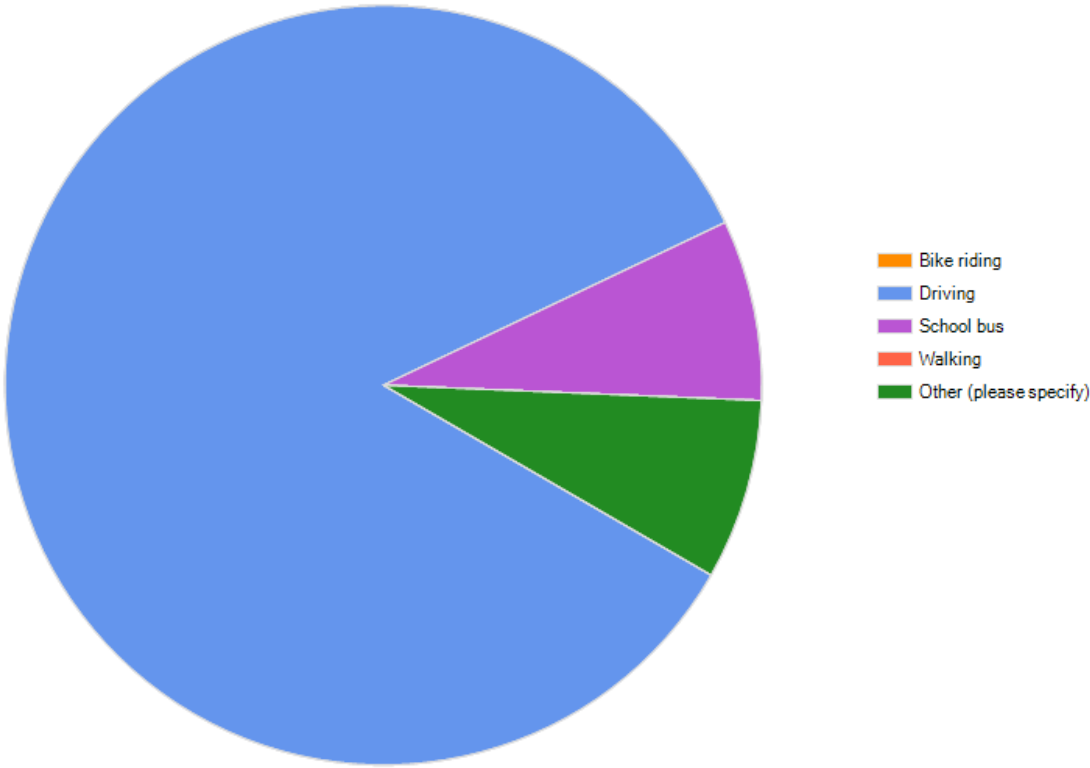
Describe your level of interest in enrolling your child in a public charter school that offers dual-language immersion in English and a second world language, and has a focus on fostering global citizenship and competencies.



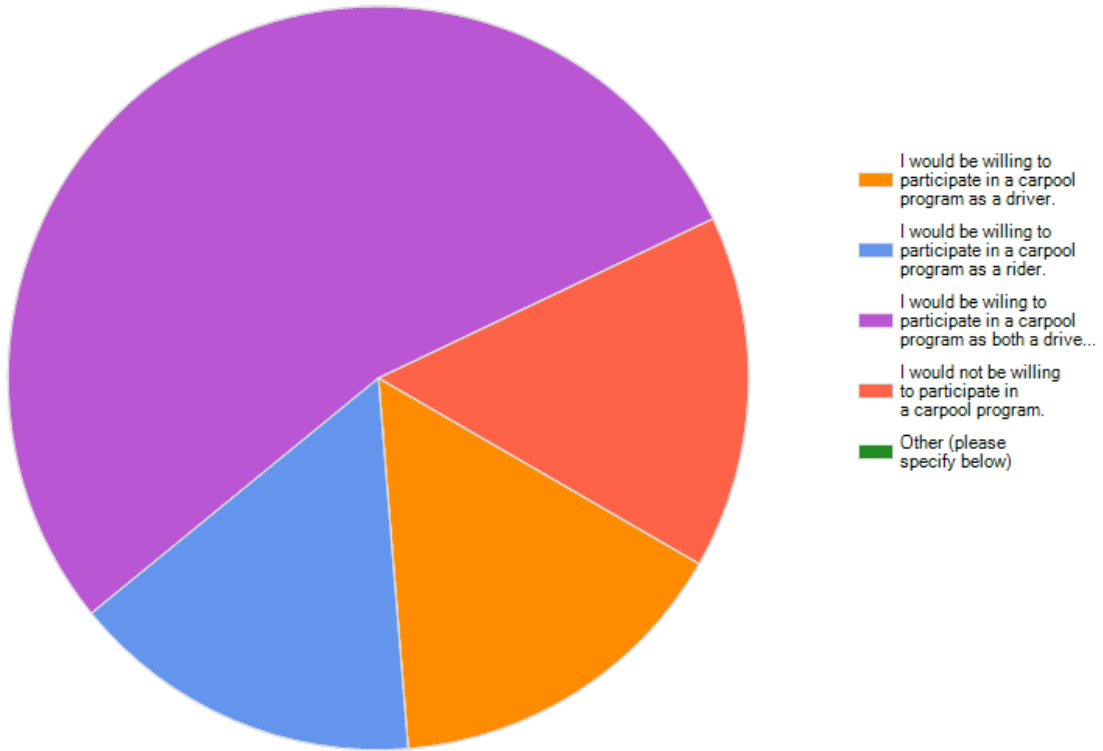
If you do not currently live in Dekalb County, would you be willing to move so that your child would be eligible to attend a school like The GLOBE Academy?



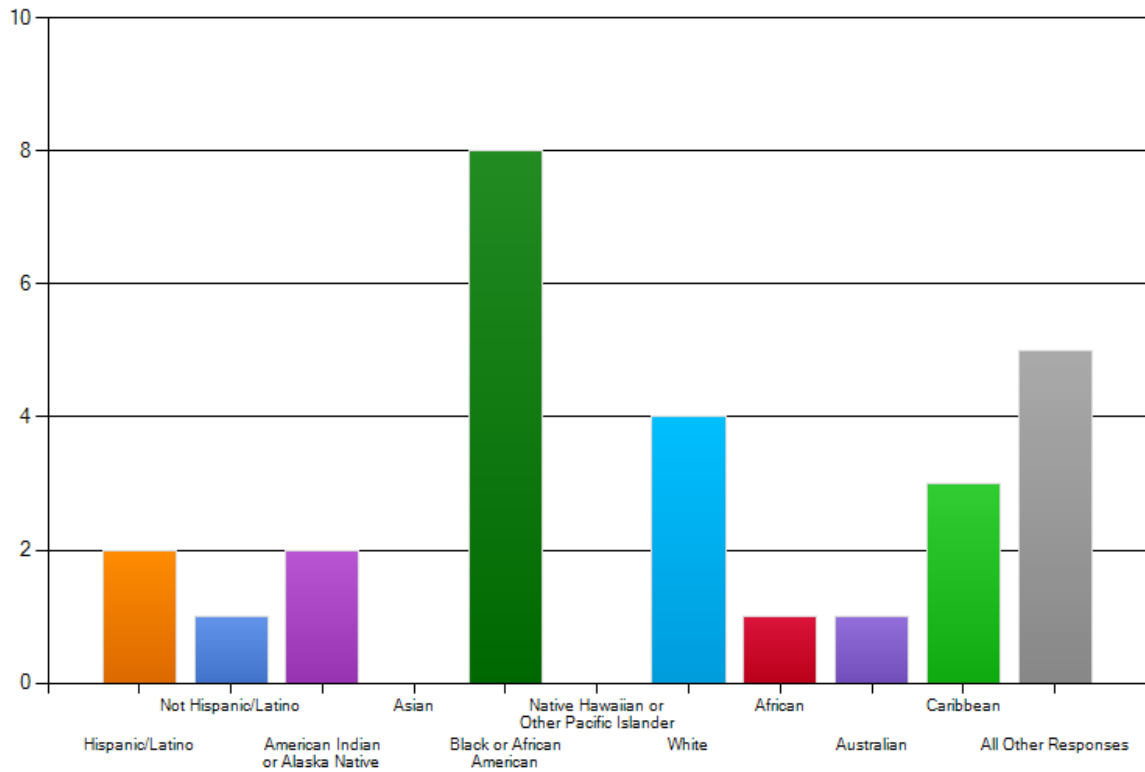
What is the primary mode of transportation that you will most likely rely upon for getting your child(ren) to school during the 2013-2014 school year?



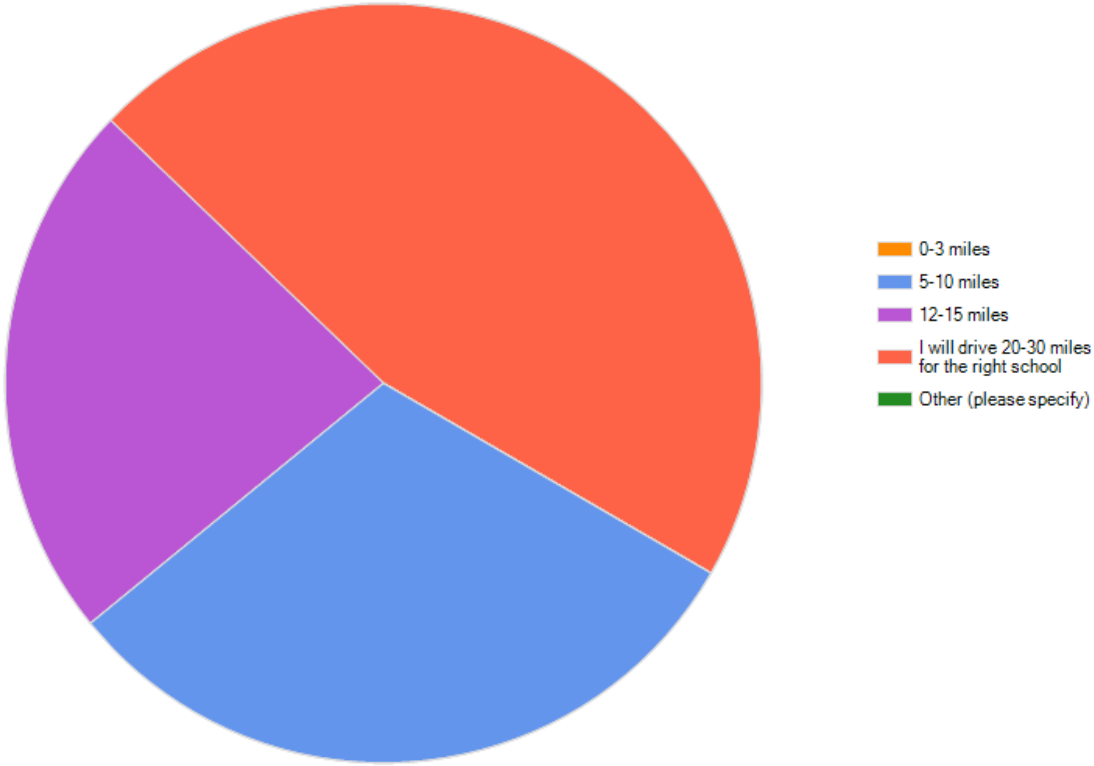
The GLOBE Academy will most likely implement a carpool program in an effort to lower our environmental footprint, as well as traffic coming into and out of the school. Please indicate your willingness to participate in a carpool program at The GLOBE Academy.



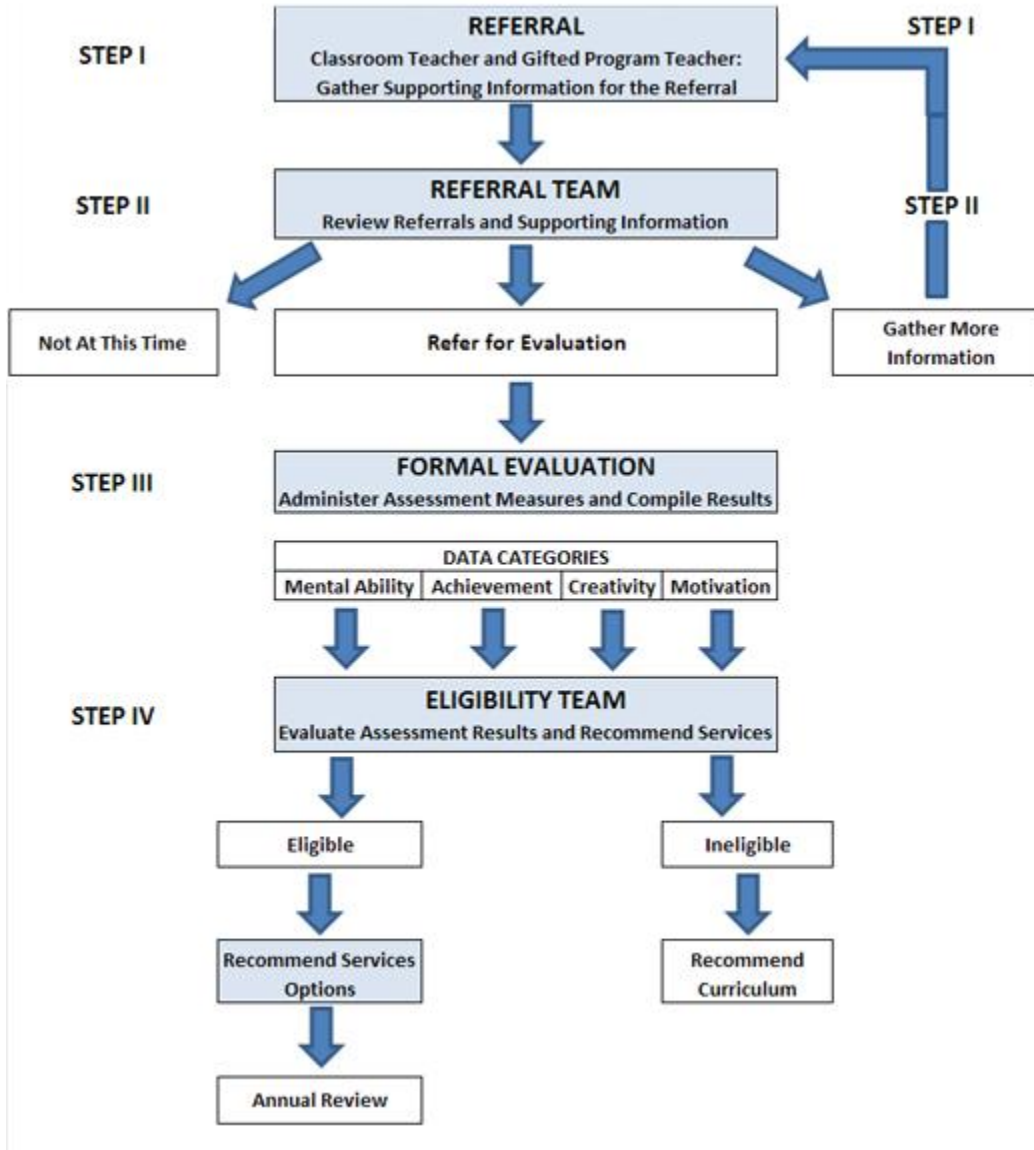
Diversity (in all of its many meanings) is a critical piece of The GLOBE Academy's mission. Please tell us about the ethnic and racial diversity represented in your family. Please check all categories that describe your family's background.



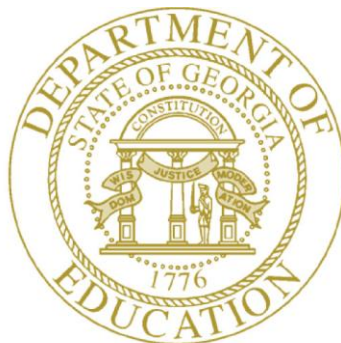
If you are willing to drive your child(ren) to school, please indicate the number of miles you are willing to drive from your home and/or place of work.



GIFTED EDUCATION REFERRAL PROCESS



Georgia Department of Education



Dr. John D. Barge, State School Superintendent
“Making Education Work for All Georgians”

Early Intervention Program (EIP) Guidance 2012-2013 School Year

NOTE: This document and the current rubrics serve as the guidance for initial placement of students in the Early Intervention Program for the beginning of the 2012-13 school year. Placement decisions for the beginning of the school year in 2012 will still be based on the Georgia Performance Standards (GPS).

The rubrics are under revision for use after initial placement for 2012-13. A new Guidance Document and updated rubrics aligned with the Common Core GPS will be posted after September 2012 to ensure that everyone uses the current Guidance and rubrics for initial placement and exit decisions.

Use the following link to the electronic Guidance document and rubrics.

<http://www.gadoe.org/Curriculum-Instruction-and-Assessment/Curriculum-and-Instruction/Pages/Early-Intervention-Program.aspx>

Contact Information:

Pam Smith, Director of Curriculum and Instruction
404-463-4141
pamsmith@doe.k12.ga.us

Early Intervention Program (EIP) Guidance
2012-2013 School Year

Table of Contents

Purpose.....Page 3
Program StructurePage 4
 Staff
 Delivery Models
 Class Size
 Class Segments
Eligibility for PlacementPage 8
Assessment and AccountabilityPage 9
 Reporting Procedures
 Student Assessment
 Exit Criteria
 Parental Involvement
 Accountability
FundingPage 10

Appendices

Appendix 1 – EIP Class Size RulesPage 11
Appendix 2 – OSA EIP Placement Criteria/RubricPage 14
Appendix 3 – OSA EIP Exit CriteriaPage 17
Appendix 4 – EIP Rule 160-4-2-.17Page 18
Appendix 5 – O.C.G.A §20-2-153Page 20
Appendix 6 – Frequently Asked QuestionsPage 22

2012-2013 CHANGES

The **format** of the placement (page 14) and exit (page 17) requirements was changed for easier reading based on suggestions from teachers. A clarification statement was included in the Frequently Asked Questions (page 22) regarding placement decisions in Grades 1 and 2. **Links throughout the document were updated.**

For Information Regarding Class Size Resolutions for Local Boards of Education, see link below.

<http://www.gadoe.org/External-Affairs-and-Policy/Policy/Pages/Class-Size-Information.aspx>

NOTE: This document and the current rubrics serve as the guidance for initial placement of students in the Early Intervention Program for the beginning of the 2012 school year. Placement decisions for the beginning of the school year in 2012 will still be based on the Georgia Performance Standards (GPS).

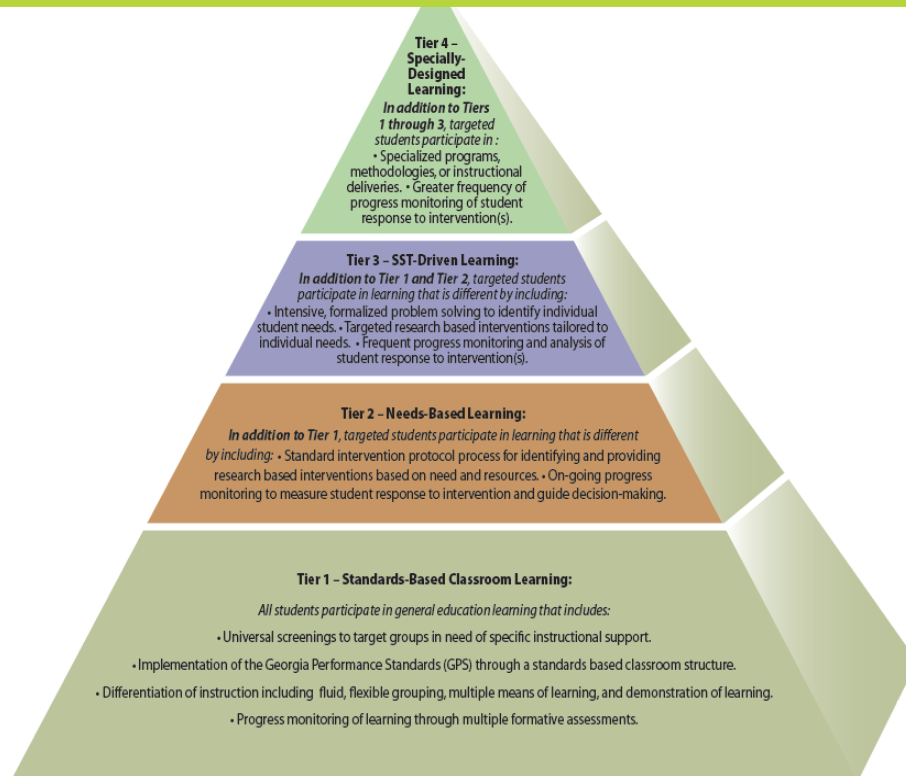
However, the rubrics are under revision to use after initial placement for 2012-13. A new Guidance document with updated rubrics aligned with the Common Core GPS will be posted after September 2012 to ensure that everyone uses this current Guidance document for initial placement and exit decisions.

PURPOSE OF EARLY INTERVENTION

Children start school at a designated chronological age, but differ greatly in their individual development and experience base. The Early Intervention Program (EIP) is designed to serve students who are at risk of not reaching or maintaining academic grade level. The purpose of the Early Intervention Program is to provide additional instructional resources to help students who are performing below grade level obtain the necessary academic skills to reach grade level performance in the shortest possible time.

The EIP Program is a part of the Response to Intervention (RTI) framework for providing support to students. The EIP Program provides a structure for additional instruction to ensure students meet grade level expectations at the elementary level.

Response to Intervention: The Georgia Student Achievement Pyramid of Interventions



I. PROGRAM STRUCTURE

1. **STAFF:** EIP must be staffed by certified teachers. Full time paraprofessionals may assist kindergarten EIP teachers for the purposes of reducing the student-teacher ratio to meet class size reduction rules.
2. **DELIVERY MODELS:** Any combination of the following models may be used within a system or school depending on the unique needs and characteristics of the students and school.

There are five models:

- (1) **Augmented** – The augmented model incorporates EIP services into the regular group class size by providing an additional early childhood certified teacher to reduce the teacher/pupil ratio while providing EIP services.
- (2) **Self-Contained** – This model is used to reduce the class size in order to provide more emphasis on instruction and increased academic achievement.
- (3) **Pull-Out** – EIP students are removed from the classroom for instruction by an additional certified teacher. This model may serve a maximum of 14 students at a time.
- (4) **Reduced Class Model** – This model allows for the combination of EIP students with regular education students in smaller classes. The reduced class model uses a sliding scale in which the class size reduces as the number of EIP students increase (see Appendix 1).
- (5) **Reading Recovery Program** – Students are removed from the classroom for one segment of reading. One segment of Reading Recovery is defined as a minimum of 30 minutes. Students must be served a minimum of 45 days. Students served by Reading Recovery may be counted for one segment of EIP instruction for the entire year.

Other School Designs – Schools may submit a school design model to the Georgia Department of Education (GaDOE). Use of this model requires a written description of how EIP students will be provided services above and beyond the regular classroom setting. Other school designs must include the following:

- an appropriate and effective program for accelerating student learning.
- services through a state-certified teacher.
- the use of EIP funds that provide supplemental instruction above and beyond those services provided by the state.
- compliance with the maximum class size rule.

3. **CLASS SIZE:** A class for EIP must follow Appendix 1 of the class size rule.

160-5-1-.08 CLASS SIZE

Early Intervention Program (EIP) Self-Contained and Pull-out Models

Grade(s) Subject(s)	Funding Class Size	Maximum System Avg. Class Size
Kindergarten	11	14
Grades 1-3	11	14
Grades 4-5	11	14

Self-contained classes may be multi-grade level classes as long as the class size does not exceed the maximum class size.

Augmented Class Model-Kindergarten

A state certified early childhood/elementary teacher will work for a minimum of one segment (45 minutes) with no more than 14 Early Intervention Program students.

Grade(s) Subject(s)	Funding Class Size	Maximum System Avg. Class Size
Kindergarten	15	18
Kindergarten with full-time paraprofessional	15	20

A maximum of 14 EIP students may be in an augmented class.

Augmented Class Model – Grades 1-3

A state certified early childhood/elementary teacher will work for a minimum of one segment (45minutes) with no more than 14 Early Intervention Program students.

Grade(s) Subject(s)	Funding Class Size	Maximum System Avg. Class Size
Grades 1-3	17	21
Grades 1-3 with full– time paraprofessional	17	21

Augmented Class Model – Grades 4-5

Grade(s) Subject (s)	Funding Class Size	Maximum System Avg. Class Size
Grades 4- 5	23	30*

A maximum of 14 EIP students may be in an augmented class.

Reduced Class Model – Kindergarten

EIP Students	Non-EIP Students	Maximum Total in Class
1	14	15
2	13	15
3	11	14
4	10	14
5	9	14
6	7	13
7	6	13
8	5	13
9	3	12
10	2	12
11	1	12

A full-time paraprofessional may be used in the kindergarten models to increase class size by 2 students. The 2 additional students may be either EIP or regular students.

Reduced Class Model – Grades 1-3 **

EIP Students	Non-EIP Students	Maximum Total in Class
1	16	17
2	14	16
3	13	16
4	12	16
5	10	15
6	8	14
7	7	14
8	5	13
9	4	13
10	2	12

Reduced Class Model – Grades 4-5 **

EIP Students	Non-EIP Students	Maximum Total in Class
1	22	23
2	20	22
3	18	21
4	16	20
5	14	19
6	12	18
7	10	17
8	8	16
9	6	15
10	4	14
11	2	13
12	1	13

*** Paraprofessionals may not be used to reduce teacher/student ratio in grades 1-5.*

Reading Recovery

The Reading Recovery Program may be used as a model for the Early Intervention Program.

Funding Class Size	Maximum System Avg. Class Size
11	14

Students served by Reading Recovery may be counted for one segment of EIP instruction for the entire year.

4. CLASS SEGMENTS:

A segment for grades K-3 is defined as a minimum of 45 minutes. A segment for grades 4-5 is defined as a minimum of 50 minutes. A Reading Recovery segment is defined as a minimum of 30 minutes.

II. ELIGIBILITY FOR PLACEMENT

The following will apply for student eligibility:

- Under Method 1, eligibility determination is made at the school level by identifying the students functioning below the normal expectation for the respective grade as determined by criteria established by the Georgia Office of Student Achievement (GOSA).
- Placement of students under Method 2 of the GOSA criteria must be consistent throughout the system.
- For kindergarten and grade 1, Method 2 allows students to qualify for EIP based on various criteria, including the EIP Rubric.
- For grades 2-5, Method 2 allows up to 3% of the students to qualify for EIP based on various criteria, including the EIP Rubric.

See Appendix 2

III. ASSESSMENT AND ACCOUNTABILITY

1. **REPORTING PROCEDURES:** Eligibility records and exit documentation must be maintained at the local school and made available for monitoring upon request.
2. **STUDENT ASSESSMENT:** Students must be moved into EIP, provided assistance, and moved out of EIP upon reaching grade level performance. Students placed in the EIP must be administered a formative assessment that will reflect achievement gains throughout the academic year.
3. **EXIT CRITERIA:** Program exit criteria are developed by the Office of Student Achievement.
See Appendix 3
4. **PARENTAL INVOLVEMENT:** The school shall provide a ten calendar-day notice for an opportunity to conference with the student's parents or guardians and the student to discuss the student's performance and the role of the Early Intervention Program. EIP funds may not be used for parent workshops (see Georgia School Laws, Section 20-2-167).
5. **ACCOUNTABILITY:** The Office of Student Achievement will consider the following EIP data in identifying performing and non-performing schools:
 - The length of time that students spend in the EIP.
 - Performance of EIP students on the Criterion-Referenced Competency Tests (CRCT).

IV. FUNDING

Students reported with a grade level of Kindergarten who are receiving services under the Early Intervention Program should be reported with a PROGRAM CODE = E for each segment served in the program. Refer to GaDOE Rule 160-4-2-.17 Early Intervention Program (EIP) for additional information.

Students reported with a grade level of 1 through 3 who are receiving services under the Early Intervention Program should be reported with a PROGRAM CODE = F for each segment served in the program. Students who are removed from the general education classroom for one segment to participate in the Reading Recovery Program may be counted for one segment of EIP instruction for the year. Refer to GaDOE Rule 160-4-2-.17 Early Intervention Program (EIP) for additional information.

Students reported with a grade level of 4 and 5 who are receiving services under the Early Intervention Program should be reported with a PROGRAM CODE = G for each segment served in the program.

Refer to GaDOE Rule 160-4-2-.17 Early Intervention Program (EIP) and Official Code of Georgia (OCGA) 20-2-16 Quality Basic Education Formula for additional information.

**All Full-Time Equivalent (FTE) questions should be directed to the
GaDOE Help Desk at 1-800-869-1011.**

APPENDIX 1

Early Intervention Program (EIP)

EIP CLASS SIZE RULES

Self-Contained and Pull-out Models

	<u>Funding Size</u>	<u>Maximum Class Size</u>
Kindergarten	11.....	14
Grades 1-3	11.....	14
Grades 4-5	11.....	14

Self-contained classes may be multi-grade-level classes as long as the class size does not exceed the maximum class size.

Augmented Class Model – Kindergarten

A state certified early childhood/elementary teacher will work for a minimum of one segment (45 minutes) with no more than 14 EARLY INTERVENTION PROGRAM students.

Funding Class Size		Maximum Class Size
15	Maximum Class Size Regular Kindergarten	18
15	Maximum Class Size With Full-time Paraprofessional	20

A maximum of 14 EIP students may be in an augmented class.

Augmented Class Model – Grades 1-3

A state certified early childhood/elementary teacher will work for a minimum of one segment (45 minutes) with no more than 14 EARLY INTERVENTION PROGRAM students.

Funding Class Size		Maximum Class Size
17	Maximum Class Size Regular Kindergarten	21
17	Maximum Class Size With Full-time Paraprofessional	21

A maximum of 14 EIP students may be in an augmented class.

Augmented Class Model – Grades 4-5

A state certified early childhood/elementary teacher will work for a minimum of one segment (50 minutes) with no more than 14 EARLY INTERVENTION PROGRAM students.

<u>Funding Class Size</u>		<u>Maximum Class Size</u>
23	Maximum Class Size Regular Kindergarten	30
23	Maximum Class Size With Full-time Paraprofessional	30

A maximum of 14 EIP students may be in an augmented class.

Reduced Class Model – Kindergarten

<u>EIP Students</u>	<u>Non-EIP Students</u>	<u>Maximum Total in Class</u>
1	14	15
2	13	15
3	11	14
4	10	14
5	9	14
6	7	13
7	6	13
8	5	13
9	3	12
10	2	12
11	1	12

A full-time paraprofessional may be used in kindergarten models to increase class size by 2 students. The 2 additional students may be either EIP or regular students.

Reduced Class Model – Grades 1-3

<u>EIP Students</u>	<u>Non-EIP Students</u>	<u>Maximum Total in Class</u>
1	16	17
2	14	16
3	13	16
4	12	16
5	10	15
6	8	14
7	7	14
8	5	13
9	4	13
10	2	12

Reduced Class Model – Grades 4-5*

EIP Students	Non-EIP Students	Maximum Total in Class
1	22	23
2	20	22
3	18	21
4	16	20
5	14	19
6	12	18
7	10	17
8	8	16
9	6	15
10	4	14
11	2	13
12	1	13

**Paraprofessionals may not be used to reduce teacher/student ratio in grades 1-5.*

Reading Recovery

The Reading Recovery program allows for students to be removed from the classroom for one segment of reading. One segment of Reading Recovery is defined as a minimum of 30 minutes. Students must be served a minimum of 45 days.

The Reading Recovery Program may be used as a model for the Early Intervention Program.

Funding Size
11

Maximum Class Size
14

Students served by Reading Recovery may be counted for one segment of EIP instruction for the entire year.

APPENDIX 2

Governor's Office of Student Achievement (GOSA) EIP ELIGIBILITY FOR PLACEMENT CRITERIA

Placement Procedures for the Early Intervention Program (EIP) Grades K-5

Eligibility for the Early Intervention Program (EIP) is determined by an assessment process at the local school system level. The eligibility determination is made by identifying the students functioning below the normal expectation for the respective grade using criteria provided by the Governor's Office of Student Achievement (GOSA).

There are different methods that may be used to establish eligibility for placement depending on grade level and includes the following:

For students entering Kindergarten or in Kindergarten:

Use the following method/s to identify students entering or in Kindergarten.

Method/s: This includes students whose documented performance indicates needing extra instructional assistance using one or more of the following:

- local assessments; or
- standardized norm-referenced tests (below the 35th percentile); or
- portfolios; or
- Georgia Pre-K Work Sampling System documentation; or
- Student Support Team (SST) Checklist; or
- EIP Rubric; or other checklist; or
- **retained kindergarten students** whose documented Performance Levels indicate "Not Yet Demonstrated" or "Emerging" on the majority of elements on the English Language Arts and/or Mathematics Georgia Kindergarten Inventory of Developing Skills (GKIDS).

For students entering or in Grade 1:

Use the following method/s to identify students entering or in Grade 1.

Method/s: This includes students whose documented Performance Levels indicate:

- "Not Yet Demonstrated" or "Emerging" on the majority of elements included on the English Language Arts and/or Mathematics Georgia Kindergarten Inventory of Developing Skills (GKIDS)); or
- other indicators such as local assessments;
- standardized norm-referenced tests (below the 35th percentile);
- portfolios;
- Student Support Team (SST) Checklist;
- EIP Rubric; or other checklists; or

- retained students who do not meet standards on the Criterion-Referenced Competency Tests (CRCT) and who score at Performance Level 1 (*does not meet*) on the CRCT in reading and/or mathematics. (The Criterion-Referenced Competency Tests are not administered in Grade 1. Refer to the criteria listed below for students without CRCT scores.)

For students entering or in Grades 2-5:

(The Criterion-Referenced Competency Tests are not administered in Grade 2. Refer to the criteria listed below for students without CRCT scores.)

Use Method 1 to identify students entering or in Grades 2-5.

Method 1 This includes students who do not meet standards on the CRCT and who score at Performance Level 1 (*does not meet*) on the CRCT in reading or mathematics.

Use Method 2 to identify students who do not qualify using Method 1.

Method 2 This includes students who meet standards on the CRCT in reading or mathematics, but whose documented performance shows that they are performing at Performance Level 1 (*does not meet*) on the CRCT in reading or mathematics. This population of students who meet CRCT standards but need additional instructional assistance shall not exceed 3% of the population at the system, school, or grade level.

For students in Grades 1-5 without CRCT scores:

This includes students who do not have CRCT scores but whose documented performance shows that they are performing at Performance Level 1 (*does not meet*) on the CRCT in reading or mathematics.

Documented performance must include one or more of the following:

- local assessments, or
- standardized norm-referenced tests (below the 35th percentile), or
- portfolios, or
- Student Support Team (SST) Checklist, or
- EIP Rubric, or
- other checklists, or
- performance as described by Performance Descriptors for Performance Level 1 of the CRCT.

EIP RUBRIC

Students may qualify for EIP specifically in reading or mathematics. The eligibility rubrics are based on the Georgia Performance Standards (GPS) for **reading** and **mathematics**.

When using the EIP Rubrics, refer to the table below to determine student eligibility.

	READING	MATHEMATICS
Kindergarten	18 or less points	8 or less points
1st	30 or less points	14 or less points
2nd	24 or less points	14 or less points
3rd	22 or less points	14 or less points
4th	20 or less points	14 or less points
5th	20 or less points	14 or less points

EIP Rubrics may be downloaded from the GaDOE website at this link:

<http://www.gadoe.org/Curriculum-Instruction-and-Assessment/Curriculum-and-Instruction/Pages/Early-Intervention-Program.aspx> (Click on the EIP Rubric link.)

APPENDIX 3

GOVERNOR'S OFFICE OF STUDENT ACHIEVEMENT (GOSA) EIP EXIT CRITERIA

Exit Procedures for the Early Intervention Program (EIP) Grades K-5

Early Intervention Program exit criteria, developed by the Georgia Office of Student Achievement (GOSA), include the following:

For students in Kindergarten:

- a. This includes kindergarten students whose Performance Levels indicate meets or exceeds on the majority of elements included on the English Language Arts and/or Mathematics Georgia Kindergarten Inventory of Developing Skills (GKIDS); or
- b. whose documented performance indicates “on or above grade level” as documented by one or more of the following: local assessments, portfolios, Student Support Team (SST) Checklist, EIP Rubric, or other checklists.

For students in Grades 1-5:

(The CRCT are not administered in Grades 1 and 2. Refer to the criteria listed in bullet b.)

- a. This includes students who score at either Performance Level 2 or 3 (*Meets or Exceeds the Standard*) on the Criterion-Referenced Competency Tests (CRCT) in reading or mathematics; or
- b. whose performance indicates “on or above grade level” as documented by one or more of the following: local assessments, portfolios, Student Support Team (SST) Checklist, EIP Rubric, other checklists, or student work as described by CRCT Performance Descriptors for Performance Levels 2 or 3 of the CRCT.

For students in Grades K-5 without Georgia mandated test results:

This includes students whose performance indicates “on or above grade level” as documented by one or more of the following: local assessments, portfolios, Student Support Team (SST) Checklist, EIP Rubric, other checklists, or student work as described by CRCT Performance Descriptors for Performance Levels 2 or 3 (*Meets or Exceeds the Standard*) of the CRCT.

APPENDIX 4

Code: IDDH

160-4-2-.17 EARLY INTERVENTION PROGRAM (EIP).

(1) DEFINITIONS.

- (a) **Accelerated Instruction** – challenging instructional activities that are intensely focused on student academic deficiencies in content areas. This accelerated instruction is designed to enable students who have not achieved grade level, as defined by the Office of Student Achievement, to meet grade-level standards in the shortest possible time.
- (b) **Early Intervention Program** – a program designed to serve students in grades kindergarten through five who are at risk of not reaching or maintaining academic grade level, as defined in the department’s *Early Intervention Program Guidelines*, to obtain the necessary academic skills to reach grade-level performance in the shortest possible time.

(2) REQUIREMENTS.

- (a) All identified students shall be moved into the Early Intervention Program (EIP), provided assistance, and moved out upon reaching grade level performance.
- (b) The kindergarten early intervention program shall serve students enrolled in grade kindergarten. The primary grades early intervention program shall serve students enrolled in grades one through three. The upper elementary grades early intervention program shall serve students enrolled in grades four and five.
- (c) Schools participating in the EIP shall provide an instructional program that will promote the acceleration of learning in order for students to succeed and progress to the next higher level of academic achievement in accordance with *Georgia Department of Education Early Intervention Program Guidelines*.
- (d) The specifications for delivery of early intervention services shall be the responsibility of local boards of education. Participating schools shall use instructional models for the Early Intervention Program that include, but are not limited to, class augmentation, self-contained, reduced class size, pull-out, or Reading Recovery.
- (e) Eligibility determination is made at the school system level by identifying the students functioning below the normal expectation for the respective grade using criteria provided by the Office of Student Achievement.

160-4-2-.17 (Continued)

- (f) Local systems shall use the provided EIP Checklist rubric, when using the EIP Teacher Checklists for eligibility.
- (g) Local systems shall devise a process for identification of students during the school year as a continuous process of early identification and monitoring.
- (h) The school shall provide a ten calendar-day notice for an opportunity to conference with the student's parents or guardians and the student to discuss the student's performance and the role of the early intervention program.
- (i) Students placed in the EIP must be administered continuous assessments that will reflect achievement gains throughout the academic year.
- (j) Program exit criteria shall be as developed by the Office of Student Achievement.
- (k) Eligibility records and exit documentation shall be maintained at the local school made available for monitoring upon request.
- (l) Each local school system shall report the number of students served in the EIP as part of the full-time equivalent (FTE) program count.

Authority O.C.G.A. § 20-2-153.

Adopted: April 13, 2006 Effective: May 3, 2006

APPENDIX 5

Georgia Code O.C.G.A. § 20-2-153.

(a) The State Board of Education shall create and each local board of education shall provide an early intervention program to serve students in kindergarten through grade five. The kindergarten early intervention program shall serve students enrolled in kindergarten. The primary grades early intervention program shall serve students enrolled in grades one through three. The upper elementary grades early intervention program shall serve students in grades four through five.

(b) The early intervention program shall serve students who are at risk of not reaching or maintaining academic grade level, including but not limited to students who are identified through the first grade readiness assessment required by Code Sections 20-2-151 and 20-2-281 and students with identified academic performance below grade levels defined by the Office of Student Achievement in Code Section 20-14-31 for any criterion-referenced assessment administered in accordance with Code Section 20-2-281 for grades one through five. Local school systems shall devise a process for the identification of such students at the beginning of each school year and also during the school year as a continuous process of early identification and monitoring. School systems may use indicators such as but not limited to the student's scores on previous assessments, the student's classroom performance in the same or previous years, and other reliable indicators to identify such students. A student shall be assigned to the early intervention program as soon as is practicable after the student is identified as at risk or after the results of the first-grade readiness assessment, the criterion-referenced assessment, or other indicators are known. The school shall provide timely notice and an opportunity for a conference with the student and his or her parents or guardians to discuss the student's academic performance and the role of the early intervention program.

(c) The State Board of Education shall describe by rules and regulations such additional services, resources, support, or strategies as may be provided by the local school system. The specifications for delivery of early intervention services shall be the responsibility of local boards of education except that the program rules and regulations adopted by the State Board of Education shall be followed in designing the program delivery models. Delivery models may include, but are not limited to, class augmentation, pull-out or self-contained classes, and the Reading Recovery Program delivered by certificated personnel.

(d) The early intervention program shall be designed with the intent of helping the student to perform at expectations and exit the program in the shortest possible time. Students shall be moved into this program, provided assistance, and moved out of this program upon reaching grade level performance. It is not the intent of the General Assembly that students be assigned to this program on a continuing or permanent basis.

(e) Funding for the early intervention program shall have a full-time equivalent teacher-student ratio of one teacher to 11 students.

(f) Each local school system shall annually report the number of students served in the early intervention program as part of the full-time equivalent program count conducted pursuant to Code Section 20-2-160.

APPENDIX 6

EIP Frequently Asked Questions

Q1: Since there will not be CRCT data for first and second grade students, what can be used for placement and exit criteria?

A: Local school districts will be able to determine the type/s of documented performance data for placement and exit purposes.

*** For students in Grades 1-5 without CRCT scores:**

This includes students who do not have CRCT scores but whose documented performance shows that they are performing at Performance Level 1 (*does not meet*) on the CRCT in reading or mathematics. **Documented performance must include one or more of the following: local assessments, standardized norm-referenced tests (below the 35th percentile), portfolios, Student Support Team (SST) Checklist, EIP Rubric, other checklists, or performance as described by Performance Descriptors for Performance Level 1 of the CRCT.**

*The above statement was copied from page 15 of this document.

The students whose documented performance does not meet grade level standards but who still need additional instructional assistance via the Early Intervention Program **shall not exceed 3%** of the population at the system, school, or grade level.

Q2: What is the “make-whole” reporting and why is it required?

A: The Early Intervention Program (EIP) provided additional funds during the first year of the program to schools using the augmented and pullout models. Regular classroom teachers must have a certain number of students in each segment, based on class size requirements, to be fully funded. Augmented and pullout models bring the number of FTE students below the funding level during those segments of the day. The EIP "make-whole" funding makes up the difference that it would take to pay for a full-time regular teacher. The "make-whole" funding was only provided during the first few years of the program starting in 2001. However, local school districts and schools are still reporting the data for "make-whole" in case this funding is reinstated.

Q4: Does the 3% of the population of students who meet CRCT standards but need additional instructional assistance apply to the school or grade level?

A: Georgia State Board rule 160-4-2-.17 indicates that the 3% refers to a particular grade level. In 2004, districts were given the flexibility to allow the 3% to include grade level, school, or system. Please see the document at this link: <http://www.gadoe.org/Curriculum-Instruction-and-Assessment/Curriculum-and-Instruction/Pages/Early-Intervention-Program.aspx> (Click “Early Intervention Program (EIP) Flexibility for the 3% Cap”)

Q5: How is Response to Intervention (RTI) connected to EIP?

A: Since the purpose of the Early Intervention Program is to provide additional instructional resources to help students who are performing below grade level obtain the necessary academic skills to reach grade level performance in the shortest possible time, the connection to RTI is clear. EIP is a part of the RTI intervention framework. The instruction that is occurring in the EIP classrooms needs to be at the center of the schools attention. For EIP services to be considered a Tier 2 intervention, the instruction that is occurring during this intervention would be in addition to Tier 1 and be evidence-based.

Q6: Where can we find information on reporting guidance for EIP?

A: Information on data collection and reporting requirements can be found on the following website: <http://www.gadoe.org/Technology-Services/Data-Collections/Pages/Home.aspx>

Q7: How should special education students be counted in EIP?

A: If a special education student was assigned to a **regular** education teacher all day and participated in EIP, this student may be included in the EIP data collection.

If a special education student was assigned to a **special** education teacher all day and participated in EIP, this student **may not** be included in the EIP data collection. If this same student was assigned to a special education teacher part of the day, this student could be included in the data collection during a segment not served by the special education teacher.

Q8: Can Title I students who participated in EIP be included in the EIP data collection?

A: In some situations, the student **may** be included in the EIP data collection. Please refer to this link for detailed Title I information: <http://www.gadoe.org/School-Improvement/Federal-Programs/Pages/default.aspx>

Q9: How many segments may qualified students be counted in FTE?

A:	Augmented model	no more than 2 segments
	Pull out model	no more than 2 segments
	Self contained model	no more than 6 segments
	Reduced class size model	no more than 6 segments
	Reading Recovery	no more than 1 segment for the entire year

Q10: What if a student is identified by the teacher for possible additional support without a CRCT score?

A: The EIP Rubric or local checklist may be used. See the eligibility section of the EIP guidance – Appendix 2.

Q11: How should parents be notified of student participation in EIP?

A: **Before** services begin, the school shall provide a ten calendar-day notice for an opportunity to conference with the student’s parents or guardians and the student to discuss the student’s performance and the role of the Early Intervention Program (see State Board of Education Rule 160-4-2-.17 EARLY INTERVENTION PROGRAM (EIP).
http://www.gadoe.org/External-Affairs-and-Policy/State-Board-of-Education/SBOE%20Rules/160-4-2-.17_dup.pdf.

Q12: Are ESOL students eligible to participate in the EIP program? How should they be found eligible? How should they be counted in FTE?

A: Yes, ESOL students can participate in the EIP program. They must be counted in FTE during a segment they are not being served in the ESOL program.

For eligibility, Office of Student Achievement (OSA) criteria should be followed. Additionally, the following guidance from the WIDA ACCESS Placement Test (WAP-T) and Kindergarten Measure of Developing English Language (MODEL) may be considered:

- WAP-T - Students combined raw score for speaking and listening is less than 19, reading score is less than 11, and the writing score is less than 12.
- MODEL – Composite Proficiency Level is between 1.0 and 3.5.

Q13: Can the 35 percentile cut-off from a norm-referenced assessment be used to identify 2nd - 5th graders who did not fail the CRCT instead of the checklist?

A: Yes, as long as those students are within the 3% limitation.

Q14: Can all EIP students in a Reduced Class be counted for 6 segments on FTE count day if the number of EIP students meets the requirements of the model ratio?

A: Yes, in the reduced class model, if the number of EIP students meets the requirements of the model ratio on FTE count day, you may count all of the EIP students in the class for all segments.

Q15: What is the meaning of “shall serve” in Georgia Code 20-2-153 regarding EIP?

A: When drafting requirements for the implementation of its programs, GaDOE uses the word “shall” with the expectation that it will be interpreted in accordance with the following definition from Black’s Law Dictionary (8th ed. 2004): shall, *vb*, **1**. Has a duty to; more broadly, is required to <the requester shall send notice> <notice shall be sent>.

Q16: Should EIP services be supplemental instruction or can it be in place of regular classroom instruction?

A: EIP instruction must be in addition to and different from regular classroom instruction.

Q17: Can EIP students be assigned to the EIP teacher as their reading or mathematics teacher for the entire school year?

A: Students should be removed from EIP when they are able to perform at grade level.

Q18: What are the number of segments a student can be served in a model?

A: The table below delineates the number of segments for each model, considering how a student qualified for EIP.

Model	Maximum number of segments (if student qualifies for...)		
	Mathematics	Reading	Both
Augmented	1	1	2
Self-contained	6	6	6
Pull-out	1	1	2
Reduced Class Model	6	6	6
Reading Recovery Program	N/A	1	N/A

Appendix W



Beyond the Checkbook:

A Financial Management Guide
for Leaders of Small
Youth-Serving Organizations



January 2009



Beyond the Checkbook:

A Financial Management Guide
for Leaders of Small
Youth-Serving Organizations

Robert E. LaVallee

Kate Sandel

January 2009

Beyond the Checkbook:

A Financial Management Guide for
Leaders of Small Youth-Serving Organizations

Foreword	4
Chapter 1. Thinking About Nonprofits	
1.1 How Nonprofits Differ from For-Profits	6
1.2 Advantages of a Nonprofit Corporation	7
1.3 Disadvantages of a Nonprofit Corporation	9
1.4 Pros and Cons of Forming an Independent Nonprofit	10
Chapter 2. Starting a Nonprofit	
2.1 Steps to Form a Nonprofit Corporation	12
2.2 Ways to Develop a Board of Directors	14
Chapter 3. Building a Financial Management System	
3.1 Elements of Financial Management Systems	17
3.2 Role of a Financial Manager	19
3.3 Goals of Financial Management Systems	20
3.4 Seven Signs of Financial Health	22
Chapter 4. Structuring the Accounting System	
4.1 Financial Accounting	23
4.2 Chart of Accounts	25
4.3 Financial Accounting Methods	27
4.4 Accounting Software	29
Chapter 5. Creating and Using Budgets	
5.1 Budget Uses	34
5.2 Types of Budgets	35
5.3 The Budget Process	36
5.4 Operating Budgets	38
5.5 Types of Revenue	39
5.6 How to Project Revenue	40
5.7 Types of Expenses	41
5.8 How to Estimate Expenses	41
5.9 Comparison of Projected Revenue and Estimated Expenses	43
5.10 A Shift from Project Budgets to an Organization Budget	44
5.11 Results-Based Budgeting	44
5.12 Preparing and Presenting the Budget	45
5.13 Reflections on Budgeting Practices	48

Chapter 6. Applying Financial Management Controls	
6.1 The Importance of Internal Financial Management Controls.	53
6.2 A Complete System of Internal Financial Management Controls.	55
6.3 Receipts Procedures.	58
6.4 Disbursements Procedures.	59
6.5 Petty Cash Procedures.	62
6.6 Payroll Procedures.	63
6.7 Investment Policies and Procedures.	65
6.8 Reflection on Controls.	68
 Chapter 7. Allocating Overhead	
7.1 Overhead Defined.	73
7.2 Reasons to Allocate Overhead.	74
7.3 Methods to Allocate Overhead.	75
7.4 Ways to Calculate Overhead Rates.	79
 Chapter 8. Creating and Using Financial Reports	
8.1 Thinking About Financial Reports.	81
8.2 Using Financial Reports.	82
8.3 Identifying Reporting Needs.	83
8.4 Monitoring Performance.	86
8.5 Interpreting Financial Statements.	87
 Chapter 9. Conducting an Audit	
9.1 Audits.	94
9.2 Purposes of an Audit.	95
9.3 Working With an Auditor.	96
9.4 Alternative Audits.	98
 Chapter 10. Complying with Sarbanes-Oxley and the Revised IRS Form 990	
10.1 The Revised IRS Form 990.	100
10.2 Preparing the Revised Form 990.	100
10.3 The Sarbanes-Oxley Act.	102
 Chapter 11. Sharing a Few Final Reminders.	104

Foreword

If you are reading this foreword, you may be one of the dedicated and entrepreneurial individuals who, during the past several decades and with the support of public funding and private investments, have helped create many new programs aimed at improving outcomes for youth. If you are a part of one of these newly formed organizations—or organizations that have expanded their missions and services—then you know the serious challenges to your organization’s survival.

- Your organization must find effective and efficient ways to operate.
- Your organization faces intense competition from the scores of existing youth development programs nationwide in the struggle to secure funding.
- Funding for youth programs tends to be fragmented and often short term, as does funding for most human services programs.

Solid financial systems are needed to meet these challenges. While starting or expanding a youth-serving program, it’s common to focus exclusively on defining the mission and building the program. Yet this focus can come at the expense of creating the internal systems that keep your initiatives running. Enthusiasm and commitment are essential elements, but you can work more effectively if you take the time to establish policies and processes that will keep your organization’s financial house in order.

Solid financial systems are needed to meet these challenges.

Youth Programs Defined

Throughout this guide, the term “youth programs” is used to describe a wide range of services and activities for youth. Youth programs include prevention, intervention, and developmental programs across multiple disciplines, including academics, workforce preparation, health and well-being, leadership and civic engagement. These programs are provided by large and small and public and private organizations in diverse settings such as schools, workplaces, and community centers. Youth program activities include counseling, mentoring, career exploration, summer employment, dropout prevention, financial literacy, academic assistance, and sports and recreation.

About This Guide

This financial management guide is for leaders of small youth-serving organizations. (By small, we mean organizations or programs with budgets of less than \$2 million.) We understand that managers of youth-serving organizations often come to their positions with keen insights into providing effective programs for youth but less experience in handling the finances of an organization. Our hope is that this guide will help executive directors, directors of finance and administration, and program managers bridge that gap and understand the dynamic between the operations and the finances of their organization.

The guide aims to help leaders of small youth-serving organizations develop the tools and knowledge they need to create and use sound financial management practices. It identifies key components of financial management systems, discusses important considerations and trade-offs that organizations make in designing systems, and provides additional resources for those seeking to pursue specific strategies. The guide also contains checklists, examples, and templates to help clarify key ideas.

Financial management systems can be complicated and every organization is unique. Not every situation that a small youth-serving organization might face will be addressed in this guide. For more information, use the resources listed at the end of each chapter or contact a finance professional.



Cheryl D. Hayes

President and Chief Executive Officer

Chapter 1

Thinking About Nonprofits

- 1.1 How Nonprofits Differ from For-Profits
- 1.2 Advantages of a Nonprofit Corporation
- 1.3 Disadvantages of a Nonprofit Corporation
- 1.4 Pros and Cons of Forming an Independent Nonprofit

Many programs that serve youth begin as special projects or initiatives housed in existing organizations. Successful projects or initiatives sometimes become their own independent organizations, usually nonprofit corporations. This chapter explains the advantages and disadvantages of forming an independent nonprofit and introduces the basic legal requirements to maintain nonprofit status. (Most of the organizations serving youth that decide to incorporate also decide to act as nonprofit entities, so this guide focuses on nonprofit financial management. However, many of the chapters are relevant regardless of tax status.)

1.1 How Nonprofits Differ from For-Profits

For-profit and nonprofit organizations vary in several ways. Most importantly, their main objectives are different: for-profits are in business to make money, while nonprofits are in business to advance a specific mission. Following is a summary of the most significant differences between the two types of entities.

For-Profits	Nonprofits
<ul style="list-style-type: none"> • Are owned by individuals or stockholders and are accountable to them. • Are typically driven by profit and return on investment. • Are subject to income, property, sales, and use taxes. • Have customers. 	<ul style="list-style-type: none"> • Have no owner and are accountable to the board of directors and funders. • Are driven by mission. • Are tax-exempt, except for income from business unrelated to their mission. • Have clients and other stakeholders.

1.2 Advantages of a Nonprofit Corporation

Nonprofit status offers certain advantages over for-profit status. These include exemptions from many federal and state taxes, eligibility for additional funding, a separate legal life, flexibility in organizational structure, and lower postage rates.

Tax-exempt status. Most nonprofits qualify for federal tax exemption; few, if any, assets and income sources will be taxed. Federal tax exemption requires an application to the Internal Revenue Service (IRS). Moreover, the federal tax exemption usually qualifies the organization for exemption from state and local taxation; the organization will likely need to complete a separate application process through the state. Tax-exempt status does not necessarily mean the organization will not owe any taxes. Some sources of income unrelated to the mission of the organization, known as unrelated business income (e.g., rental property and advertising income), are subject to taxation.

Eligibility for public and private funding. Nonprofits are eligible to apply for and accept various public and private funding, some of which may not be available to for-profit organizations. Nonprofits can also solicit gifts, bequests, and donations from the public that are tax deductible for the donors (i.e., contributors may deduct these gifts from their income taxes). The tax impacts vary; restrictions exist on the deductibility of some donations and every individual has different tax circumstances.

Separate legal life. A nonprofit is its own legal entity. Although an individual or a group must create a nonprofit organization, the organization exists separately from the people who form it. Nonprofits can conduct business, borrow money, enter into contracts, own property, and sue and be sued. Nonprofit organizations exist until they are dissolved, despite employees coming and going. They also have limited liability. This means the organization is liable for its debts and for court judgments against it, but the founders and directors are rarely personally responsible for the debts.

TIPS



Insurance for the Director, Officers, and Other Board Members Is a Good Idea

Secure director's and officer's (D & O) liability insurance, even though nonprofit founders and directors have limited liability from debts and lawsuits. If you are a director and an officer who stays informed and takes an active role in understanding your organization and its financial position, you fulfill your fiduciary duty. By doing this, you reduce your liability. Regardless, in the event of extraordinary circumstances D & O liability insurance protects the director, officers, and other board members from most exposure to civil actions against them. Be sure to shop around for the best policy.

DEFINITIONS

Not all non-profits are alike

The Internal Revenue Service has different rules for different kinds of nonprofits. Most youth-serving organizations are considered charitable organizations and have 501(c)3 status, but there are other categories of nonprofits:

- churches and religious organizations;
- political organizations;
- private foundations; and
- other nonprofits (for example, certain pension and life insurance companies).

Flexible organizational structure. Nonprofit organizations have a defined operating structure and procedures, including bylaws and a board of directors. Incorporation places the purpose and structure of an organization above personal interests and differences of opinions among and between directors and founders. Operating as a nonprofit also affords discretion in defining the fiscal year and exemption from certain federal labor rules.

- Customization in defining the fiscal year. Nonprofits are not required to match their financial recordkeeping with the calendar year. They can elect any 12-month period as a fiscal year. This enables you to set the fiscal year in terms of funding or program cycles in a way that makes the most sense for your organization and its programs. For example, if your programs operate on an academic schedule, you may want to set or change the beginning of your fiscal year to September 1.
- Exemption from federal labor rules. In some states, nonprofits are exempt from federal labor rules tied to the National Labor Relations Act. In these cases, your organization is not subject to requirements for collective bargaining on wages and benefits, nor is it obligated to allow unionization in the workplace.

Lower postage rates. Most nonprofits can use the U.S. Postal Service at substantially reduced rates after receiving a special permit.

1.3 Disadvantages of a Nonprofit Corporation

Creating a nonprofit corporation also has its disadvantages, including the costs of incorporating, legally required paperwork, various restrictions, and scrutiny by outsiders.

Costs of incorporating. In addition to the time and effort involved in incorporating, there are legal costs and filing fees. Many organizations choose to consult with lawyers and/or accountants during the incorporation process. The services of these individuals may or may not be donated and can be expensive. In addition to the fee to file for a tax exemption at the federal level, nonprofits face a fee at the state level, which can range from \$10 to \$165.

Legally required paperwork. Incorporation requires considerable paperwork and can be a time-consuming process. Some documents (e.g., bylaws and articles of incorporation) must be prepared in a specific way and filed with the appropriate state agency. There are many reports to file (e.g., tax forms), and some of the forms are long and complex. IRS approval can take six to nine months, while approval of state sales tax exemption typically takes one month.

Restrictions on governance and finance. Incorporation creates a formal structure for governing an organization. The bylaws and articles of incorporation govern nonprofits, and a majority vote by a quorum of board members is often the only means to change policies. Nonprofit status also requires limitations on advocacy activity and on the use of unrelated business income. Moreover, if board members allow the organization to drift from its original charitable mission, they may lose their corporate liability protection as well as the organization's tax-exempt status.

Outside scrutiny. Nonprofit status comes with public scrutiny. Any forms filed with public agencies are available for public review. This includes information on salaries, expenditures, and activities.

TIPS



Nonprofits and Advocacy Are a Delicate Mix

Follow the IRS regulations that affect a 501(c)3 organization's ability to conduct public policy advocacy. The IRS divides advocacy into two categories: political campaign activity and lobbying activity.

- Political campaign activity on behalf of a candidate is absolutely forbidden, including making contributions and issuing public statements for or against a candidate. However, activities that encourage people to participate in the political process, such as voter registration drives, or that educate voters about certain issues, such as constituent forums, are acceptable.
- Lobbying to impact legislation is acceptable, so long as that effort is not a substantial part of an organization's activities.

Very specific guidelines are provided for these actions. If an organization plans to conduct advocacy activities, it is a good idea to check the IRS regulations beforehand.

1.4 Pros and Cons of Forming an Independent Nonprofit

Your youth-serving program may start out as part of a larger nonprofit organization. As it grows and matures, you may consider forming an independent entity. Following is a list of pros and cons that can help you decide whether it is better to operate under the umbrella of a larger organization or to be independent.

Operate Through an Existing Organization	Form a New Organization
<p>Pros</p> <ul style="list-style-type: none"> • Simplicity. You can avoid costly and time-consuming startup costs. • Resource sharing. You can use the resources (e.g., office space, administrative and staff support, institutional knowledge, and access to partnerships) of the existing organization. • Less risk. You can rely on support from the umbrella organization while developing stable funding. <p>Cons</p> <ul style="list-style-type: none"> • Less independence. You may have to follow certain operating procedures set by the existing organization. • Potential turf issues. You may have to navigate turf issues or office politics in the larger organization. • Limited funding opportunities. Your sponsor may designate certain funders as off limits if the sponsor already receives grants from that funder. Some funders may not like giving to programs through a fiscal sponsor. 	<p>Pros</p> <ul style="list-style-type: none"> • Own identity. You can create your own distinct brand and identity. • Independence. You can set your own operating procedures. • Little baggage. You do not have to deal with any negative associations with, or turf issues within, an umbrella organization. <p>Cons</p> <ul style="list-style-type: none"> • Startup costs. You may need more time and money for planning. • Risk. It may be harder to build diverse sources of funding to support long-term programming. • Lack of reputation. You must build organizational awareness and credibility before receiving support from funders.

Consider these issues to help determine whether an existing organization is the right place to house your youth program.

- **Compatible mission.** Does the organization's mission fit well with your program's mission?
- **Supportive structure and policies.** Does the organization have an administrative structure and employment policies that will support your program?
- **Strong reputation.** Does the organization have a strong reputation for fiscal integrity within the community?
- **Reasonable fee.** Does the organization charge a reasonable fee for serving as the fiscal agent, usually 5 percent to 10 percent of your program's annual budget?

Additional Resources

For more information on fiscal agents, see http://foundationcenter.org/get-started/faqs/html/fiscal_agent.html.

For more information on how your organization can qualify for lower postage rates, see www.usps.com/businessmail101/rates/nonprofit.htm.

For more information should your organization chooses to incorporate as a for-profit rather than a nonprofit, visit www.sba.gov.

DEFINITIONS

Fiscal Sponsor:

A **fiscal sponsor** (or fiscal agent) is a registered nonprofit that receives and allocates funds on behalf of another organization. Through a fiscal sponsor, a program that is not tax-exempt and/or is not incorporated can apply for and receive funding designated for nonprofits. An unincorporated organization must establish trust and good relations with a fiscal sponsor. The fiscal sponsor accepts responsibility for the program's use of funds in a charitable way.

Chapter 2

Starting a Nonprofit

- 2.1 Steps to Form a Nonprofit Corporation
- 2.2 Ways to Develop a Board of Directors

2.1 Steps to Form a Nonprofit Corporation

Obtaining legal status as a nonprofit is a complex process. If you decide that obtaining nonprofit status is right for your organization, the basic steps for doing so are these.

Arrange for incorporators. Incorporators are legally responsible for creating the nonprofit and sign their names to document its creation. Incorporators should be like-minded people who share your concern with fostering the organization's mission. Most states require more than one incorporator or director. Incorporators may also serve on the board of directors, but they need to serve only until the first meeting. Also, an incorporator can create the nonprofit and be removed from that responsibility by the joint action of the newly designated directors.

Choose a name for the corporation. Choosing an appropriate name is an important decision. The name of your organization serves as a brand for its work and should convey its mission to the public clearly and concisely. Make sure the name you have chosen is not being used by another organization.

Draft articles of incorporation. Each state has a prescribed form for this document. Check with the office of your secretary of state, or the equivalent. Required information typically includes the name and purpose of the organization, the name and number of the relevant state law, the location of your organization's main offices, the agent of the corporation (i.e., the person to whom mail can be sent), and the names and addresses of incorporators. Incorporators must sign the document; some states require the signatures to be notarized. You do not have to incorporate in the state in which the organization conducts business. Like many for-profits, many nonprofits elect to incorporate in Delaware because of its liberal tax and corporate laws.

TIPS



Incorporating Is a Complex Task

Hire an attorney to help you with the incorporation process. Some community legal clinics offer support to aspiring nonprofits.

File the articles of incorporation and pay the prescribed fee. Send the articles of incorporation to the appropriate state office with all required paperwork and the fee the state has set.

Receive notice of acceptance and filing. Once the state agency has reviewed and approved the submitted articles of incorporation, it will send a certified copy of the articles, which serves as a certificate of incorporation. Once the certificate of incorporation is issued, your nonprofit corporation exists and can conduct business.

Draft bylaws for the corporation. Bylaws govern the internal affairs of an organization. They specify the number of board members, how they will be selected, how long they will serve, and how many will serve as officers. They also outline how the board will operate, the organization's financial and legal procedures, and the organization's mission. The state where your organization wants to incorporate may have guidelines for drafting bylaws. Remember that bylaws should be tailored to meet your organization's needs. They do not have to be submitted with the articles of incorporation, but the bylaws must be submitted with an organization's application for tax exemption. Given the potentially large impact of the bylaws on your organization, we strongly recommend that you have a lawyer draft them.

Apply for federal tax-exempt status. The IRS requires an Application for Recognition of Exemption (Form 1023) to gain federal tax exemption. IRS Form 1023 is long and contains many attachments.

An IRS determination letter will be sent to your organization when the federal agency has completed its review. IRS review of an application for tax exemption may take several weeks or months. You can check on the progress of the application at www.irs.gov. Donations to your organization made prior to approval may still be tax deductible in many circumstances.

Apply for state tax-exempt status. Some states require the application for exemption from state corporate taxes to accompany the certificate of incorporation, while other states decide on the basis of the IRS ruling.

Apply for nonprofit mailing status. Although not a mandatory step, you may want to apply for nonprofit mailing status. To apply, obtain a U.S. Postal Service application from the local postmaster and submit the completed application with the certificate of incorporation and filing fee.

DEFINITIONS

Articles of Incorporation: Certificate of Incorporation: Bylaws:

Articles of incorporation

comprise the document filed with the state to become a nonprofit that includes basic information about an organization.

Certificate of incorporation is the document received from the state that certifies an organization as a nonprofit.

Bylaws are the rules that govern how an organization operates.

TIPS

Bylaws Have Considerable Organizational Impact

Include this kind of information in the bylaws:

- name and purpose of the organization;
- description of membership, including whether the organization has members, how people become members, and whether members are limited to elected directors;
- structure and operation of the board of directors, including the officers and board committees; and
- how bylaws can be amended.

Create the board of directors. The board of directors advises and oversees the work of the organization, using the bylaws as guidance. Section 2.2 discusses the role of the board and offers tips for selecting board members. Be sure to document all board meetings; an official corporate record book can be used to create a complete record of all board meetings and board actions. If incorporators are the original board members, they should elect additional or replacement members at the first meeting. Officers are usually elected at the first meeting and typically include a president, vice president, secretary, and treasurer. Officers should convene regular meetings of the board and draft and circulate minutes from the meetings.

Maintain records and file reports. Your nonprofit must file the appropriate federal and state income tax returns. Moreover, annual reports to the state attorney general on any fundraising activities typically must be filed.

2.2 Ways to Develop a Board of Directors

The board of directors is responsible for setting your organization's policy and ensuring its long-term sustainability. Make sure you attract people who believe in the organization's mission and who will follow through on their commitment to attend meetings and serve on committees. Attracting members with diverse skills is also helpful. Some of the board members should have expertise in youth development to help with programming decisions, while others should have legal, management, and/or financial backgrounds

The most important process is identifying the needs of the organization and recruiting board members to address those needs.

to provide assistance in these areas. The most important process is identifying the needs of the organization and recruiting board members to address those needs.

In many organizations, board members play key roles in raising funds; this does not mean board members must donate large sums to the organization, but they may be expected to spend time on fundraising. Most organizations establish terms of service for board members. Consequently, your nonprofit should establish procedures for recruiting new and replacing nonreturning board members.

To recruit board members:

- seek individuals who support the organization's mission;
- establish a good record of service, finance, and management;
- ensure the bylaws clearly address the role of board members, including requirements of service, term of service, compensation, prohibited acts, liability and indemnification, and commitments to fundraising; and
- use current board members in recruitment efforts, because good people attract other good people.

Board members have several responsibilities, including a duty of care, a duty of loyalty, and a duty of obedience.

Duty of care. Members of your board of directors should be competent and able to fulfill their duties. They should attend board meetings regularly, show independent judgment when voting, be informed about organization business, delegate only to responsible persons, and follow up. Board members are not expected to exercise perfect judgment; they can be creative, take risks, and make mistakes without fear of being taken to court.

Duty of loyalty. The board of directors should be faithful to your organization. Board members must give their undivided allegiance to the organization when making decisions. They must avoid conflicts of interest, including family interests, and disclose personal interests in all decisions. The most common conflict of interest occurs when board members use a nonprofit organization's property for personal benefit or take personal advantage of information they obtain as board members. Board members can have business dealings with the organization, but all interactions should come under considerable scrutiny. At times members may recuse themselves from voting on organization matters that touch on personal interests.

Duty of obedience. Actions by the board of directors should adhere to your organization's mission. Board members must ensure your organization remains obedient to the purposes stated in the articles of incorporation. They are free to exercise reasonable judgment concerning how your organization should best fulfill its mission; however, donors should be confident their contributions will be used for the stated purposes.



TIPS

The Board Plays an Important Role

The board of directors:

- sets organizational policy;
- hires and fires the executive director; and
- guides organization activities.

The board should focus on the big picture. It should guide the policies and direction of the organization and should not get involved in day-to-day operations. At the same time, the board must maintain its fiduciary responsibility to maintain the public trust.

Additional Resources

For more information on beginning steps in creating a nonprofit, see Foundation Center, *How to Start a Non-profit Organization* (New York, N.Y.: Foundation Center, 2006), at: http://foundationcenter.org/getstarted/faqs/html/starting_nonprofit.html.

For more information on operating a nonprofit, see G. Grobman, *Non-profit Handbook*, 4th ed. (Harrisburg, Pa.: White Hat Publications, 2005).

For tips and tools on running a nonprofit, see S. Hutton and F. Phillips, *Non-profits for Dummies*, 2nd ed. (Somerset, N.J.: Wiley Publishing, 2006).

For tips and tools on establishing a nonprofit organization, see Idealist.org., “Starting a Non-Profit” [2006], at: www.idealists.org/tools/starting-org.html.

For a list of IRS forms required over the life of a nonprofit, see www.irs.gov/charities/charitable/article/0,,id=122670,00.html.

For guidance on compliance issues for nonprofits, see Internal Revenue Service, U.S. Department of the Treasury, *Compliance Guide for 501(3)(c) Tax-Exempt Organizations* (Washington, D.C., 2003), at: www.irs.gov/pub/irs-pdf/p4221.pdf.

For guidance on tax issues for nonprofits, see Internal Revenue Service, U.S. Department of the Treasury, “Tax Information for Charities and Other Non-Profits” [2006], at: www.irs.gov/charities/index.html.

For a copy of Form 1023 (Application for Recognition of Exemption), see www.irs.gov/pub/irs-pdf/f1023.pdf. For a copy of instructions on completing this form, see www.irs.gov/pub/irs-pdf/i1023.pdf.

For state-specific information on articles of incorporation, see www.irs.gov/charities/article/0,,id=129028,00.html.

For information and resources on building effective boards, see www.boardsource.org.

Chapter 3

Building a Financial Management System

- 3.1 Elements of Financial Management Systems
- 3.2 Role of a Financial Manager
- 3.3 Goals of Financial Management Systems
- 3.4 Seven Signs of Financial Health

Your financial management system is all of the people, policies and procedures that your organization uses to maintain control of its finances and ensure that those finances are used responsibly to further its mission. Your youth-serving organization relies on financial management systems both for day-to-day operations and long-term planning. Proper financial management sustains your program, enabling it to stay in operation and meet your obligations to funders and communities.

3.1 Elements of Financial Management Systems

Effective financial management systems involve much more than just paying the staff and keeping on top of the bills. Good systems have seven essential elements: a clear mission and key results, programming, budgeting, financial controls, accounting, financial reporting and review, and auditing.

A clear mission and key results. Financial management systems exist to support your organization's goals, objectives, and operations. They enable the staff, board of directors, and volunteers to achieve desired outcomes. Before a single spreadsheet is created, however, your organization must express a clear mission and determine key results. All decisions, financial and otherwise, should be based on that mission and those results.

Programming. A financial management system should reflect and support the programs and activities of the organization. If you are engaged in a number of programs and receive support from a number of funders, then you need to budget, manage, and account for funds both separately and for the organization as a whole.

Budgeting. Budgeting is a deliberate, ongoing process to determine how your organization will spend money to attain specific short- and long-term goals within a given timeframe. It is also a tool for planning, monitoring costs and making decisions. Budgeting is discussed in depth in Chapter 5.

Financial controls. Internal financial controls promote and protect sound financial management practices. They provide a reasonable assurance that your organization's resources are safeguarded from fraud, waste, and abuse

as well as ensure that your plans and policies are properly implemented. Financial controls are covered in Chapter 6.

Accounting. This process records and keeps track of all financial transactions that occur within your organization. A good accounting system records, reviews, summarizes, and reports all financial activities accurately and on a timely basis. Accounting is reviewed in Chapter 4.

Financial reporting and review. Financial reporting is a process of summarizing all financial transactions—all revenue coming in and all expenditures going out—for a given period. It is a tool to support your internal decision-making. It is also a means to meet external requirements from, for example, funders and the government. Reporting is discussed in Chapter 8.

Auditing. Auditing tests the accuracy and completeness of information presented in financial statements. Usually completed by an independent outside entity, a successful audit proves the integrity of your organization's financial records. Audit requirements vary among states; smaller organizations may not be required to conduct an audit. Auditing is discussed in Chapter 9.

Factors Affecting Financial Management Systems

No two programs are exactly alike, so financial management systems should be designed to suit your organization's needs. Base your financial management systems on:

- the size and complexity of your organization;
- how long your organization has been operating;
- the nature of the programs and services your organization offers; and
- the skill sets of your staff.

3.2 Role of a Financial Manager

A good financial manager will develop and use tools to manage the financial responsibilities of your organization and support the work of your program managers. Your financial manager should:

- design processes and policies that support the work of program managers;
- coordinate and sometimes lead financial planning, budgeting, and monitoring;
- determine the appropriate amount of resources your program needs;
- manage costs, including avoiding or reducing excessive costs;
- manage working capital (for example, revenue minus expenses) and cash flow;
- efficiently allocate funds to specific assets and activities (for example, investments);
- control risk; and
- support fundraising and grants management.

If you are the executive director of a small organization, you may also be the financial manager. As organizational size increases, a more effective practice is to employ a dedicated financial manager, enabling you to focus on programming and fundraising. In addition, having two managers—typically you and the director of finance and administration—scrutinize the finances improves both the accuracy and the integrity of financial management systems.

DEFINITIONS

Cash Flow:

Cash flow is the pattern of income and expenditures over time. Plan when you need to pay out funds according to when you receive funds so your organization can maintain a positive cash flow.

A good financial manager will develop and use tools to manage the financial responsibilities of your organization and support the work of your program managers.

TIPS
Financial Management Systems Should Support Decisionmaking

Design your financial management systems to provide information that can help you make important decisions, such as:

- whether to expand or contract programming;
- whether to rent or purchase facilities or equipment; and
- where to focus fundraising activities.

3.3 Goals of Financial Management Systems

Good financial management systems focus on results, support programming, ensure accountability, support decisionmaking, and monitor financial performance. These systems must also be appropriate for the organization's scale.

Focus on results. Every system element (e.g., reporting, budgeting, accounting, and auditing) should support your organization's goals. Financial management structures should help you and your managers understand whether your organization is allocating resources effectively to achieve its mission.

Support programming. Good lead finance managers know they exist to support the program. Program managers in small youth-serving organizations face many challenges in their day-to-day work. Your organization's financial management systems should help them focus on the important tasks they must perform and not distract them with unnecessary burdens.

Ensure accountability. At the same time that the financial management systems should be "user-friendly" for the program staff, the systems must also ensure your board of directors and staff do not violate—intentionally or unintentionally—legal restrictions and ethical standards. Your financial management systems should include policies and processes that create internal accountability.

Support decisionmaking. Financial management systems should provide information for you and your managers to make smart, informed decisions. The systems should also enable your program leaders to demonstrate to public- and private-sector funders that your organization has the capacity to use funding wisely.

Monitor financial performance. Your financial management systems should help ensure your organization is financially sound (for example, is not spending more than it takes in, has sufficient reserves, and is operating efficiently). Ideally, your lead finance manager uses financial information to anticipate problems before they become crises.

Be appropriate for the organization's scale. Given the limited resources that most organizations have for infrastructure, you should tailor the scope of your financial management systems to the needs of your organization. As the lead finance manager sets up the financial structures, he or she should consider:

- the complexity of reporting requirements;
- the number of financial transactions (for example, deposits made and checks written) in a given period;
- the complexity of the chart of accounts; and
- the number of staff.

These and other factors will drive the size and complexity of the financial management systems. The systems must meet your organization's needs for the present and the next few years, but no longer than that. A lead finance manager should expect that changes in technology and generally accepted accounting principles will routinely make the existing systems obsolete. For this reason, resist the urge to overspend on state-of-the-art systems.

3.4 Seven Signs of Financial Health

Your organization can be considered financially healthy if ¹:

- it has enough income to ensure stable programming;
- it has access to cash or can raise cash if a shortfall occurs;
- it uses realistic income projections and presents realistic program and service delivery costs in its spending plan;
- the costs of programs do not exceed their assets (the programs operate on a modest surplus);

Your organization is more likely to be financially healthy if the board of directors and executive managers hold themselves responsible for the organization's financial stability and integrity.

- it has a “rainy day fund” (a reserve of cash on hand) to finance growth and cover cash shortfalls;
- it can reduce operating costs or use a rainy day fund to cover a deficit; and

- the board of directors and executive managers hold themselves responsible for the organization's financial stability and integrity.

Almost every youth-serving nonprofit experiences an occasional period of financial discomfort. However, if you find the organization is consistently at risk of closing its doors, you and your lead finance manager should review the signs of financial health and identify the weaknesses in your organization's practices. For more information on financial sustainability, visit The Finance Project's website at www.financeproject.org.

Additional Resources

For more information on fiscal operation of a nonprofit, see National Council of Non-Profit Organizations, *Sample Fiscal Operation and Policy Manual* (Washington, D.C.: National Council of Non-Profit Organizations, April 2004), at: www.ncona.org/uploads/documents/live/Sample_Fiscal_Operations_Policy.doc.

For more information on raising funds for nonprofits, see Dorothy A. Johnson Center for Philanthropy and Non-profit Leadership, “Non-profit Good Practice Guide: Fundraising and Financial Stability” [2006], at: www.npgoodpractice.org/Financial/.

¹ LarsonAllen Public Service Group

Chapter 4

Structuring the Accounting System

- 4.1 Financial Accounting
- 4.2 Chart of Accounts
- 4.3 Financial Accounting Methods
- 4.4 Accounting Software

Accounting systems track and record all of an organization's financial data and transactions. An efficient accounting system provides financial statements that summarize financial activities on a regular basis and in a timely fashion. Well-maintained accounting records also help you analyze and summarize the real costs of activities, make the best use of resources, and ensure resource allocation matches your organization's priorities.

4.1 Financial Accounting

Your organization must have a financial accounting system. This includes tracking expenses, revenues, assets, and liabilities. Reports produced from this system typically are subject to external verification. The financial accounting system aims to ensure that financial data and transactions are properly entered into accounting records and that the financial reports necessary for management are accurate and timely.

A financial accounting system is composed of accounting records (checkbooks, journals, ledgers, etc.) and processes and procedures assigned to staff, volunteers, and/or outside professionals. Traditionally, a financial accounting system includes a chart of accounts, a general ledger, journals, a checkbook, and an accounting procedures manual.

Chart of accounts. The chart of accounts lists each item the accounting system tracks. Section 4.2 provides more information on this important document.

General ledger. This document organizes information by account. The chart of accounts acts as the contents page for the general ledger. In automated systems, summary totals from all journals are immediately entered into the general ledger, which maintains a year-to-date balance for each account.

DEFINITIONS

Posting:

Posting is the process of transferring information from journals to the general ledger.

Journals. Automated systems seamlessly record all accounting transactions before they are entered into the general ledger. Journals, also called books of entry, organize information chronologically and by transaction type. Typically, three primary journals are maintained within the automated system, though they may not be displayed or may be combined.

- A **cash disbursement journal** is a chronological record of all checks that are written and is categorized using the chart of accounts (for example, all payments related to operations).
- A **cash receipts journal** is a chronological record of all deposits and is also categorized using the chart of accounts (for example, grants, contracts, publication sales, and interest).
- A **general journal** is a record of all transactions that do not pass through the checkbook, including noncash transactions and corrections to previous journal entries (for example, depreciation, deferred rent, and other outstanding obligations).

Checkbook. For very small organizations, a checkbook can serve as a combined ledger and journal. If your organization has paid staff, it will need a more sophisticated system.

Accounting procedures manual. This important

Clearly outlining accounting procedures will avoid confusion and help keep things running smoothly, especially during times of staff turnover.

document lists all procedures for handling financial transactions. The manual can be a simple description of how your organization's financial functions are handled and who is responsible for what. Clearly outlining accounting procedures will avoid confusion and help keep things running smoothly, especially during times of staff turnover.

4.2 Chart of Accounts

The chart of accounts lists each account that is tracked and is the heart of a financial accounting system. Your organization's chart of accounts should correlate to the categories in its budget so you can easily produce budget-to-actual statements. Each account is assigned an identifying number for use within the accounting system. Generally, the chart of accounts is divided into six major accounts—assets, liabilities, net assets (or fund balances), revenues, expenses, and functions of your organization—and includes a brief description of each account. (See page 32 for a sample chart of accounts.)

Assets. This account lists tangible items that your organization has as resources, including cash, property, equipment, and accounts receivable. Assets are usually presented in order of liquidity. Cash and other assets that are easily converted to cash are listed first; fixed assets, such as property and equipment, are listed last.

Liabilities. This account lists obligations that are due to creditors, such as loans and accounts payable. Current liabilities (usually those that are due within the next year) are usually listed first, followed by long-term liabilities.

Net assets (or fund balances). This account lists the balance remaining after liabilities are subtracted from assets. Net assets reflect an organization's financial worth. If your organization only receives unrestricted funds, it will have only one net assets account; if it also receives restricted funds, it will have more than one net assets account.

Revenues. This account lists contributions, service revenue, rental income, grant and contract revenue, and interest and dividend income. (Revenues are also called income.)

Expenses. This account lists the amounts paid for labor, goods, and services, such as rent, salaries, and utilities. Expenses are used-up assets.

Functions of the organization. This account lists your organization's critical cost centers or program areas. It may be displayed on a different axis than the other chart of account categories. Often the other categories will be shown as rows and the functions (for example, cost centers or restricted fund programs) will be displayed as columns.

TIPS



Digits Reveal Key Information

Make sure the digits in the chart of accounts designate specific segments, such as expense (four digits), department (three digits), and location (two digits). For example, chart of account code 5010-100-01 could signify salaries-afterschool program-main building.

Remember that the chart of accounts is continually changing. A current chart of accounts is necessary to ensure proper account coding. You should periodically review and update the charts of account to ensure it accurately reflects the relevant categories of revenue and expenditures for your organization. Ideally, the chart of accounts would only be modified during the budget process. All changes complicate comparisons with previous years, so the changes should be limited. Everyone who has budgetary responsibility or the authority to approve and code expenditures should have an updated copy of the chart of accounts.

Questions to Consider When Creating a Chart of Accounts

- **What financial decisions and assessments are made on a regular basis?** The response to this question can guide you in deciding what information you need to differentiate. For example, if an organization earns fees for some of its services, should all the fees be combined into one account or should information on fees from each type of activity be available?
- **What reports are needed?** Consider what reports are needed to meet external requirements and what reports will help in making internal management decisions. Some reports should be consolidated; not everyone needs to see all the details.
- **What level of detail is needed?** Determine the highest and lowest levels of detail needed from the financial records. Make sure to consider how managers will use the information that is recorded. Too much detail defeats the purpose of categorizing information into accounts. Financial details should be linked to behaviors; managers should be able to see information at a level where they can manage it.
- **What is the capacity for tracking financial information?** This capacity includes your bookkeeper's ability and availability to manage complex information and your organization's ability to interpret it.

4.3 Financial Accounting Methods

You and your lead financial manager will have to choose whether to base the financial system on a cash or accrual basis.

Cash accounting. This method recognizes and records all revenue and expense transactions when cash is received or deposited. Expenses are recorded in the accounting period the bills are paid. A cash accounting system is really a running tally of cash received and expenses paid. Small organizations typically use cash accounting, and many newer organizations find cash accounting to be easier to administer.

Accrual accounting. This method records income in the accounting period in which it is earned, regardless of when the cash is received. Expenses are recorded as they are owed, instead of when they are paid. This method provides a more meaningful record of an organization's fiscal status, and it is recommended practice according to "generally accepted accounting principles" or GAAP.

You and your lead finance manager should discuss the implications of choosing one practice over another with an experienced accountant. The system chosen will impact day-to-day operations as well as tax preparation and annual reporting requirements.

In addition to deciding whether to use a cash or accrual accounting system, you may choose to use one or more of these systems to complement the primary systems: fund accounting, results-based accounting, and/or cost accounting.

Fund accounting. For some types of grants or contracts, you will also have to account separately for certain funds. This is referred to as fund accounting and can happen with either a cash or accrual system. Government-funded nonprofits usually use this method to report on government grants.

TIPS



Cost Accounting Takes Time But Is Worthwhile

Recognize that developing a cost accounting system is a long-term goal. Such a system has the potential to offer enormous benefits, but its development will not occur overnight. A cost accounting system enables an organization to:

- demonstrate cost-effectiveness;
- understand and monitor resource flows;
- make optimal resource allocation and program choices;
- communicate policy-relevant data to key stakeholders; and
- produce external reports on the costs and benefits of the organization's work.

Results-based accounting. A growing number of nonprofit organizations are implementing results-based accounting systems. These systems track expenses for different services and/or activities by the results they aim to achieve. This is particularly helpful if your organization is interested in understanding how investments in various strategies and activities help meet stated goals. If an expenditure is related to more than one result, then you must determine what percentage of the costs is attributable to each result.

For example, the salary expense for a youth development program is coded as 60 percent for children and youth succeeding in school and 40 percent for youth ready to enter the workforce. Following is an example of results-based accounting for this scenario.

Result	Service	Type of Expenditure	Amount
Children and youth succeeding in school	Afterschool program	Staff salary	\$30,000
Youth ready to enter the workforce	Youth apprenticeship program	Staff salary	\$20,000

Cost accounting. Cost accounting is a process for measuring and analyzing information on the costs of your organization's services. This process aims to determine the correlation between services provided by your organization and the actual costs of those services. It builds on the information that financial accounting provides and can be used to help understand the effectiveness of various programs and activities. Your youth program may choose to implement a cost accounting system to augment its financial accounting system. A cost accounting system is necessary to implement a results-based accounting system.

A cost accounting system is composed of the same accounting records and procedures as a financial accounting system. However, in a cost accounting system, financial data is integrated with service and outcome data from your organization's activities. An effective cost accounting system provides information on organization and staff capacity. It also provides data on revenue, costs, services to clients, and client and community outcomes.

4.4 Accounting Software

Your organization should use some form of accounting software. An accounting software package will increase efficiency and lower costs by decreasing staff time spent on data entry and report production. It can give reporting greater accuracy by minimizing human errors—though coding errors are still possible—and providing checks to verify entries and balances. By eliminating the distance between data entry and report production, accounting software can generate reports very quickly. This software can also enhance systems for verifying data, including avoiding duplicate coding and identifying incorrect codes, erroneous dates, and inappropriate postings. Moreover, accounting software provides enhanced security measures to prevent changes to posted transactions or unauthorized entry into the accounting system. Most software allows for user restrictions. For example, the person who enters accounts payables is not allowed to write checks.

Making the Most of Accounting Software

To take advantage of accounting software, your organization must have access to qualified staff, hardware, security, backup, and accurate balances.

- **Qualified staff.** Accounting software requires trained staff to enter data, verify accuracy, and manage technical issues. However, if your organization is already keeping some accounts, it already has sufficient expertise for the baseline accounting packages available. The basic accounting software packages are quite simple to use.
- **Hardware.** Some accounting software requires large amounts of computer memory and computer speed, but the basic versions can run on most current operating systems. A computer network is also needed if more than one computer will be used to enter data or generate reports.
- **Security.** To use accounting software, adequate measures must be taken to secure confidential information. This includes digital security via password protection and antivirus and firewall software. It also includes physical security, such as a lockable office. The software should be placed on a network hard drive that has limited access.
- **Backup.** Use of accounting software requires the ability to back up data entries on a daily or weekly basis. Again, basic inexpensive software can create backups to another hard drive or a website. This feature will quickly pay for itself when the inevitable happens and the data is lost or corrupted.
- **Accurate balances.** To get good results from accounting software, the program must start out with accurate balances; otherwise, it is garbage in, garbage out.

**TIPS****Be Prepared For a Disaster**

Whether caused by storms, theft, fire or simple hard drive failure, have a plan for recovering your lost data. Make copies of essential information on a regular basis and store them off-site.

To choose accounting software, you must first assess what your organization wants from the package. Then, identify the capabilities of the available software and compare how those fit your organization's needs and functions. Many sources of information on software packages exist. In addition to consulting product literature and local dealers, contact other nonprofits, accountants, and current users for their opinions and experiences. Consider the following factors to help you determine the most appropriate software for your organization.

- **Cost.** What is the total cost of the accounting software package, including software, licensing, hardware upgrades, training, and ongoing support?
- **Ease of use.** How user-friendly or intuitive is the software? How long would it take to train your staff to use the software?
- **Technical support of vendor.** What support is provided? How is it delivered (e.g., in person or via phone)? What is the cost of support?
- **Customization.** How can the software be adapted to fit your organization's needs and functions? Do changes require vendor assistance? Does vendor assistance cost extra?
- **Account code flexibility.** Are limits placed on the types and number of account codes that can be created? Can the software track by fund, department, program, and/or result?
- **Controls.** To what degree can individual access to discrete accounting activities be controlled through the software?
- **Reporting capabilities.** What types of reports can be produced? How can they be tailored (level of detail, timeframe, etc.)? Can data be exported to Excel or another program?
- **Financial Accounting Standards Board requirements.** Does the software comply with all board requirements? Does it comply with reporting requirements from funders?
- **Hyperlink and imaging.** Does the software enable a user to click on data and track it back to its source? Can users scan in documents (invoices, purchase orders, etc.) to link them to data?

When preparing to select a new accounting software package, you may choose to formulate a technology action plan that helps ensure your organization's technology needs are considered in conjunction with decisions on accounting software. Complex accounting systems may require more user training and support than they justify.

Formulating a Technology Action Plan

The following steps can help guide the development of a technology action plan.

- **Form a technology committee.** Determine who will be responsible for preparing the needs assessment and software review. Include staff and board members with technical expertise and interest.
- **Analyze existing system and accounting needs.** Have the committee conduct a thorough assessment of the various software packages' technical capabilities—speed of system, amount of memory, security measures, etc.—as well as review the organization's accounting needs.
- **Develop a selection strategy.** Based on the review of capabilities and needs, develop a strategy to analyze software packages and report recommendations back to the board of directors for their selection.
- **Implement.** Expect and allow time for implementation, work disruptions, data transfers, training, and other startup issues.
- **Follow up.** Is everything working the way the committee intended? What adjustments have been necessary? What costs were not anticipated?

Additional Resources

For more information on the Financial Accounting Standards Board, visit www.fasb.org.

For more information on accounting software packages, see Ted Needleman, "Special Report: Accounting Software Round-Up," *The NonProfit Times*, 1 January 2005, at: www.nptimes.com/Jan05/sr1.html.

For more information on accounting in nonprofits, see W. Ruppel, *Not-for-Profit Accounting Made Easy* (New York, N.Y.: John Wiley and Sons, 2002).

Sample Chart of Accounts

Account Number	Account Title	Account Description
General Ledger — Assets		
1010	Petty Cash	
1020	Cash Adjustment Account	
1030	Cash, Operating	
1040	Cash, Payroll	
1050	Cash, Savings	
1110	Investment—Money Market	
1210	Accounts Receivable	
1220	Grants Receivable—Federal	
1230	Grants Receivable—State	
1240	Grants Receivable—Private	
1270	Contributions Receivable	
1310	Prepaid Expenses	
1320	Prepaid Insurance	
1330	Prepaid Postage	
1390	Other Current Assets	
1610	Furniture and Fixtures	
1620	Furniture—Off site	
1630	Vehicles	
1640	Computer Equipment	
1660	Computer Software	
1670	Equipment	
1710	Leasehold Improvements	
1720	Accumulated Depreciation	
1810	Deposits	
1820	Deferred Charges	
1830	Other Assets	
General Ledger — Liabilities		
2010	Bank Line of Credit	
2020	Other Notes Payable	
2030	Accounts Payable	
2040	Other Current Liabilities	
2110	Federal Taxes Withheld	
2120	State Taxes Withheld	
2130	Local Payroll Taxes Withheld	
2140	State Unemployment Taxes Withheld	
2150	Workers Compensation Payable	
2160	Disability Tax Payable	
2170	Health Insurance Payable	
2180	Retirement Plan Payable	
2210	Accrued Wages	
2220	Accrued Vacation	
2230	Accrued Lease	
2240	Deferred Revenue	
General Ledger — Net Assets		
3010	Net Assets	

Sample Chart of Accounts

Account Number	Account Title	Account Description
General Ledger — Revenue		
4010	Federal Grants	
4020	State Grants	
4030	Contributions—Individual	
4040	Contributions—Corporate	
4050	Flexible Funds	
4060	Fund Raisers	
4070	Participant Fees	
4080	Interest Income	
4090	Other Income	
General Ledger — Expenses		
5010	Salaries and Wages	
5020	Salaries and Wages—Bonuses	
5030	Contracted Services	
5040	FICA/Medicare Payroll Tax	
5050	State Unemployment Tax	
5060	Disability Tax	
5070	Workmen's Compensation	
5080	Health/Life Insurance	
5090	Retirement Plan	
5100	Leave	
5110	Other Benefits	
5210	Advertising	
5220	Automobile Expense	
5230	Bank Charges	
5240	Board Expenses	
5260	Copy Expense	
5270	Depreciation	
5310	Insurance Expense	
5320	Interest Expense	
5330	Internet Expense	
5340	Licenses and Fees	
5350	Maintenance and Repairs—Building	
5360	Maintenance and Repairs—Equipment	
5370	Other Services	
5410	Professional Fees	
5420	Supplies—Office	
5430	Supplies—Program	
5440	Telephone	
5450	Travel	
5460	Utilities	
5510	Rent	
5520	Meetings and Seminars	
5530	Payroll service	

Chapter 5

Creating and Using Budgets

- 5.1 Budget Uses
- 5.2 Types of Budgets
- 5.3 The Budget Process
- 5.4 Operating Budgets
- 5.5 Types of Revenue
- 5.6 How to Project Revenue
- 5.7 Types of Expenses
- 5.8 How to Estimate Expenses
- 5.9 Comparison of Projected Revenue and Estimated Expenses
- 5.10 A Shift from Project Budgets to an Organization Budget
- 5.11 Results-Based Budgeting
- 5.12 Preparing and Presenting the Budget
- 5.13 Reflections on Budgeting Practices

A good budget converts your organization's mission and vision into a concrete, actionable plan. A well-constructed and monitored budget will enable your youth-serving organization to foresee potential financial deficits; adjust plans, activities, and spending accordingly; spend dollars more cost-effectively; and, above all, work toward accomplishing its mission and vision.

5.1 Budget Uses

The budget serves several purposes. It is a tool for planning as well as a tool for monitoring. Budgeting must also be considered an ongoing process.

A tool for planning. A budget is a plan of action that enables your organization to express its goals and objectives in financial terms. Budget planning provides an opportunity to establish your program goals, objectives, and priorities and link them to monetary figures. Attaining your organization's goals and objectives will be more likely if its budget is planned well. In addition, budgets serve a practical role by preauthorizing certain expenses.

A tool for monitoring. A budget also serves as a tool to monitor financial activities. By monitoring current spending levels and comparing those levels with the amounts set in the original budget, you can determine whether what

A good budget converts your organization's mission and vision into a concrete, actionable plan.

you planned is being achieved. If significant deviations are

occurring between planned and actual spending, then you can take actions to help get back on track.

An ongoing process. Budgeting does not occur in a vacuum or for only a limited period. Financial activities must be constantly monitored, so budgeting must be a deliberate, ongoing process requiring continuous attention from you and your lead finance manager.

5.2 Types of Budgets

Your organization can use several types of budgets, including operating budgets, cash flow budgets, opportunity budgets, and capital budgets, to plan for and track revenues and expenses. Most organizations use more than one type of budget, typically employing an operating budget and a cash flow budget on an ongoing basis and an opportunity budget and a capital budget as needed.

Operating budgets. Your organization needs an operating budget. Operating budgets identify expected expenses (staff salaries, supplies, etc.) as well as revenue (grants, contributions, income from fees, etc.) for the current fiscal year. Section 4.4 provides more information on operating budgets.

Cash flow budgets. Cash flow budgets track how much money you will spend and receive on a monthly basis (see the Sample Cash Flow Budget on page 50). Monthly projections enable you to anticipate times when funding shortages are likely, giving you an opportunity to develop strategies to accommodate those shortages before they happen. If a surplus occurs, a cash flow budget enables you to determine the best way to use the additional funds. Cash flow budgets can help track accounts receivable, triggering invoices, reports, or other deliverables required to receive scheduled payments on grants and contracts.

Opportunity budgets. Opportunity budgets analyze possibilities for your organization to expand and take advantage of new opportunities. Ideally, opportunity budgets are used in conjunction with other budgets and help you evaluate the options available to expand your business.

Capital budgets. If your organization is facing a large expenditure, such as purchasing a building or paying for a renovation, a capital budget that evaluates the cost of long-term investments and projects can be a useful tool.

PITFALLS**The Budgeting Process Can Be Overwhelming**

Don't let the budgeting process overwhelm your organization. Create a fiscal management team to share responsibility among board members and staff. Keep in mind, however, that budgets often contain sensitive information on salaries and staffing patterns. Not everyone in your organization should have access to all budget information.

5.3 The Budget Process

Regardless of the type of budget your organization uses, the budgeting process can be demanding and emotional. To make budgeting as straightforward as possible, follow these steps (see the Budgeting Checklist on page 46).

- **Identify Stakeholders.** It's important to identify the people who will be impacted by your budget. Make a list of the people who should have a role in the process, be it approving the budget, providing input or simply being kept informed. Board, staff members, funders, community members and clientele are among the possible participants. Be sure to manage expectations about the nature of their participation; not every group can have the right to approve the budget.
- **Craft your budgeting policies and procedures.** Before the budgeting process begins, craft your budget policies and procedures and describe the content and format of the budget. These policies and procedures should also address who has input in creating the budget, how their input is provided, and who has the authority to approve the budget.
- **Set a budget calendar.** The budget calendar is an annual timeline of your organization's budget activities. It clearly outlines when specific tasks will be undertaken and which staff or board members will be responsible for various tasks (taxes, grant reports, etc.). The budget calendar helps guide you and your staff to ensure your organization is on schedule in performing its fiscal responsibilities.
- **Achieve consensus on results and strategies.** The budget should be driven by what your organization wants to achieve during the next fiscal year. Before resources are arranged and deployed, your organization and budget team must first achieve consensus on goals and strategies. Decisions on whether to, for example, expand or contract the program, change the target client population, or collaborate with other organizations will impact the budget and need to be made before budgets are created. Invite key team members to participate in the process. By focusing on buy-in, good budgeting balances the inefficiencies associated with an unwieldy process against the efficiencies gained during implementation.

- **Project revenue and estimate expenses.** Projecting how much revenue will come into your organization during the fiscal year and estimating how much it will spend on program operations are important steps. At this point in the process, you should closely examine both spoken and unspoken assumptions. Revenue sources or expenses that are taken for granted can lead to unpleasant surprises. Considering worst-case scenarios can be helpful. Typically, revenue is difficult to project. You should avoid committing to expenses until your organization is fairly certain about its revenue stream(s). Sections 5.5 and 5.6 provide further information on these topics.
- **Analyze cash flow needs.** Income may not always arrive in a regular and timely fashion. Developing a cash flow budget provides a clear picture of when funds are expected and when expenses will occur. This type of budget reveals any periods of shortfall. Section 5.8 provides information for dealing with cash shortfalls.
- **Approve and implement the budget.** The budget policies identify who has the authority to approve the budget. Often the board of directors votes on the final annual budget. Once approved, the budget plans are ready to be put into action.
- **Compare actual expenditures with budgeted amounts.** Budgeting is an ongoing process, not a one-shot deal. As your organization implements its budget, you and your lead finance manager should monitor actual expenditures and compare them with budgeted amounts on no less than a quarterly basis. Some organizations review budgets on a monthly basis or even more often.
- **Revise the budget.** You should update budget projections periodically based on analysis of new information. Sometimes revisions are minor and do not require changes in program operation. However, if estimates prove to be dramatically off, you may need to make major operating changes to ensure expenditures do not exceed revenues over the fiscal year. Many organizations develop an internal budget at the beginning of the fiscal year and revise it midway through the year to reflect any changes in circumstances.
- **Follow up with stakeholders.** As your organization moves through the process there will inevitably be changes to the budget. Once you've engaged your stakeholders, keep them informed of the organization's progress, particularly if there are significant adjustments from the original direction.

DEFINITIONS **Cost Center:**

A **cost center** is a segment of your organization in which costs can be segregated. Cost centers are established in large organizations to identify responsibility and control costs. For example, in a multiservice organization, the afterschool program and day care programs might be separate cost centers.

5.4 Operating Budgets

Your organization needs to have an operating budget. Operating budgets include estimated revenue and expenses for the current fiscal year, and they can be done at the project or organization level. Project budgets reflect the costs and revenue associated with a specific program, activity, or cost center (see the Sample Operating Budget by Project on page 51). They are developed both for direct services and for various other functions (for example, coordination and evaluation). After the project budgets have been created, these individual budgets can be rolled together to create your organization budget. Organization operating budgets reflect the total revenue and expenses of your organization.

Operating budgets, at both the project and organization level, typically include projected income and revenues, projected expenses by categories and subcategories, projected expenses by line item, and budget narratives.

- **Projected income.** Provides estimates of all incoming funds, by sources and amounts.
- **Projected expenses by categories and subcategories.** Provides a summary of expenses, by various account categories and subcategories (for example, salaries and benefits). Subtotals are given for each category. As part of the buy-in process, you may find it helpful to assign responsible team members the task of projecting specific expense areas, such as travel or conference attendance.
- **Projected expenses by line item.** These projections estimate expenses within specific line items (for example, individual employee salaries) of each account category.
- **Budget narratives.** These narratives explain and justify your budget figures, including how specific income or costs were calculated. Budget narratives are also used to explain significant increases or decreases from the past year's budgeted amounts.
- **Budget comparison.** If your organization has at least several years of operating history, the budget should be placed in context. The current budget should be compared with the prior years' budgets and, especially, recent actual performance. Changes in program goals should explain any significant differences.

TIPS **Budget Organization Is Key**

Make sure the budget is organized in the same way as the chart of accounts used for financial recordkeeping. This will make it easier to track your actual progress against the budget over the course of the year.

5.5 Types of Revenue

Understanding the different requirements of various sources of revenue will help your budget team determine how to spend those funds most efficiently.

Unrestricted funds. These funds can be used for any purpose at your organization's discretion and assigned to any budget category or line item. Unrestricted funds are flexible and can be used for services or activities not covered by other funding.

Restricted funds. Restricted funds are grants or contracts that come with limits or guidelines from the funding source on how the funds can be used. The funding agency or grant may specify that funds be earmarked for specific purposes, only used to serve people who meet specific eligibility requirements, and/or require the use of a specific budget category or line item. For example, a family foundation in Chicago may require that funds are used to serve only City of Chicago residents. Restricted funds may also require an audit to demonstrate compliance with certain regulations. All requirements—reporting, delivery of products and services, invoicing procedures, etc.—should be clearly outlined in the grant or contract agreement and should be included in your organization's budget calendar.

Asset-generated income. Asset-generated income comes from your existing financial resources. Sources most commonly include short-term investment income and interest-bearing bank accounts.

Contributions requiring a match. Some grants or contracts require matching funds. Allowable sources for the match are usually stipulated (for example, public or private sources) along with guidelines about cash and in-kind contributions. The grant or contract may also specify how the matching funds must be used. Finally, some grants or contracts may require, for reporting purposes, a separate line item in the budget to track matching funds.

Noncash or in-kind contributions. Noncash or in-kind contributions are nonmonetary supports, such as goods, services, facilities, or equipment. Your lead finance manager should clearly outline a method to determine and document the value of noncash contributions.

TIPS



Restricted Funds Mean Just That

Make sure your organization's program managers who are using restricted funds understand all the restrictions. For example, if a grant restricts the use of the funds to serve residents of a certain neighborhood, the program manager needs to ensure enrollment is limited to that neighborhood's residents or use other funds to serve nonresidents.

**TIPS****A Contingency Budget Is Needed If Funding Is Uncertain**

Develop a contingency budget if your organization must depend on uncertain funding sources. For example, if fees for service comprise an important source of revenue, it is a good idea to create revenue benchmarks during the year to monitor income. That way your organization can anticipate shortfalls.

Income from trade or business activities. This income derives from fees for service or sales of goods. It is generated from an activity carried out by your nonprofit in accordance with its mission. If youth in your afterschool program make and sell art as part of the regular programming, for example, that is considered business income.

Unrelated business income. This income, also referred to as UBI, is income generated through activities not related to your nonprofit's mission. For example, your youth program may have UBI from renting out space or equipment when the program is not using that space or equipment. If income from UBI activities is more than \$1,000 per year, it is subject to corporate income taxes. No limit exists for how much UBI your organization can earn, but it should be used to support work associated with your mission.

5.6 How to Project Revenue

When developing an operating budget, your lead financial manager should project the amount of money the organization will receive during the fiscal year. This enables your budget team to know whether there is adequate funding to cover all programs and activities or whether additional funding is required. Projecting revenues for the coming fiscal year can be a challenging prospect. If your organization is largely reliant on discretionary grants for funding, it's not possible to know for sure which proposals will be funded and which will be declined. However, there are things financial leaders can do to better understand the revenue outlook.

Scan the environment. Significant changes in the local, state or national economy as well as changes in political leadership can have a real impact on your organization's revenue streams. Good financial leaders pay attention to transformations in their operating environment that might affect their funding. Forewarned is forearmed.

Cultivate relationships with key information sources. Get to know the people who know about your organization's funding streams. For example, if the majority of your organization's budget is funding from the state, speak with people who work inside the state budgeting process. Your local representative to the state legislature is a good place to start.

Maintain a current understanding of funder priorities. Whether public or private, funding sources periodically change their priorities. Sometimes this is the result of a change of leadership and sometimes it is simply an alteration of strategy. Keep in touch with the program officer for your organization's significant funding streams to hear about possible adjustments. In addition, watch where those funders are making other investments; these new grants can provide clues to their future strategic direction.

5.7 Types of Expenses

Your organization needs to include both direct and indirect costs in its budget. Direct costs are specific costs associated with operating programs and sustaining the organization; they can be separated into project or program service delivery expenses or fundraising expenses, depending on what type of activities they support. Expenses that support your organization's general operation are called indirect costs or overhead.

Project or program expenses. These are direct costs related to a specific project or program activity in your organization. Service delivery expenses may include costs for staff salaries and project- or program-specific supplies and equipment, printing, and evaluation.

Fundraising expenses. These are direct costs related to specific functions or activities aimed at building and sustaining your organization. Fundraising expenses include costs associated with board development, grant writing, sustainability planning, collaboration and partnership-building, and fundraising data systems.

Overhead expenses. These are indirect costs that are related to the general management activities of your organization, rather than the direct provision of services. Overhead expenses include salaries for management and administration and costs for rent, telephone, and general office supplies and equipment. Chapter 7 addresses allocating overhead in further detail.

5.8 How to Estimate Expenses

This phase of the budgeting process enables your organization to determine the total costs of various programs and activities. When you are projecting

TIPS



Estimating Expenses Well Is Not Hard

Know that budgeting usually becomes easier over time. For example, your past year's budget is a great tool for creating this year's budget. Use the past year's expenses as a baseline, make appropriate adjustments (for example, new expenses because of programming changes), and account for potential cost increases. Your previous budgets also are a good guide for cash flow information, enabling your organization to plan for temporary shortages. You can use the most recent estimated annual rate of inflation as a general rule of thumb for estimating some cost increases. Discussing potential increases with your larger vendors (for example, landlords, health insurers, and utility companies) can also be helpful.

expenses, consider factors such as fringe benefits, salaries and wages, other operating costs, and costs of generating future income. Moreover, understand that sometimes you may be required to carry funds forward into a new fiscal year, such as when the funds are restricted and must be used for a project that does not align with the fiscal year. What may look like a surplus may just be an obligation that has not been accounted for yet.

Salaries and wages. For most youth-serving organizations, salaries and wages are the largest part of their annual operating budget. Predicting these costs with reasonable accuracy is important. In addition to current salary costs, consider whether your organization anticipates actions that would affect payroll costs, such as hiring additional personnel or giving any promotions or salary increases. Staff changes are costly and highly disruptive to your employees and your organization. Most importantly, delay hiring for new positions until funding is secure.

Fringe benefits. Methods to project fringe benefit expenses vary. Consider using government publications to estimate the employer's share of Social Security taxes, Medicare contributions, and unemployment insurance taxes for the coming year. Insurance carriers can also provide projected increases in the cost of health, life, disability, and workers' compensation insurance. Once those costs have been determined, create a percentage representing all fringe benefit expenses that can be used for all staff.

Other operating costs. This category includes all other costs of running a youth-serving organization (rent, electricity, supplies, etc.). Identify increases built into leases and other contracts and estimate charges for services, supplies, materials, and equipment needed in the upcoming year. In addition, identify potential increases or decreases in operating costs because of planned changes in services and programming. For example, if your organization changes its hours of operation, its electricity usage will likely change. When expanding staff size, estimate increases in supplies, telephone, and other employee-driven expenses.

Costs of generating future income. Raising revenue usually requires time and effort (e.g., fundraising and/or proposal writing). If anticipated income that has not yet been received is included in the budget, any additional costs associated with generating this revenue should also be included in the budget.

5.9 Comparison of Projected Revenue and Estimated Expenses

After projecting revenue and estimating expenses, the next logical step is to compare the two amounts. Ideally, the projected revenue exceeds—or at least equals—the estimated expenses. However, if expenses exceed revenue, you will have to review your organization’s priorities. Ask these questions.

- **Can expenses be reduced?** If so, how can expenses be reduced? If expenses are reduced, can program and service quality be maintained?
- **Can additional revenue be raised?** If so, how can revenue be raised? Can other sources of funding be tapped? What strategies can raise additional funds (for example, making better use of existing resources, maximizing public resources, building partnerships, creating more flexibility in existing revenue, and/or developing new revenue)?
- **If your organization must cut back on services, which programs and/or services are most important?** What are the top priorities for the year? Are certain initiatives more vital to your organization’s success than others? Do restrictions on funding limit the choices?

The answers to these questions will inform your organization’s actions. You may decide to cut costs, target funding toward key programming, or focus on raising additional revenue.

Action Steps to Address a Cash Shortfall

To address a cash shortfall, your organization can:

- postpone purchases, hiring, or wage increases;
- establish payment schedules for costly items;
- increase the scope and scale of fundraising;
- use volunteers and paid labor more strategically;
- transfer funds from reserves;
- request cash advances from funders;
- consider short-term borrowing; and
- reduce expenses.

Using Budgets as Tools

Budgeting is an ongoing process and a useful management tool. You must constantly monitor your budget against spending activities to ensure the organization is spending according to plan and taking in revenues according to schedule. Through monitoring you can:

- assess how the initial plan compares with current revenue and spending;
- determine how expenses and income compare with previous years or quarters;
- ensure money is being spent according to your plan; and
- identify factors or conditions affecting the rate and level of incoming revenue and outgoing expenses.

5.10 A Shift from Project Budgets to an Organization Budget

Once your budget team has projected revenue and estimated expenses for each project, they can then roll together these individual project budgets into an organization budget. This task is relatively easy for smaller organizations. However, as an organization grows and operates numerous projects, the exercise becomes more complex. Consider these issues when creating your organization budget.

Standardization in budget categories, line items, and cost centers.

Create standard categories and definitions for subcategories, if needed.

Standardization early in the budget process will prevent confusion and save time as the process continues.

Level of detail needed. The level of detail provided in the budget should be determined by the needs of decision-makers and managers. Budget data can be summarized in detailed project budgets, project budget summaries, and organization-wide income or expense summaries.

- **Detailed project budgets** contain the most information in terms of line items and subcategories. They are used for project management and planning.
- **Project budget summaries** provide summaries of income and expenses in broader categories. They contain less detail than the project budgets. Summaries are used to compare projects within an organization.
- **Organization-wide income and expense summaries** summarize general income and expenses for the entire organization. They are used for organizational planning and management.

Your project managers need detailed project budgets. Budget summaries and organization-wide information may be more useful for you and/or the board of directors.

5.11 Results-Based Budgeting

Your organization may also choose to prepare a results-based budget. Results-based budgets are spending plans that are created specifically to show the connections between program/organizational expenses and the goals they aim to achieve.

Results-based budgets:

- provide a picture of spending by result, in addition to service, program, and/or activity;
- present a framework within which to consider the long-term costs and benefits of improving outcomes; and
- provide a written connection between spending plans and the outcomes they are intended to improve.

DEFINITIONS

Logic Model:

A **logic model** is a diagram or chart that explains your organization's goals and how you intend to meet those goals. It attempts to answer this question: Does it make sense to think that the desired results can be achieved through the planned strategies and activities?

Sample Results-Based Budget

	Results	Strategies	Activities	Expenses
Definition	Broad outcomes/goals trying to achieve.	Approaches used to achieve those goals.	Specific tasks associated with strategies.	Costs of the activities.
Example	Children and youth succeeding in school.	Educational enrichment opportunities for youth during non-school hours.	School-based afterschool programs.	Salaries, supplies, and equipment for afterschool programs.

Creating a results-based budget can be an important part of a strategy for financing and sustaining your organization's work. A logic model or an evaluation can provide a framework for a results-based budget in order to measure the impact of that work.

Budgeting Checklist

Your organization should take these steps to help ensure a sound budget and effective budgeting process.

- Design budgeting policies and priorities based on mission and strategy.
- Set a budget calendar.
- Project revenue, including public and private grants, contributions, income from fees, and asset-generated income.
- Estimate expenses, including direct and indirect costs.
- Compare revenue and expenses and look at cash flow.
- Adjust budget, if needed.
- Approve budget.
- Implement budget.
- Monitor budget (i.e., compare actual amounts with budgeted amounts).
- Revise budget, if needed.
- Revise budget policies, if needed.

5.12 Preparing and Presenting the Budget

One of the most important roles of a governing board is reviewing and approving the annual budget. In order to have productive and efficient input and ratification, you need to provide your board with a well-organized budget package accompanied by a thoughtful presentation.

Components of the budget package. The budget package should contain all the data necessary for the board to make an informed decision without overwhelming them. At minimum, it should include a budget detail, a budget narrative and past and future budgets.

- The budget detail consists of a one-page summary of the organizational budget as well as detailed budgets that provide line-by-line breakdowns of revenues and expenses.
- The budget narrative is a written description of the budget. In text form, it describes the programming goals of the budget and reasons for significant changes in revenue or expenses. It should also include line-by-line notes that state the assumptions behind the numbers. For example, the salary line for a child care program might require an explanation of how many teachers are on the payroll. It's also important to state assumptions. If your budget shows a sharp utility increase, you could say that your oil vendor warned you of a 20% price jump.
- Including past and future budgets will help your board understand the current budget. They need a basis for comparison and a sense of how this year's budget fits into strategic plans going into the future.

Presenting to your board. Appropriately framing the conversation about the budget is essential. Unfocused budget discussions can lead to time-consuming talks about trivial matters. Similarly, if your board does not grasp the key issues facing the budget, it may make a poor decision. When preparing your presentation the following ideas are helpful:

- Use your board ahead of time. Ideally you've been engaging key members of your board throughout the budget process. The board treasurer should be a part of the budget team. If your board has a finance committee they should be involved as well. By doing this, they take ownership of the budget and can speak for it during board meetings.
- Make sure your budget is accurate. It should have no math errors. Before presenting it to the board, ask someone who has never seen the budget to review it with a printing calculator.
- Make the budget visually accessible and appealing. Don't use a tiny font and make sure there is sufficient white space on each page so that the budget is legible. You may want to consider highlighting key numbers or lines in order to guide the conversation.
- Practice the presentation beforehand. If you are confident and in control, it will be easier to keep the discussion on track and productive.

5.13 Reflections on Budgeting Practices

Once a budget process is established, questions such as these can help your budget team evaluate how well the budgeting practices are meeting your organization's needs.

- **How is budgeting linked to planning?** The budget process is a vehicle to discuss goals and priorities for the upcoming year. Be sure the final budget reflects these goals and priorities. The budgeting process can also be a good time to think three to five years into the future with an eye toward longer-term strategic goals.
- **How have staff and the board of directors been involved?** Clearly articulate what input board members and staff should provide on the budget and who is responsible for which decisions.
- **Are budget controls and responsibilities in place?** Board members should clearly understand their roles. Managers should know what line items they are responsible for monitoring, and they should receive the financial reports necessary to monitor these line items effectively.
- **How accurate are cash flow projections?** Any cash shortfalls during the year should be identified, along with steps to cover these shortfalls. If surpluses have been projected, plans to maximize the excess cash should be outlined.
- **How is the budget monitored?** A budget is not only a planning tool, but also provides an important tracking mechanism to ensure program operations are proceeding as planned. A budget variance report is one way to see how current financial activity matches the expected budget (see the Sample Budget Variance Report on page 91). Be sure processes to monitor and update budget projections exist at the project and organization levels. Diligent budget monitoring can also detect fraud. Significant budget variance may reveal deceptive practices.

Additional Resources

For more information on developing a budget for a nonprofit, see M. Dropkin and B. LaTouche, *The Budget-Building Book for Non-profits: A Step-by-Step Guide for Managers and Boards* (San Francisco, Calif.: Jossey-Bass Publishing, 1998).

For more information on nonprofit financial management, see C. McNamara, *Basic Guide to Non-Profit Financial Management* (Minneapolis, Minn.: Authenticity Consulting, LLC, 1999), at: www.managementhelp.org/finance/np_fnce/np_fnce.htm.

For more information on financing strategies for youth programs, see Sharon G. Deich and Cheryl D. Hayes, *Thinking Broadly: Financing Strategies for Youth Programs* (Washington, D.C.: The Finance Project, January 2007), at: http://financeproject.org/publications/Thinkingbroadly_PM.pdf.

For more information on logic models, see Priscilla Little, Sharon Dupree and Sharon Deich, *Documenting Progress and Demonstrating Results: Evaluating Local Out-of-School Time Programs*, (Washington, D.C.: The Finance Project, September 2002), at <http://www.financeproject.org/Publications/OSTlocaevaluation.pdf>

Sample Cash Flow Budget

REVENUES	January	February	March	April	May	June
Government Grants (State Grant A)			20,000			
Government Grant (State Grant B)	10,000					
Government Grant (County)						10,000
Foundation Grant: Smith Foundation	5,000					
Foundation Grant: Doe Foundation						7,500
Corporate Gifts				1,000		
Individual Contributions	200	1,000	200	200	200	200
Direct Mail		2,000	3,500			
Fundraiser					2,000	
Space Rentals	417	417	417	417	417	417
Fees for Services	650	650	650	650	650	650
Asset-Generated Income						
Office/Classroom Space	1,200	1,200	1,200	1,200	1,200	1,200
Utilities & Insurance	416	416	416	416	416	416
In-Kind Services: Accountant		500	1,500	1,500		500
TOTAL REVENUES	17,883	6,183	27,883	5,383	4,883	20,883
EXPENSES						
Payroll expenses (Salary & Fringe benefits)	4,641	4,641	4,641	4,641	4,641	4,641
Computer Consultant		3,000		3,000	300	
Accountant		500	1,500	1,500		500
Professional Development					1,000	
Transportation	1,250	1,250	1,250	1,250	1,250	1,250
Curriculum Cost	4,000					
Program Supplies	1,050	1,050	1,050	1,050	1,050	1,050
Office/Classroom Space	1,200	1,200	1,200	1,200	1,200	1,200
Utilities & Insurance	417	417	417	417	417	417
Fundraising Expenses					2,000	
Office Supplies	67	67	67	67	67	67
Postage	100	800	100	100	100	500
Dues & Fees	300					
Telephone	125	125	125	125	125	125
Copier Lease	100	100	100	100	100	100
Bank Charges						
TOTAL EXPENSES	13,249	13,149	10,449	13,449	12,249	9,849
Starting Balance		4,634	(2,333)	15,101	7,035	(331)
Cash In: Revenue	17,883	6,183	27,883	5,383	4,883	20,883
Cash Out: Expenses	13,249	13,149	10,449	13,449	12,249	9,849
Cash Remaining: Surplus/Deficit	4,634	(2,333)	15,101	7,035	(331)	10,702

Sample Operating Budget by Project

REVENUES	South Street Afterschool	Centre Street Teen Center	Total
Contributed Revenues			
Government Grants	20,000	14,000	34,000
Foundation Grants	30,000	45,000	75,000
Corporate Gifts	15,000	10,000	25,000
Individual Contributions	5,000	2,500	7,500
Direct Mail	1,500	2,500	4,000
Fundraiser	8,000	10,000	18,000
Total Contributed Revenues	79,500	84,000	163,500
Earned Revenues			
Space Rentals		1,500	1,500
Fees for Services	700	1,750	2,450
Asset-Generated Income			
Total Earned	700	3,250	3,950
TOTAL REVENUES	80,200	87,250	167,450
EXPENSES			
Personnel			
Salary: Executive Director 50% time @ \$48,000/AN	24,000	24,000	48,000
Salary: Program Director 50% time @ \$36,000/AN	18,000	18,000	36,000
Salary: Program Assistant, 25% time @ \$30,000/AN	7,500	7,500	15,000
Fringe Benefits @ 12.5%	6,188	6,188	12,375
Computer Consultant	1,000	2,000	3,000
Payroll Service	1,500	1,250	2,750
Accountant	7,000	7,000	14,000
Professional Development	2,000	3,000	5,000
Total Personnel	67,188	68,938	136,125
Other Expenses			
Transportation	1,000	2,500	3,500
Curriculum Cost	1,500	750	2,250
Program Supplies	1,000	1,250	2,250
Office/Classroom Space	250	5,000	5,250
Utilities & Insurance	3,500	2,800	6,300
Fundraising Expenses	1,000	1,000	2,000
Office Supplies	500	500	1,000
Postage	250	600	850
Dues & Fees	100	150	250
Telephone	1,250	1,500	2,750
Copier Lease	2,000	2,000	4,000
Bank Charges	75	75	150
Total Other	12,425	18,125	30,550
TOTAL EXPENSES	79,613	87,063	166,675
Net	588	188	775

Sample Budgeting Calendar

(For a January to December Fiscal Year)

January

- Begin using budget for new year
- Track income and expenses and compare to current-year budget

February

- Track income and expenses and compare to current-year budget

March

- Track income and expenses and compare to current-year budget

April

- Track income and expenses and compare to current-year budget

May

- Track income and expenses and compare to current-year budget
- Identify internal and external stakeholders in budget process
- Set policies and procedures for creation of budget, including finalizing budget preparation calendar

June

- Track income and expenses and compare to current-year budget
- Board and senior management establish consensus on goals and tactics for next year, with appropriate input from external stakeholders

July

- Track income and expenses and compare to current-year budget
- Project revenue and expenses for next year based on current-year spending, forecasts from vendors and program plans

August

- Track income and expenses and compare to current-year budget
- Create first draft of budget and submit to Board Finance Committee for their feedback. Make revisions as necessary

September

- Track income and expenses and compare to current-year budget
- Board Finance Committee approves budget, forwards to General Board for their review

October

- Track income and expenses and compare to budget
- General board reviews draft budget and offers feedback

November

- Track income and expenses and compare to current-year budget
- Budget team revises budget based on board feedback

December

- Track income and expenses and compare to current-year budget
- Board votes to approve final budget
- Copies of new budget disseminated to key staff
- Key components of budget and strategy for new year shared with stakeholders

Chapter 6

Applying Financial Management Controls

- 6.1 The Importance of Internal Financial Management Controls
- 6.2 A Complete System of Internal Financial Management Controls
- 6.3 Receipts Procedures
- 6.4 Disbursements Procedures
- 6.5 Petty Cash Procedures
- 6.6 Payroll Procedures
- 6.7 Investment Policies and Procedures
- 6.8 Reflection on Controls

Financial management controls are the rules, policies, and procedures that describe how financial transactions should be processed in your organization. By consistently applying these controls, you can minimize the opportunities for fraud, waste and abuse. Controls also help ensure that your funding is used for the purposes for which it is given. Finally, controls enable your organization to demonstrate to funders or potential funders that its assets are safeguarded and that your organization is worthy of funding.

6.1 The Importance of Internal Financial Management Controls

Internal controls are the foundation for sound financial management practices. Well-designed controls can provide “reasonable assurance” that your organization’s resources are safeguarded and ensure that its plans and strategies are properly implemented. Solid controls can benefit your organization in these ways.

- **Provide reliable data.** Financial management controls ensure the decision-making information your managers and board members need is timely and accurate.
- **Safeguard important records.** Financial management controls protect your organization’s money and physical assets, including important records and documents, from theft, misuse, and accidental destruction.
- **Promote efficiency.** Financial management controls reduce unnecessary duplication of effort and guard against misallocation of resources.
- **Ensure compliance with laws, regulations, and organizational policies.** Financial management controls ensure:
 - your financial assets are handled and expended in accordance with federal and state laws,
 - your organization adheres to restrictions and requirements on the use of public and private funds, and;
 - your organization follows internal policies.

- **Avoid embarrassing and expensive interventions.** Allegations of fraud or waste create negative publicity and distract your organization from its real work. Your nonprofit relies heavily on the goodwill of the public to stay in operation. A scandal can sully its reputation for years before the damage is undone. Recognize that financial management controls cannot completely eliminate your organization's exposure to fraud, though strong controls will contain the risk.

Guiding Principles for Internal Financial Management Controls

Financial management controls should address these factors.

- **Organizational fit.** Controls should be tailored to meet the specific needs of your organization and its operations. Controls cannot be implemented on a one-size-fits-all basis.
- **Segregation of duties.** Dividing duties among staff creates checks and balances for all financial transactions.
- **Written rules, policies, and procedures.** Clearly articulated internal rules, policies, and procedures in a written document promote consistent use and application.
- **Outside audits.** Periodic audits by a professional outside your organization help ensure the financial health of the organization by validating reports and recordkeeping practices. Some grants and contracts will require periodic outside audits. State and federal guidelines require groups above a certain size to conduct outside audits.
- **Board expertise in financial management.** Appoint at least one board member with professional knowledge of finance and accounting to help establish controls and review financial statements.
- **Fidelity bonding.** Purchase insurance to bond all financial personnel and protect your organization against embezzlement.

6.2 A Complete System of Internal Financial Management Controls

Your organization should develop internal controls for all activities that involve its money—how it receives money, spends money, pays employees, and invests money. These policies should be developed by the lead finance manager, with input from the board. The following five areas of financial control are described further in Sections 6.3 through 6.7.

Procedures for receipts. These procedures outline what to do when your organization receives money or nonmonetary goods to ensure these resources are recorded and deposited properly.

Procedures for disbursements. These procedures outline how your organization disburses funds (makes payments) to ensure only authorized people have access to account information and are in a position to withdraw funds.

Procedures for petty cash. These procedures outline how funds for small, incidental expenses are accessed and what safeguards exist to protect against theft or misappropriation.

Procedures for payroll. These procedures detail how payroll is calculated and disbursed. They help ensure that relevant federal, state, and local laws are followed.

Investment policies and procedures. These procedures outline how your organization can invest its resources and what safeguards exist to monitor investment decisions.

Financial Management and Staffing ²

Who should do what? Each organization has different resources and will assign bookkeeping responsibilities differently. Below are several models of staffing that can serve as suggestions, rather than as prescriptions, for actual situations. Small youth-serving organizations often choose to have staff handle initial transactions, while an outside contract accountant handles the bookkeeping and accounting. Larger organizations more typically keep financial functions in-house, though some very large organizations work with contract accounting services.

Organizational Characteristics

- Volunteer Group—all volunteer, small organization.
- Small Organization—approximately five full-time staff, including one administrative assistant, with monthly accounting work done by an outside contract accountant.
- Midsize Organization—approximately 15 full-time staff, including a full-time, full-charge bookkeeper.
- Larger Organization—approximately 30 full-time staff, including a full-time finance manager, a full-time bookkeeper, and a full-time accounting clerk.

Staffing Patterns: Who Does What?

Tasks	Volunteer Group	Small Organization	Midsize Organization	Larger Organization
Open mail, stamp checks	Books kept by volunteer treasurer	Receptionist	Receptionist	Receptionist
Make out deposit voucher	President or person who receives mail	Administrative assistant	Bookkeeper	Accounting clerk
Take deposit to bank	Treasurer or volunteer in charge of fundraising	Administrative assistant	Bookkeeper	Bookkeeper
Record deposit in books	Treasurer or volunteer who keeps books	Administrative assistant records in checkbook; contract accountant prepares disbursement journal	Bookkeeper	Bookkeeper; finance manager reviews
Receive bills in mail	President; most bills submitted by volunteers at meeting for reimbursement	Administrative assistant	Bookkeeper	Accounting clerk
Authorize bills for payment	Treasurer	Administrative assistant (if a general invoice); people in charge of specific areas may authorize payment in their areas	Department heads may authorize payment in their areas	Department heads authorize payment before check preparation
Make out checks	President or treasurer	Bookkeeper or administrative assistant	Bookkeeper	Accounting clerk
Sign checks	Vice president or secretary; two signers for large amounts	Executive director; two signers for large amounts	Executive director; two signers for large amounts	Executive director; two signers for large amounts
Allow other signatories	Not applicable	Other management staff and board officers	Other management staff and board officers	Other management staff and board officers

² This edited excerpt is used with permission from CompassPoint Nonprofit Services, 731 Market Street, Suite 200, San Francisco, California 94103. Contact the organization at 415-541-9000 or info@compasspoint.org.

Staffing Patterns: Who Does What?

Tasks	Volunteer Group	Small Organization	Midsize Organization	Larger Organization
Execute payroll	No payroll	Administrative assistant calls in payroll to payroll services company	Bookkeeper calls in payroll to payroll services company	Bookkeeper calls in payroll to payroll services company
Post checks in book	Treasurer	Administrative assistant fills out check stubs; contract accountant prepares journal	Bookkeeper	Bookkeeper
Handle bank reconciliations	Treasurer	Contract accountant	Department manager	Accounting clerk; finance manager reviews.
Make general journal entries (e.g., depreciation and adjustments), maintain general ledger	May not use formal general ledger	Contract accountant	Bookkeeper	Finance manager
Reconcile journals	Treasurer	Contract accountant	Bookkeeper	Bookkeeper
Determine trial balance	Treasurer	Contract accountant	Bookkeeper	Bookkeeper
Create monthly financial statements	Treasurer	Contract accountant	Bookkeeper	Finance manager
File quarterly payroll tax returns	None	Payroll services company	Payroll services company	Finance manager
Monitor budget, propose changes	Treasurer	Executive director and treasurer	Bookkeeper with executive director and treasurer	Finance manager and treasurer
Deliver finance reports to board of directors	Treasurer	Executive director and treasurer	Executive director and treasurer	Finance manager
Project and manage cash flow	Treasurer	Administrative assistant	Bookkeeper with executive director	Finance manager
Develop investment policy	Executive director and treasurer	Executive director and treasurer	Executive director and treasurer	Finance manager, executive director, and investment committee
Meet with auditor	Not audited	Executive director interviews; board hires	Executive director interviews; board hires	Executive director interviews; board hires
Prepare initial draft of budget	Board officers together	Executive director	Executive director; bookkeeper helps	Finance manager
Approve budget	Board of directors	Board of directors	Board of directors	Board of directors
File annual forms, including Form 990	Too small to file	Contract accountant or auditor	Tax specialist	Tax specialist

TIPS**Board Members and Volunteers Can Help**

Consider asking board members and trusted volunteers to help with financial management tasks, especially if your organization has a very small staff.

6.3 Receipts Procedures

Establishing controls over receipts ensures that a record of these funds or assets is maintained and that funds are promptly deposited in your organization's bank account. Procedures should be established for both cash and noncash items (see the Cash and Noncash Receipts Checklist on page 59).

Following are procedures for creating and tracking receipts.

- Create a mail control process. All mail should be treated as if it contains checks to your organization. Designate who receives the mail and who opens it and enforce that system.
- Ensure cash collections are under the control of two people, whenever possible. Working together, one person can open the mail and record checks, while the other can prepare the bank deposit. This can safeguard your organization against employee misconduct and help ensure receipts for cash collection are accounted for properly.
- Issue prenumbered receipts for all money (cash and checks) at the time it is first received. A duplicate copy should be kept for accounting records and, eventually, the total of the receipts issued should be compared with the amount deposited in the bank.
- Endorse receipts in the form of checks as "for deposit only" promptly upon receipt.

All mail should be treated as if it contains checks to your organization.

- Deposit all money (cash and checks) in the bank on a timely basis. How often your organization deposits money will depend on the amount, type, and frequency of funds it receives. The board can help establish an efficient policy for handling deposits.
- Document the value of noncash goods and services. Typically, the donor can provide an estimate of the value. Depending on the value of the donation, provide a letter or receipt acknowledging the donation. (See Sample Noncash/In-Kind Donation Receipt Form on page 71.)

Cash and Noncash Receipts Checklist

- Are two people responsible for opening the mail and recording the receipt of checks?
- Are prenumbered receipts issued for all cash received? Are receipts prepared in duplicate, with one copy going to the source of contribution and one copy filed with your organization's records?
- Are two people responsible for counting and logging all cash collections?
- Is a log or ledger of all receipts of contributions maintained?
- Are cash and checks deposited in the bank on a timely basis and in the amount and form in which they were received?
- Does your organization use a secure, locked box to store cash contributions? Are bank deposits made from this box on a daily basis? Does the bank send a list of all deposits made to the account?
- Does your organization have a process for tracking electronic transfers?

6.4 Disbursements Procedures

Internal controls over disbursements (payments) help ensure payments and expenditures are recorded and only authorized people have access to account information and can withdraw funds (see the Disbursements Checklist on page 61). Internal disbursement controls significantly reduce the risk of misappropriation.

Following are procedures for tracking disbursements.

- Establish a clear process for approving payments. Authorization should be required for all disbursements by someone other than the check signer.
- Limit and identify who is authorized to sign checks. If the treasurer or check signer is also the bookkeeper, two signatures should be required on each check. Two signatures should also be required for checks above an established amount (for example, \$1,000).
- Use prenumbered checks for all disbursements and keep supporting documentation for each payment.
- Keep checks in a locked cabinet. The check preparer should not have access to blank checks.
- Do not write any checks for cash.

DEFINITIONS **Disbursements:**

Disbursements are payments the organization makes to cover its expenses.

- Preserve and file voided checks.
- Keep good records of all payments your organization makes. Cash disbursement vouchers should be prepared for each invoice or request for payment. A cash disbursement voucher is a request for a check (payment, reimbursement, or cash advance) and should include details such as the date of the check, the check number, the payee, the amount of the check, a description of the expense account and/or restricted fund(s) to be charged, an authorization signature, and accompanying receipts. (See the Sample Check Request Form on page 72.)
- Ensure a person other than the bookkeeper opens the envelope and reviews the bank statements.
- Use purchase orders to ensure proper authorization of purchases.
- Require employees and others who travel on behalf of your organization to submit expense reports and receipts for travel-related expenses on a timely basis (for example, within a month or six weeks).
- Issue credit cards for business-related purposes only to authorized individuals. Monthly statements should be reconciled with receipts by someone other than the cardholder. Establish reasonable limits on individuals' use of their issued credit card.
- Review actual expenditures versus the budget monthly.

Disbursements Checklist

- Are all disbursements, except those from petty cash, made using prenumbered checks?
- Is the unused check supply safeguarded?
- Are all voided checks mutilated and filed?
- Is there a written prohibition against drawing checks payable to cash?
- Is a cash disbursement voucher prepared for each invoice or request for reimbursement?
- Must all expenditures be approved in advance by authorized, nonaccounting personnel?
- Are signed checks mailed promptly?
- Does the check signer review the cash disbursement voucher for authorization and supporting documentation of expenses?
- Are invoices marked PAID with the date and amount of the check to prevent repayment?
- Is a cash disbursement journal prepared on a monthly basis that gives the date of the check, the check number, the payee, the amount of the check, and a description of the expense account to be charged?
- Is check-signing authority vested in persons at appropriately high levels in the organization?
- Do checks require two signatures? Do checks above a specified amount require two signatures?
- Are bank statements and canceled checks received and reconciled by a person independent of the authorization and check-signing functions?
- Are unpaid invoices maintained in an unpaid invoice file?
- Are purchase orders used with all transactions?
- Are advance payments to vendors and/or employees recorded as receivables and offset against invoices or expense vouchers?
- Does your organization have a system for conducting and tracking electronic transfers and other online banking transactions?

6.5 Petty Cash Procedures

Why have petty cash? An organization may need to make miscellaneous small purchases and, in these instances, it makes more sense to use cash than to be reimbursed through the regular disbursement process (see the Petty Cash Checklist below). The sum of money set aside does not need to be large; a small organization may have a petty cash fund of \$100.

Following are procedures for tracking petty cash expenditures.

- Establish a clear policy on the amounts and purposes for which petty cash can be used and the initial size of the petty cash fund.
- Designate one person—a custodian—as in charge of petty cash. This custodian should respond to petty cash requests and keep a journal of all transactions (i.e., payments from petty cash and checks to replenish the petty cash fund). (See the Sample Petty Cash Journal on page 70.) The initial check to establish the petty cash fund and subsequent checks to supplement the fund should be made payable to the custodian.
- Keep the petty cash in a locked box with access limited to the custodian.
- Issue vouchers for petty cash advances and require receipts for reconciliation. (See the Sample Petty Cash Fund Disbursement Form on page 69.)
- Require receipts for reimbursement.
- Require the custodian to regularly reconcile the petty cash records, verifying that the receipts plus cash available equals the amount in the petty cash fund.
- Have the custodian submit the receipts to the bookkeeper to have the petty cash fund replenished as the petty cash is spent.
- Have someone other than the custodian conduct unannounced checks of the petty cash fund and controls. This individual should verify that the appropriate amount of petty cash remains and that the receipts and the journal of transactions are in order.

Petty Cash Checklist

- Is a petty cash fund maintained to pay small, incidental expenses?
- Are petty cash funds disbursed to the custodian of the fund by a check payable to that individual?
- Is there a limit on the amount that can be reimbursed by the petty cash fund?
- Is supporting documentation required for all petty cash disbursements?
- Is access to petty cash limited to the fund custodian?
- Is the petty cash fund custodian required to reconcile the fund on a regular basis (e.g., weekly or monthly)?
- Are unannounced counts of petty cash conducted by someone other than the fund custodian?

6.6 Payroll Procedures

Establishing controls over payroll helps ensure that payments are made only to bona fide employees—upon proper authorization of management—and that the payments comply with federal, state, and local requirements (see the Payroll Checklist on page 64). Executing payroll properly not only ensures your organization is being a responsible employer, but also keeps the staff happy. Following are procedures to conduct the payroll function.

- Designate who is authorized to hire new employees and determine salary.
- Require written authorization for hiring and changing pay rates (for example, salary increases).
- Establish clear policies for the payroll process, overtime, sick leave, vacation and holiday leave, and other leave with or without pay. Employee handbooks can offer clear guidelines and reduce exposure to employee complaints and lawsuits. The policies should be communicated to all employees. They should also be reviewed regularly to ensure compliance with state and federal laws.
- Require written or online timesheets to be completed and signed by employees and submitted to a supervisor or other authorized person. Supervisors or other authorized personnel should review and approve the time records. Time sheet formats should match the organization's structure. For example, organizations with multiple funds should direct employees to track their time by fund.
- Keep proper forms for federal and state taxes for each employee. Authorized personnel should make timely payments of taxes and other withholding to avoid costly penalties as well as keep careful records of when payroll taxes and employee benefits are paid.
- Segregate duties that relate to budgeting, payments, recordkeeping, tax filing, and approval of time sheets; do not have one person in charge of all payroll tasks. Two people should review the payroll run records, especially in cases where the paycheck is automatically signed by a payroll services company.

TIPS



Payroll Service Companies Are a Good Idea

Use a professional payroll services company rather than do payroll in-house. Such companies stay current on all regulations from federal, state, and local authorities and simplify end-of-year reporting requirements to employees. Moreover, they do so more efficiently and cost-effectively than internal staff.

- Issue paychecks from a separate payroll bank account. Authorized personnel should remove and void unclaimed paychecks and then preserve and file those checks. Your payroll services company may debit the primary disbursement account for the full amount of the payroll, even unclaimed checks; this debiting should be monitored.

You should get advice on two key payroll-related issues. First, when is it appropriate to treat an employee as an independent contractor and issue a Form 1099 and when is it necessary to place that person on the payroll, with all the associated deductions and benefits? Second, within your organization, what is the difference between exempt (salaried) employees and nonexempt (hourly) employees? The answers to both these questions depend on the nuances of the positions under consideration as well as federal and state employment laws. Obtaining the opinion of a legal expert in these matters is a wise course. Information is also available at www.irs.gov.

Payroll Checklist

- Are detailed time sheets required to document employee hours, including overtime, vacation time, holiday leave, and other forms of leave?
- Are time sheets signed by the employee's immediate supervisor authorizing payment for work?
- Are employment records maintained for each employee that contain his or her letter of hire, salary information, benefits, federal and state withholding forms, taxes withheld for each pay period, annual performance reviews, and any changes in employment status?
- Are payroll-related taxes withheld (e.g., federal income tax, state income tax, and employee and employer shares of Social Security) and required taxes to federal and state agencies paid on a timely basis?
- Do the executive director and board treasurer review all the payroll tax returns?
- Are there written policies and procedures for tracking vacations, holidays, sick leave, and other benefits?
- Is a list of all payroll checks maintained, with appropriate withheld taxes, through the cash disbursement journal or a separate payroll register?
- Is a separate payroll bank account maintained?
- Does a second person review each payroll journal?
- Are all unclaimed paychecks held and filed?

Recognize that fraud and embezzlement can happen in any organization at any time. The variety of schemes that can be perpetrated against your organization is virtually limitless. Financial controls are critical for preventing fraud, but smart leaders should also take these steps.

- Avoid giving a single employee too much responsibility for financial transactions. Fraud happens when motive, opportunity, and rationalization are present.
- Arrange for regular, outside independent audits for your organization. (See Chapter 9 for more information on audits.)
- Conduct monthly reconciliations of your organization's bank statements with its financial records in between audits. These reconciliations should be reviewed by a second person. If your organization is vulnerable, a knowledgeable person should review, at a minimum, payroll reports, vendor lists, and accounts receivable details.

6.7 Investment Policies and Procedures

Your organization should invest its assets to:

- preserve restricted funds for specific projects and activities;
- preserve and grow reserve funds for building capacity to address new and emerging needs; and
- protect itself in case of emergencies or other adverse circumstances.

Your organization may sometimes receive grant payments for multiple years and/or be able to set aside some funding for slower periods. Prudent short-term and long-term investments can add to current income in ways that will benefit your organization in both the short and longer terms. In choosing investments, you must balance the risk of investment with possible return (i.e., profit or money made on investment). A board member with a financial background can help an organization develop informed policies and choices about investments. Alternatively, your organization can seek help from a financial planner.

TIPS



Online Banking Requires Controls Too

If your organization decides to begin banking online, consider what kinds of transactions and controls your organization needs. Will online banking be limited to payroll or will it include paying bills? What kind of paper trail will you create for online operations?

PITFALLS**Investments Should Not Conflict with Mission**

Avoid investments that do not reflect the values of your organization. For example, some programs that serve teens will not hold stock in firearms companies. Your organization may choose to limit itself to socially responsible investments.

Investment Management Committee. Given the potential complexity of investment decisions, creating an investment management committee can be valuable. An investment management committee is a subcommittee of an organization's board of directors that provides review and advice for investment strategies. The committee should operate under clear and established guidelines that define, in detail, the limits on asset allocations and investment classes, requirements for reporting to you and the board of directors, conflict-of-interest policies, and other matters pertaining to the investment of your organization's assets. The investment management committee should meet no less than twice annually to review an organization's asset allocation and should meet more often if economic and market conditions warrant.

Investment Policies. A clear set of investment policies and procedures is essential. When considering your investment options, several actions will help ensure success.

- Identify how much excess money is available to invest and for how long. Use conservative projections for cash flow when determining the amount of funds for investment and the periods of investments.
- Create a timeline for the investment portfolio. Some investments mature over a set period (30 days, 90 days, etc.) and are then available for use or reinvestment. Time the investments so cash is available when it is needed or on a periodic basis. Longer maturities usually carry higher rates of return at the same level of risk. For example, checking accounts pay next to nothing, while a six-month Treasury bill can carry significant interest.
- Always assess the risk of a proposed investment. You must invest prudently and protect the security of the principal (e.g., the initial investment). Your board members and senior management have a responsibility to protect the initial investment. Determine how much short- and long-term risk is acceptable.
- Pursue investments that maximize gain and minimize risk. The purpose of investing is to make money (i.e., earn a return) on the money invested. Investments that bring higher returns often also carry higher risk. The challenge is to balance the potential for profits from an investment with the risk of the investment. This requires frequent reassessment as economic conditions and market opportunities change.

- Consider including a stable investment income, such as investments that provide regular scheduled payments upon maturity and are highly secure (e.g., Treasury bills).
- Take into account how easy it is to redeem the investment for cash (i.e., the liquidity of the investment). Your organization may face an unexpected budget crisis and need to use the invested funds sooner than anticipated. The ability to quickly sell or dispose of an investment without being penalized is an important consideration, for at least a part of the portfolio.
- Diversify the investments to help balance risk, liquidity, and rate of maturity. This strategy can help reduce risks and ensure funds are available when needed. Diversification involves using separate investments of varying maturities (e.g., three months, six months, or one year). It may also involve multiple investment types, such as Treasury bills and money market accounts.
- Remember that savings accounts are only insured by the Federal Deposit Insurance Corporation (FDIC) for up to a set amount, which has recently changed. Any funds above that amount should be placed in a more secure financial instrument, such as Treasury bills.
- Understand and follow any other restrictions on investments. If your organization is investing funds granted from a donor, clear the investments with the donor first.
- Consider retaining a professional financial manager. A good one can offer expertise that far outweighs any fees he or she may charge.

Investment Options. Common and low-risk investment options include money market accounts, certificates of deposit, and Treasury bills.

Money market accounts. Banks, brokerages, and insurance companies offer money market funds, also known as mutual funds, which are similar to checking accounts but have greater limitations on transactions. These accounts typically require a minimum balance, with higher balances receiving higher interest rates. They are considered low risk, but they also tend to have lower interest rates than other investment options. If your organization is worried about liquidity, these accounts can be easy to access. You can usually withdraw funds without a penalty, so long as you stay above the minimum balance.

DEFINITIONS

Maturity:

Maturity is the duration the investment earns interest or needs to be repaid.

Certificates of deposit. These are promissory notes issued by banks or other financial institutions. Money is deposited with the institution for a prescribed period and receives a set interest rate. The duration of the deposit (maturity) varies from one month to many years, with longer maturities receiving higher interest rates. A penalty exists for withdrawing the money prematurely.

Treasury bills. Treasury bills, or T-bills, are sold by the U.S. government and mature in a year or shorter period—typically one month, three months, or six months. Instead of gaining value for the investor through an interest rate, T-bills are sold at a discounted rate and are redeemable at face value.

6.8 Reflection on Controls

Your organization's financial controls are the backbone of your financial management system. As you create and execute controls keep these ideas in mind.

- Set up controls that support the organization, not ham-string it. Make the controls appropriate to the situation: transactions involving small amounts of money (such as petty cash disbursements) can have fewer controls than transactions that involve large amounts of money.
- Use two staff at critical decision points. This can include having two people sign checks over a certain amount or having two people collect money.
- Employ checks and balances. The person who prepares the payroll run should be different from the person who reviews the payroll reports.
- Change your controls as needed. As your program evolves, you will see that controls must evolve too. Revisit your controls annually to see what works and what needs updating.

Additional Resources

For more information on financial management in nonprofits, visit the website of the Alliance for Nonprofit Management at www.allianceonline.org/nonprofits.ipage.

For more information on financial accountability in nonprofits, see www.idealists.org/npofaq/18/58.html.

For more information on federal rules for nonprofit fiscal management, see www.practitionerresources.org/cache/documents/36057.pdf.

For financial management templates and samples, see www.mncn.org/info/template_fin.htm.

Sample Petty Cash Fund Disbursement Form

Payee: _____

Amount: _____ Date: _____

Purpose: _____

Receipt Attached? Yes No

Cash Disbursed by: _____

Charge to Account Number: _____

Approved Signature _____ Date _____

Sample Noncash/In-Kind Donation Receipt Form

Name: _____

Address: _____

Phone: _____

Value of Service: _____

Consultant's Profession or Trade: _____

Rate per hour \$ _____ /per hour

Total number of hours: _____

Total Value of Service:

Date	Miles	Service Rendered	Time Donated

Value of Goods:

Items	Value
Total Value of Donated Items	

Signature

Date

Organization Administrator Signature

Date

Thank you for your contribution. A copy of this form will be mailed to you for your records.

Chapter 7

Allocating Overhead

- 7.1 Overhead Defined
- 7.2 Reasons to Allocate Overhead
- 7.3 Methods to Allocate Overhead
- 7.4 Ways to Calculate Overhead Rates

Because your nonprofit organization enjoys a tax-exempt status and often relies on donations to exist, you must demonstrate to your benefactors and the general public that you are operating efficiently and without waste. Overhead costs are sometimes used as a shorthand indicator for this. Even without the pressure of outside scrutiny, overhead costs are an important part of your budget. For these reasons, your lead financial manager must be able to identify overhead rates to help with fundraising and monitoring operations.

7.1 Overhead Defined

Overhead, or indirect expenses, are costs that are not directly attributable to specific programs or activities but are necessary to your organization's program operations. Examples of overhead include rent, telephone, and accounting expenses. (In contrast, direct costs include program staff salaries and program materials.) For many indirect items, you can account for each one separately in the budget or lump them together in an overhead category.

Overhead Costs

Overhead costs, or indirect expenses, usually include:

- salaries for management and administrative staff;
- fringe benefits;
- rent;
- telephone and other utilities;
- postage;
- printing;
- vehicles;
- supplies; and
- other shared resources.

7.2 Reasons to Allocate Overhead

Overhead costs usually are treated differently from the direct costs of your organization because they cut across many, if not all, functions and activities. Overhead would exist absent a specific program or activity. For example, a youth program would have to pay rent regardless of whether its mentoring component was operating. Likewise, the program would require basic telephone services regardless of the mix of activities. Some administrative capacity would also be necessary to keep your program running. If your youth-serving organization sets limits on how much of its total resources can be used for indirect services, you must be able to monitor and justify overhead expenses.

Tips for Reducing Overhead Costs

Nonprofits often strive to do the maximum administration with the minimum amount. You can take these steps to reduce overhead costs:

- make sure your organization does not have any excess administrative capacity (for example, unused space or administrative staff hours);
- buy your supplies in bulk, which saves time and takes advantage of quantity discount pricing;
- negotiate with all your vendors (for example, phone companies, Internet providers, and supply vendors), leveraging the competition among them to obtain additional savings on goods and services; and
- analyze your work patterns to ensure efforts are not being duplicated and the programs are operating efficiently.

7.3 Methods to Allocate Overhead

No single method for calculating your overhead or allocating indirect costs across programs exists. The nonprofit community uses several methods, and the method your organization chooses will depend on its needs. If your organization is small and has comprehensive records of staff time and space used for each project, you can easily allocate or spread indirect costs across the projects in a proportional manner. As your organization grows in size and complexity, accurate estimates are more difficult. Three of the most common methods for allocating indirect costs are an activity-based method, a method based on an indirect cost rate, and an activity-based costing method.

Activity-based method. This method assigns indirect costs to specific programs or activities by determining the actual overhead costs for each of your programs or activities. For example, your organization may allocate rent according to the amount of space a program or an activity uses. You can allocate other overhead costs by tracking postage expenses in a log book, keeping a log book of photocopies, and/or maintaining a log of vehicle mileage. This can work for some of your indirect costs, but other overhead expenses may be difficult to allocate this way. For example, fundraising costs do not necessarily map to a specific program or activity.

Indirect cost rate method. For shared expenses that cannot easily be divided among programs and functions, you can develop an indirect cost rate. To develop a rate, first separate all costs into two groups: direct costs and indirect costs. The indirect costs are combined into an indirect cost “pool” and then allocated among programs based on a set rate or proportion, such as a percentage of budget, labor, or space used.

Percentage of budget. One common way you can allocate the pooled indirect costs is to look at the percentage of each of your program’s direct costs relative to the total direct cost budget for your organization. If your program’s direct costs are the same proportion of the total budget, then each would split the indirect costs evenly. However, if your program’s direct costs are larger than the other programs’ direct costs, it would be allocated a larger share of the indirect costs. The following example illustrates how an indirect cost rate can be calculated based on a percentage of budget.

The Chester Youth Development Program (CYDP) has a total budget of \$4,500, and the budget is distributed as follows:

- Tutoring program: direct costs of \$1,000
- Job training: direct costs of \$2,000
- Mentoring: direct costs of \$1,000
- Total direct costs: \$4,000
- Indirect costs to run the programs: \$500

The tutoring program’s direct costs are 25 percent of the total direct costs of the agency (\$1,000 out of \$4,000), so it should bear 25 percent, or \$125, of the indirect costs (25 percent of \$500 equals \$125). The budget for CYDP might look like this:

	Tutoring Program	Job Training	Mentoring	Total
Direct Costs	\$1,000	\$2,000	\$1,000	\$4,000
Percentage of Total Direct Costs	25%	50%	25%	100%
Indirect Costs	\$125	\$250	\$125	\$500
TOTAL COSTS	\$1,125	\$2,250	\$1,125	\$4,500

The percentage-of-budget allocation method can work well for your organization. However, in some cases, your program may have a large budget but a small percentage of overhead resources (for example, if your program passes through funds from outside sources but does not conduct activities itself). This will skew the overhead allocation.

Percentage of labor. The indirect cost rate can also be determined by the percentage of labor expended. Labor can be determined by salary costs or the number of hours your staff members spend on different activities. This method can be more accurate if your organization’s labor allocations match up well to organizational effort. The following example illustrates an indirect cost rate calculated by the percentage of labor in terms of hours worked.

Chester Youth Development Program employees work 10,000 hours annually. By program, staff members work as follows:

- Tutoring program: 4,000 hours
- Job Training: 4,000 hours
- Mentoring: 2,000 hours

The indirect costs to run the programs total \$500. The tutoring program's staff account for 40 percent of the work hours (4,000 out of 10,000), so it should bear 40 percent, or \$200, of the indirect costs (40 percent of \$500 equals \$200). Under the percentage-of-labor allocation method, the indirect costs for CYDP would be allocated as follows:

	Tutoring Program	Job Training	Mentoring	Total
Staff Hours	4,000 hours	4,000 hours	2,000 hours	10,000 hours
Percentage of Total Staff Hours	40%	40%	20%	100%
Indirect Costs	\$200	\$200	\$100	\$500

Percentage of space used. Other programs look at how much space each program uses to allocate overhead. This may be helpful when you think about allocating overhead such as utilities, but it can be difficult if there is substantial overlap in facility use among programs. The following example illustrates an indirect cost rate allocated by the percentage of space used.

Chester Youth Development Program uses a facility that is 5,000 square feet. By program, facility use is as follows:

- Tutoring program: 2,500 square feet
- Job Training: 1,000 square feet
- Mentoring: 1,500 square feet

The indirect costs to run the programs are \$500.

The tutoring program takes up 50 percent of the facility (2,500 square feet out of 5,000 square feet), so it should bear 50 percent, or \$250, of the indirect costs (50 percent of \$500 equals \$250). Under the percentage-of-space allocation method, the allocation of indirect costs for CYDP would look like this:

	Tutoring Program	Job Training	Mentoring	Total
Square Feet	2,500 sq. ft.	1,000 sq. ft.	1,500 sq. ft.	5,000 sq. ft.
Percentage of Total	50%	20%	30%	100%
Indirect Costs	\$250	\$100	\$150	\$500

Activity-based costing method. This method allocates overhead in a two-step process, blending the activity-based method and the indirect cost method. First, it assigns as much of the indirect costs to the relevant program or budget item as it can, including costs such as telephone charges and photocopying fees, that can be associated with a project or activity. The remaining overhead is then allocated using an indirect cost rate (a percentage of budget, labor, or space).

The method of overhead allocation chosen should be the one most appropriate for your organization. Regardless of the method, it should:

- be a rational and justifiable written allocation plan;
- not require excess capacity;
- be reasonable, applied consistently, and substantiated; and
- take into account the requirements of your funders; some funders have specific guidelines and require the use of specific indirect cost allocation methods.

7.4 Ways to Calculate Overhead Rates

Overhead rates are typically calculated by dividing the indirect costs by direct costs. In the example presented in the previous section, the Chester Youth Development Program would have an overhead rate of 12.5 percent; it has \$500 of indirect costs and \$4,000 of direct costs. However, calculating overhead rates for your organization may not always be so cut and dry.

The nonprofit community lacks a consistent standard for deciding what expenses to include in overhead calculations or what a reasonable overhead rate should be. Overhead rates will vary depending on your organization's size, age, and sources of income.

Calculating overhead is further complicated by the fact that different funding organizations have different rules on what should be included in calculating overhead and what is considered an acceptable or reasonable overhead rate. For example, some funders may require fundraising costs to be included in the overhead figure. Other funders may want fundraising costs listed separately. Your youth-serving organization may need to develop several overhead rates, especially if it receives both public and private funding; this can be a time-consuming task if your organization is small and receives funding from multiple sources. Regardless of how your organization chooses to calculate overhead, it must comply with the contractual definitions of the funding agencies as well as standard accounting principles and Internal Revenue Service rules.

Overhead rates may attract scrutiny from your funders and other stakeholders. The truth is that overhead rates can and should vary according to the status of your organization. If your organization is a smaller nonprofit, it may have higher overhead rates because of less programming over which to spread basic administrative costs. If your organization is new, higher overhead rates are likely because of large startup costs (for example, purchases of supplies).

TIPS



Funders May Have Unique Overhead Allocation Requirements

Contact the funder's program officer if a funder is requesting that overhead be allocated in a way that does not fit the structure of your organization. Frequently, a simple conversation will lead to an adjustment of the requirements.

An overhead rate should not be excessive. Yet the rate cannot be so small that it makes it difficult for your program to operate.

Overhead rates will fluctuate over time. As your organization grows, programs and activities may exceed your organization's administrative capacity and it will need to develop new and/or additional administrative systems. The increments by which you increase your administrative capacity may not always be directly related to incremental increases in programs or activities. All these factors contribute to fluctuations in overhead rates.

Your lead finance managers should adopt a measured approach to the overhead rate. An overhead rate should not be excessive. Yet the rate cannot be so small that it makes it difficult for your program to operate. Your managers should be aware, however, that overhead must be paid for. If your organization does not have sufficient general operating support and a low overhead rate, it can run into financial difficulties even if its programs are successful and well funded.

Additional Resources

For more information on functional expense reporting in nonprofits, see www.nysscpa.org/cpajournal/2006/806/infocus/p14.htm.

For more information on what is known about overhead costs in the non-profit sector, see www.urban.org/publications/310930.html.

Chapter 8

Creating and Using Financial Reports

- 8.1 Thinking About Financial Reports
- 8.2 Using Financial Reports
- 8.3 Identifying Reporting Needs
- 8.4 Monitoring Performance
- 8.5 Interpreting Financial Statements

Financial reporting is both a process and a product. Done well, it enables you to accurately summarize, analyze, and monitor the fiscal condition of your organization on a timely basis. This helps ensure that your managers have the information to make good decisions and that the organization has the resources to carry out its mission. Financial reporting helps hold your organization accountable to its goals and objectives.

8.1 Thinking About Financial Reports

Financial reports are the end product of the accounting process. They summarize all transactions for a given period and provide detailed information on the actual dollars your organization takes in and spends. They can also offer projections or estimates of what is expected. With this information you can anticipate your organization's fiscal health, problems, or opportunities. Moreover, financial reports are necessary to demonstrate to funders that money is being spent for the purposes for which it was granted.

To be meaningful, financial reports should be:

- easy to understand, so anybody who reads them can quickly grasp the financial picture;
- concise, so the person studying them will not get lost in the detail;
- all-inclusive in scope and embrace all activities of the organization; and
- available on a timely basis; the longer the delay after the end of the period, the longer the period before action can be taken.

TIPS
Financial Reports Are As Useful As You Make Them

Be sure all financial reports are:

- clear;
- accurate;
- timely; and
- tailored to the needs of people working at different levels, both inside and outside your organization.

Use reports for:

- monitoring performance;
- detecting fraud;
- making internal decisions; and
- demonstrating accountability.

8.2 Using Financial Reports

Financial reports are the dashboard display for your nonprofit's operations. To make good decisions about their work, your managers need to regularly review and analyze various financial reports. Basic reports include a statement of financial position, income and expenditure reports, budget variance reports, cash flow reports, project reports, and management reports.

A statement of financial position. This report is also referred to as a balance sheet. It provides a snapshot of your organization's financial position at a moment in time. It lists assets (for example, cash and buildings) and liabilities (debts) and shows the balance. This report becomes more important as the size and resources of your organization increase.

Income and expenditure reports. These reports are sometimes called statements of activity or, more commonly, profit and loss statements. They show the sources of actual revenue received and actual expenditures made. An income and expenditure report can be created for the organization or a specific program, project, and/or service.

Budget variance reports. These reports reveal the amount or percent by which actual revenues and expenses differ from earlier projected figures. Typically, they are prepared on a quarterly or monthly basis. These reports are used to determine how accurate budget estimates were for each category of revenue and expense, highlighting categories where expenditures exceeded projections or were lower than expected.

Cash flow reports. These reports compare projected cash flow with actual expenditures and revenues. They show when revenues were received and when expenditures were made as well as whether your organization had (or will have) a cash surplus or deficit. Cash flow budgets are extremely helpful for planning purposes and can be produced annually, monthly, or quarterly. The emphasis of a cash flow report is on looking forward to avoid a cash crunch.

Management reports. Management reports address questions on revenues and expenses in specific categories for internal decision-making. These reports can take many forms. For example, if you want to closely monitor administrative expenses, you can develop a report that summarizes this data. A report on administrative expenses could include information on

rent, salaries, fringe benefits, and other administrative expenses; how much is budgeted for the year and the current month; actual expenditures; and variances.

8.3 Identifying Reporting Needs

Determining who needs what information and how often information is needed are critical in developing systems for financial reports.

You and your lead finance manager:

- need to access all financial reports in a timely manner, reviewing, at least monthly, organization-wide reports that include line-item details on revenues and expenses within and across all projects and functions;
- must carefully review reports prepared for board members and funders; and
- should review year-end reports and summaries of activities.

Program managers and project directors:

- need information to create annual budget projections; and
- should review program- or project-related income and expense reports monthly to effectively manage the resources associated with the programs or projects they manage.

Board members and/or committees:

- have ultimate fiduciary responsibility and need to receive regular reports—typically, quarterly, but more or less often depending on the organization—on the financial status of the entire organization, including details on revenues and expenses within and across all projects and functions; and
- approve budgets for your organization.

External funders and partners:

- should receive audited financial statements annually or upon request, including statements related to financial position, activity, functional expenses, and cash flow; and
- should receive additional reports as required by specific grants or funding agreements.

What Kind and Level of Detail Should a Financial Report Have?

Providing the right type and amount of information for different decision-makers is an important consideration when preparing financial reports. The following questions can help determine the kind and level of detail to include.

- **Organization-wide versus project-specific.** Should the report cover your entire organization or just the projects that a single manager oversees?
- **Broad categories versus line items.** Is it necessary to include detailed line items for each category (for example, the specification of each salaried position) or just the broad category (for example, salaries)?
- **Budgeted versus actual figures and variances between the two.** Do you want to track the variance between budgeted and actual figures? Is it important to include explanations for variances?
- **Period comparisons.** What period comparisons will be most meaningful to you? You may want to see figures for the current month or quarter, for the year to date, and for the same period in the previous year.
- **Audited versus unaudited statements.** Do you have a preference or need for audited statements?

Keep in mind that financial reports must sometimes also reflect the value of in-kind contributions from volunteers. Many nonprofits forget to include the time and effort of volunteers in calculating their assets. Financial Accounting Standards Board Statement Number 116 outlines how nonprofits are required to account for in-kind contributions. Your nonprofit must account for volunteer time in its financial records if the volunteer's service resulted in creating or enhancing a nonfinancial asset (for example, renovation of a community center owned by the organization) or required a specialized skill that would otherwise have to be purchased (for example, donation of book-keeping services by an accountant).

To calculate the true cost of a program, volunteer efforts must be considered. Keep good records of how many volunteers the organization has, how many hours they work, and what they do. Although it may be easy to use the minimum wage to determine the dollar value for volunteer time, the work

the volunteers do likely has a much higher value than the minimum wage. If possible, identify salaried positions in the area job market that equate to the tasks assigned to different types of volunteers (direct service, administrative, etc.) and use those jobs' wage rates. Only use the volunteer's wage rate if the volunteered services correspond to his or her employment (for example, do not use a doctor's salary if his or her volunteer work is stuffing envelopes).

Be careful not to mix the value of in-kind wages with other, cash wages. Also, because you must account for the value of both an income and expense item when recording in-kind wages, be careful that the two halves of the equation match up.

Pricing Out the Value of a Volunteer

YouthServices, Inc., in Anytown, Anystate, needed to renovate a conference room in its new facility. Jim Burke, a local carpenter, agreed to donate the work and completed the job in a weekend. What was the value of his service?

The current market hourly rate for a carpenter in Anytown: \$50 per hour

Number of hours Jim worked: 16

Total value of Jim's contribution: \$800

TIPS
Financial Reports Should Be Easy to Use and Understand

Create reports that are easily digested. For reports that are produced regularly, using the telephone bill model can be useful. Start with a high-level summary of the information and offer more detail further into the report.

8.4 Monitoring Performance

Using financial statements to monitor performance can help ensure your organization remains financially sound. It is a good way to determine that you are not spending more than you take in, that you have sufficient reserves, and that you are operating efficiently.

Monitoring performance requires several key steps: produce and disseminate reports in a timely manner, review with common sense, make calculations and comparisons, think about contributing factors and ask for explanations, and develop an action plan.

Produce and disseminate reports in a timely manner. Establish routines for producing and disseminating all reports. The reporting cycle should be incorporated into the accounting procedures manual. If recipients are expected to discuss the reports at a meeting (for example, a board meeting or senior staff meeting), be sure to send the reports in advance. Once reports are produced, the period reflected on those reports should be closed to any further accounting adjustments. The system should lock out any efforts to post entries for a closed period.

Review with common sense. Several broad, commonsense questions should guide the review of financial statements. Does anything look off target? What needs explaining? What alternatives need to be developed? Does anything indicate potential fraud? (For example, are salaries much higher than budgeted without a detailed explanation?)

Make calculations and comparisons. Some basic calculations and comparisons, such as comparing current- and prior-period totals and balances, can help you interpret the organization's financial position. For example,

Commonsense questions should guide the review of financial statements.

consider trends in categories of expenditure, trends in revenue by type of funder, and trends in the number and size of grants and contracts.

Think about contributing factors and ask for explanations. Think about what factors or circumstances could have contributed to your organization's current financial position. Ask questions about anything that looks different from what was anticipated (for example, changes in staffing, changes in the funding environment, and changes in the demand for products and services).

Develop an action plan. Set goals for improvement. Develop an action plan for achieving those goals.

8.5 Interpreting Financial Statements

Rarely does a single ratio or point of comparison offer complete and reliable insight into your organization's financial health. Several different statistics and comparisons usually are necessary to obtain an accurate picture.

Several statistics and comparison measures can help you assess your organization's financial status, including growth rates, comparisons with previous years, and a review of sources and uses of cash. Other measures, such as the liquidity-current ratio, net profitability (total margin), or gross profitability (operating margin), can provide further insight. Following are details on how to calculate these statistics and comparison measures.

Growth rates. You should review growth rates regularly. This statistic shows whether various revenues are keeping pace with expenses. Such information can be generated easily from basic financial statements. To calculate growth rates, locate the relevant expense category on the income and expenditure statement (e.g., direct services, overhead, or fundraising) and divide the expense category by total revenue.

Ensuring that increases in expenses are occurring at the same time as appropriate increases in income is usually a wise course. Keep in mind, however, that the "right" percentage for growth rates depends on your organization's priorities.

Current year versus last year. This comparison, also known as rate of difference, is used to determine how sources of revenue and types of expenditures changed between periods. A simple comparison of financial statements from one year to the next can provide a wealth of information. To make this comparison, locate the current- and prior-year totals for revenue sources and expense categories on the income and expenditure statement. Then determine by how much each source or category went up or down.

PITFALLS

Financial Data Should Help, Not Overwhelm, Decisionmakers

Do not bury your managers in data. Give them the information they need to make good decisions. If they need more, they will ask for it.

No absolute rules of thumb exist for assessing the rate of difference. As part of the review, ask these questions:

- Are the increases or decreases dramatic?
- Was the difference planned?
- What factors contributed to the difference?
- Did unique expenses or revenues occur, such as emergency repairs or an unexpected donation?
- What revenues and expenses are stable over time?
- Are the revenue sources proportionate with expenses and vice versa?
- Are expenses in line with constraints governing restricted funds?
- How will you take this difference into account in developing budgets for next year?

Sources and uses of cash. This comparison is used to determine how cash flowed into and out of your organization. It provides another look at how well revenues and expenditures are aligned. To make this comparison:

- locate the net cash amounts for operating activities, investing activities, and financing activities on the cash flow statement;
- determine whether these totals are positive or negative; net cash from operating should be positive, while net cash from investing and financing may be negative;
- find total cash/cash equivalents and total accounts payable (same year) and determine which is greater; total cash/cash equivalents should exceed payables, because otherwise there are insufficient funds to pay bills; and
- compare total cash/cash equivalents in current and prior years and determine which is greater.

Again, no strict rules of thumb exist for this assessment. Ask questions such as these to help guide the review of this information.

- Were any differences planned?
- What might have contributed to the difference between total cash/cash equivalents in the current year versus the prior year?
- How does the difference affect future needs for cash?

The next three measures are used regularly by for-profit companies. Nonprofits can also benefit from a review of these statistics.

Liquidity-current ratio. This statistic is used to benchmark your organization's ability to meet short-term obligations by providing information on the amount of cash on hand to meet obligations. To calculate the current ratio, locate total current assets and total current liabilities for a given year on the statement of financial position. Then divide the total of current assets by the total of current liabilities to get a ratio or decimal figure.

A ratio greater than one means the organization can cover current debt obligations. A general rule of thumb for your nonprofit is that this ratio should equal two (you have \$2.00 for every \$1.00 of liabilities that are due). Yet, depending on the nature of your organization's programs and activities, different ratios may be more realistic. For example, if your organization depends on complicated billing and reimbursement systems, it may require more cash on hand than organizations that collect fees for service.

Profitability (total margin). This statistic is used to benchmark your organization's operational performance and ability to expand. It offers another way to look at the variation between revenues and expenses. To calculate total margin, locate total revenue and total expenses on the income and expenditure statement and subtract expenses from revenue. Then, divide the result by revenue.

A higher ratio shows a better performance. Profitability is important for any type of organization; nonprofit organizations should not operate at a loss. Cash is necessary for investment purposes, innovation, and expansion. The right profitability ratio depends on your organization's goals. Yet you should not operate at too high a profit margin; this would indicate a failure to provide adequate programmatic returns on revenues.

DEFINITIONS

Liquidity:

Liquidity refers to the ease with which assets can be converted into cash. Obviously, cash has the most liquidity. Real estate has much less liquidity.

Profitability (operating margin). This statistic is used to benchmark your organization's ability to cover its program costs from operating revenue, instead of having to rely on grants and external funders. Many nonprofit organizations rely on revenues from outside sources to cover the cost of operations. Profitability shows how much fundraising is necessary. To calculate operating margin, locate total operating revenue (the income from fees paid by clients) and total operating expense (what it costs, without overhead, to run a program) on the income and expenditure statement. Next, subtract total operating expense from total operating revenue. Then, divide the result by total operating revenue.

A higher ratio means your organization can meet its operating budget without relying on revenue from other sources. There is no one-size-fits-all standard; the board and executive director must consciously and deliberately decide what operating margin to employ.

The financial statements of your organization carry substantial weight and can have significant impacts on decisions made at all levels of the organization. You and your lead finance manager are responsible for the fair presentation of information in your reports, including financial position and changes in net assets and cash flows, and ensuring all reports are in conformity with generally accepted accounting principles.

Additional Resources

For more information on interpreting nonprofit financial statements, see S. Berger, *Understanding NonProfit Financial Statements* (Washington, D.C.: BoardSource, 2003).

For more information on Federal Accounting Standards Board Statement Number 117, see The Non-Profit Resource Center, "Analysis of FASB 117" [2006], at: www.1800net.com/nprc/fasb117.html.

For more information on calculating the value of volunteers' in-kind contributions, see Susan Ellis, "The Dollar Value of Volunteer Time" [May 21, 2007], at: www.energizeinc.com/art/afoc2.html. The Independent Sector provides estimates for volunteer time at www.independentsector.org/programs/research/volunteer_time.html.

Sample Budget Variance Report

Hubbard Street Youth Voice Year-to-Date Budget / Month 6 of the fiscal year

REVENUES	Annual Budget	Year-to-Date Budget	Year-to-Date Actual	Year-to-Date % Variance	Year-to-Date % Variance
Contributed Revenues					
Government Grants (State)	20,000	10,000	8,000	80%	(2,000)
Government Grant (County)	50,000	25,000	22,000	88%	(3,000)
Foundation Grants	70,000	35,000	37,000	106%	2,000
Corporate Gifts	60,000	30,000	22,000	73%	(8,000)
Individual Contributions	15,000	7,500	5,000	67%	(2,500)
Direct Mail	5,250	2,625	3,000	114%	375
Fundraiser	25,000	12,500	0	0%	(12,500)
Total Contributed Revenues	245,250	122,625	97,000	79%	(25,625)
Earned Revenues					
Space Rentals	10,000	5,000	2,300	46%	(2,700)
Fees for Services	5,000	2,500	1,000	40%	(1,500)
Asset-Generated Income	1,200	600	605	101%	5
Total Earned	16,200	8,100	3,905	48%	(4,195)
TOTAL REVENUES	261,450	130,725	100,905	77%	(29,820)

EXPENSES					
Personnel					
Salary and Fringe	170,000	85,000	80,000	94%	(5,000)
Computer Consultant	8,000	4,000	2,500	63%	(1,500)
Payroll Service	5,000	2,500	2,500	100%	0
Accountant	10,000	5,000	4,500	90%	(500)
Professional Development	10,000	5,000	7,000	140%	2,000
Total Personnel	203,000	101,500	96,500	95%	(5,000)
Other Expenses					
Transportation	10,000	5,000	7,500	150%	2,500
Curriculum Cost	7,000	3,500	6,000	171%	2,500
Program Supplies	5,000	2,500	2,000	80%	(500)
Office/Classroom Space	7,500	3,750	4,000	107%	250
Utilities and Insurance	2,500	1,250	1,250	100%	0
Fundraising Expenses	10,000	5,000	5,500	110%	500
Office Supplies	2,500	1,250	750	60%	(500)
Postage	4,000	2,000	1,900	95%	(100)
Dues & Fees	1,000	500	250	50%	(250)
Telephone	5,000	2,500	3,000	120%	500
Copier Lease	3,000	1,500	1,500	100%	0
Bank Charges	750	375	300	80%	(75)
Total Other	58,250	29,125	33,950	117%	4,825
TOTAL EXPENSES	261,250	130,625	130,450	100%	(175)
Net Surplus (Deficit)	200	100	(29,545)		(29,645)

Sample Balance Sheet

December 31, 2000 and 1999

ASSETS	2000	1999
Current Assets		
Cash and cash equivalents	24,088	27,259
Short-term investments	90,000	55,000
Unconditional promises to give:		
Unrestricted	1,650	4,500
Restricted to program	1,550	300
Accounts receivable	650	489
Prepaid expenses	4,337	2,189
Total Current Assets	122,275	89,737
Fixed Assets		
Property and equipment, net of accumulated depreciation	18,846	23,629
Total fixed assets:	18,846	23,629
Total Assets:	141,041	113,366
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	19,114	13,699
Accrued liabilities	1,431	937
Deferred revenue	12,000	17,000
Total current liabilities	32,545	31,636
NET ASSETS		
Unrestricted	28,496	16,430
Restricted	80,000	65,300
Total net assets	108,496	81,730
Total liabilities and net assets:	141,041	113,366

Adapted from "Understanding Nonprofit Financial Statements," John Paul Dalsimer.

Sample Review Checklist

General Ledger

Preparer	Reviewer	
		Check general ledger for accuracy

Balance Sheet

Preparer	Reviewer	
		Is the date correct
		Is statement consistently formatted
		Do Assets equal Liabilities and Fund Balance
		Does each donor's fund balance match their respective Revenue, Expenses, and Fund Balance Report
		Does the consolidated fund balance match Consolidated Revenue, Expenses, and Fund Balance Report

Statement of Revenue, Expenses and Fund Balance

Preparer	Reviewer	
		Is the date correct
		Is statement consistently formatted
		Does the ending fund balance match the Balance Sheet's
		Are the budget variance percentages correct

Work papers include Trial Balance, Trial Balance for sub accounts and MTD General Ledger.

Preparer

Date

Reviewer

Date

Transmitted / E-mailed

Date

Chapter 9

Conducting an Audit

- 9.1 Audits
- 9.2 Purposes of an Audit
- 9.3 Working with an Auditor
- 9.4 Alternative Audits

Although the thought of an audit can be stressful, with proper preparation the auditing process can be a great opportunity to keep your organization's fiscal management systems in top shape. The process is a chance to verify the accuracy of your organization's financial information and lend credibility to your financial reports. An audit can also help your organization identify areas and strategies for improvement.

9.1 Audits

An audit is a process of using outside, independent experts to test the accuracy and completeness of information presented in your financial statements. During this process, auditors want to know whether the accounting practices conform to accounting standards and are fair, complete, objective, and accurate.

At the end of the audit, auditors express a written opinion about the fairness and accuracy of your financial statements as well as produce a report to your board of directors. The opinion renders a judgment about whether the statements follow accounting standards and fairly and accurately reflect the financial status of your organization.

How to Achieve a Clean Audit

For a clean, "no problems" audit:

- avoid conflicts of interest—board members, staff, and relatives should not conduct audits;
- build audit costs into the budget to ensure the audit will happen;
- act on all audit findings; and
- prepare for an audit throughout the year.

9.2 Purposes of an Audit

Generally, audits are conducted for five main reasons:

- to fulfill fiduciary responsibilities to your organization's leaders and board members, foundations, and donors;
- to meet terms and conditions in grants and agreements with government agencies and other funders;
- to comply with federal or state guidelines;
- to strengthen your organizational capability by enacting improvements in accounting processes and controls recommended by the auditor; and
- to signal organizational maturity by providing evidence of your organization's internal capability and commitment to adhere to generally accepted accounting principles and standards.

In addition, audits provide your organization with credibility of financial statements, advice on internal controls and other management issues, and assistance in tax reporting and compliance requirements.

- **Credibility of financial statements.** Audited financial statements are more accurate and more meaningful to your funders, board members, and staff.

Creating an Audit Committee

Your board of directors should create an audit committee to oversee accounting practices and audits for your organization. Such a committee typically consists of several board members and at least one financial expert. The audit committee should be separate from the finance committee. An important job for the audit committee is selecting the auditor. See the section 9.3 for more information on how to choose an auditor.

Engage your audit committee early in the audit process and make sure that they thoroughly understand the issues that may come to light during the audit. This may require you to provide training for the committee.

The work of the audit committee does not end when the audit is completed. The committee should carefully review the audit, especially the recommendations of the auditor. Based on those recommendations, the committee should create and execute a work plan to strengthen the organization's fiscal management systems if necessary.

- **Advice on internal controls and other management issues.** Independent auditors point out issues concerning internal systems, which can lead to valuable changes in how your organization and staff operate.
- **Assistance in tax reporting and compliance requirements.** To maintain a tax-exempt status, your nonprofit organization must provide audited reports.

Your organization may choose to conduct an independent audit annually or every other year. How your board decides to audit its finances will depend on the requirements of grants and funders, regulatory guidelines, and your organization's resources and capabilities.

9.3 Working With an Auditor

An audit aims to determine whether financial statements conform to accounting principles and are fair and accurate. Your organization will need to select an independent auditor, such as a certified public accountant (CPA) or accounting firm, to conduct the audit. Auditors analyze financial data, including hard-copy files; review written procedures; and conduct staff interviews to investigate your organization's accounting practices. They look for evidence that policies and controls exist and are working properly.

Look for auditors with:

- experience with similar organizations;
- good references;
- an interest in serving your organization; and
- reasonable fee structures.

Independent audits can be time consuming. The key to a smooth audit process is preparation. Prepare for the audit throughout the year, with special attention focused on preparing all the requested documents one month prior to the audit. Be sure to inform staff about the audit process, the timing of the audit, and their role in the process.

The auditor will likely visit your organization's offices. Prepare for the auditor's visit by setting aside physical space for him or her to work. Have the

PITFALLS**Pay Attention to the Auditor's Opinions**

Do not dismiss the auditor's opinions. His or her expert advice could end up saving your organization considerable time and money.

appropriate management people available to answer questions and provide needed information. The auditor is likely to produce a steady stream of detailed requests.

Auditors test accounting practices to determine how the organization is tracking revenues, expenditures, and cash transactions. They evaluate whether your organization records its revenues in the correct:

- amount;
- period;
- category; and
- restricted/unrestricted classification.

They determine whether your organization's expenses are:

- classified by project and function;
- recognized in the correct period;
- justified with supporting receipts and invoices;
- projected accurately (actual versus budgeted), and
- reflected correctly in terms of overhead allocation.

Auditors also test fiscal management procedures and controls to ensure reliable financial data, make sure your organization is complying with laws and regulations and ensure efficient operations.

The key to a smooth audit process is preparation. Prepare for the audit throughout the year, with special attention focused on preparing all the requested documents one month prior to the audit.

After their investigation, auditors render an opinion about whether your financial statements follow accounting rules and accurately reflect your organization's financial status. Auditors offer three types

of opinions: unqualified (meaning "all is well"), qualified (meaning things are generally well within your organization, with some exceptions), and adverse (meaning there are serious problems to address).

TIPS**Audits Focus on Financial Management Controls**

Remember that auditors will be assessing whether your nonprofit organization has the necessary financial management controls, including:

- controls for cash and noncash receipts;
- controls for cash and noncash disbursements;
- controls for payroll; and
- controls for investments.

Auditors also submit a report to your board of directors. The report usually includes:

- a cover letter addressed to your board of directors from the auditor (includes opinion);
- audited financial statements, usually prepared by your treasurer or staff; and
- notes to financial statements, which provide supplemental information on accounting policies and specific items in the statements.

An A-133 Audit

If your organization spends \$500,000 annually in total federal funds, including federal funds that have passed through state or local government agencies, it must submit to a more detailed type of audit. This audit, performed by a certified public accountant, is described in OMB Circular A-133 and is usually referred to as an A-133 audit. A-133 audits are frequently more costly and time consuming than “regular” audits.

9.4 Alternative Audits

Your organization may decide not to conduct a full independent audit each year, especially if it is young or very small; the reasons likely relate to cost and time. An internal audit and a financial review are important alternatives. These alternatives can verify the financial status of your organization, provide accountability, and help prepare your organization for future audits.

Internal audit. An internal audit aims to ensure that routines and practices are working as planned. It can help you determine whether your organization’s accounting system collects, measures, and synthesizes transactional data correctly. An internal audit follows steps similar to those in an independent audit, such as verifying financial records and fiscal procedures, and it documents its findings.

Your organization’s staff will typically conduct the internal audit. Depending on the size of your organization, this will be the financial officer and/or senior staff. Very often, CPAs participate at critical junctures to ensure accountability and lend objectivity and expertise. Although an internal review can be quicker and less expensive, it lacks the objectivity and credibility of an outside audit.

Financial review. A financial review, also known as a CPA review, is less formal and intensive than an independent audit. Independent auditors, usually CPAs, conduct financial reviews. The CPA serves as a “critical friend” to your organization by testing selected procedures and controls and making recommendations for improvement. He or she can also serve as a resource in developing your annual financial statements.

A financial review aims to test and strengthen your organization’s capability. The CPA tests accounting practices and financial controls and makes recommendations for improvement. He or she works with your staff to verify transactions; reconcile accounts and statements; ensure proper documentation (for example, receipts, invoices, and vouchers); review contracts and grants; check for appropriate controls and procedures; and finalize annual financial statements. Although financial reviews do not offer a formal auditor’s “opinion” on the financial health of your organization, the review should record the findings and make recommendations tailored to your organization.

A financial review is a good precursor to a full audit. If your organization does not have the resources or capability to undergo a full audit, the financial review is a good alternative.

Additional Resources

For more information on creating an audit committee for a nonprofit, see American Institute of Certified Public Accountants, *AICPA Audit Committee Toolkit: Not-for-Profit Organizations* (New York, N.Y.: American Institute of Certified Public Accountants, 2005), at: www.aicpa.org/Audcommctr/toolkitsnpo/homepage.htm.

For more information on audit committees in nonprofits, see Grant Thornton, LLP, *Audit Committee Handbook for Non-Profit Organizations* (Chicago, Ill.: Grant Thornton, LLP, 2005), at: www.cpaspi.org/cpaspi/resources/NFPAC-Booklet.pdf.

For more information on typical audit committee responsibilities, see www.ncna.org/_uploads/documents/live/checklist.doc.

For more information on controlling audits in nonprofits, see H. Rentiera, *Controlling the Audit Process* (Chicago, Ill.: CPAs for the Public Interest, 2000), at: www.cpaspi.org/cpaspi/pdf/auditprc.pdf.

For more information on single audits, see W. Ruppel, *Miller Not-For-Profit Organization Audits with Single Audits, 2005–2006* (Chicago, Ill.: CCH Incorporated, 2005).

Chapter 10

10.1 The Revised IRS Form 990

10.2 Preparing the Revised Form 990

10.3 The Sarbanes-Oxley Act

Complying with Sarbanes-Oxley and the Revised IRS Form 990

Scandals in corporate finance and increased public interest in accountability have led to more government oversight of nonprofits. Two ways that this oversight is exercised are the Sarbanes-Oxley Act and the revised IRS Form 990.

10.1 The Revised IRS Form 990

IRS Form 990, or “Return of Organization Exempt from Income Tax,” is the annual report to the Internal Revenue. This return is due on the 15th day of the 5th month after the end of the fiscal year. For example, organizations whose fiscal year ends on June 30th must file by November 15th of that year. The recent revisions are meant to enhance the transparency of tax-exempt organizations to the IRS and the public as well as promote compliance with applicable tax laws.

The revision is extensive. Nonprofits are required to divulge more information in many areas, including:

- **Governance and management structures.** Organizations are asked a variety of questions about how they are governed, including the number of voting members, significant changes to organizational documents such as governing by-laws, and the keeping of written minutes of meetings.
- **Board composition and the level of board independence.** Organizations must describe the family or business relationships between officers, directors, trustees and key employees. These relationships must be detailed in an attached schedule, including listing any and all loans and grants, as well as business transactions over \$10,000.
- **Compensation of key employees.** The revised Form 990 requires information about compensation, not only about current officers, directors and key employees but also about former people in those roles as well as current independent contractors. Very specific questions are asked about the kinds of compensation, including payments for housing, first-class travel and travel for companions. Organizations are also asked to describe their process for determining executive compensation.

Important note:

The final version of the new form was not available at the time this guide was published, so check the IRS web site listed at the end of this chapter for the latest information.

- **Creation of written policies.** The Sarbanes-Oxley Act requires that organizations have written policies for document destruction and whistle-blower protection. (See the section below for more on Sarbanes-Oxley.) The revised Form 990 asks about those two policies as well as about the existence of other written policies including those regarding joint ventures and conflicts of interest.
- **Disclosure of your Form 990.** The IRS requires your organization to keep its 990 filings from the three previous years available to the general public. In the revised form, you must explain how your organization does this.

10.2 Preparing the Revised Form 990

The changes to the Form 990 mean that your organization will have to change how it prepares the form. Consider these elements as you plan your work.

- **Assemble a team to coordinate the effort.** The information asked for by the revised Form 990 is more than just numbers. Numbers do still play a large role, but there are also statements on activities and governance. In past years, the lead finance manager of a small nonprofit could complete the form with only minor assistance from other managers. Because of the demands for deeper data and increased requirements for narrative, creating a team of internal personnel, plus external support such as an accountant, is a good idea for at least the first year that you file. Depending on the demands of the revised Form 990, you may need an entirely new outside preparer for the form.
- **It's a year-round process.** Like all of your organization's other reporting efforts, the preparation of Form 990 should be worked on year-round. There are many possible additional schedules of the Form 990 that you may have to file, depending on your organization's activities and

**TIPS****Form 990 EZ or Not?**

Depending on your organization's revenues and assets, it may be eligible to file the simpler Form 990 EZ. The standards for eligibility will be changing from tax year 2007 to 2010, so be sure to check the IRS regulations to determine whether your organization is exempt from filing the full Form 990.

PITFALLS

Consider how your Form 990 will be perceived by outside audiences such as potential collaborators or funders.

- Do your finances look healthy?
- On the checklist of required schedules, are potentially controversial responses about political campaigning, lobbying or excess benefits explained?
- Will your organization's fundraising expenses be perceived as being too high?
- Are there conflict of interest issues, such as loans or business relationships between officers and directors?

status. Get familiar with the ones that apply to you and begin gathering information early. As was mentioned above you will need to describe your board's independence and relationships. You are far more likely to have a complete and accurate record of this if you track changes and transactions as they happen over the course of the year rather than trying to go back and re-create these after the fact. Your board members will appreciate knowing ahead of time what you plan to share with the IRS.

- **Review or create policies.** Preparing the revised Form 990 can be an opportunity to help keep your organizational house in order. Take this time to review all the written policies required by the Form 990 or if need be, create them. As your organization ages and evolves, its policies should evolve with it.

The new requirements of the Form 990 mean that your organization is open to a new level of scrutiny. In an age when Form 990s are easily available at web sites like www.guidestar.org, the Form 990 is more than just another reporting obligation. It is a public relations tool that can help or hurt your organization. Schedule O (Supplemental Information to Form 990) gives your organization an explicit opportunity to tell its story, but there are narrative opportunities throughout the form. Be completely honest, but make sure that readers understand how your organization is doing good work.

10.3 The Sarbanes-Oxley Act

Following the collapse of Enron and WorldCom, Congress passed the Sarbanes-Oxley Act in 2002. Only two parts of the law specifically apply to both nonprofit and for-profit organizations: a protection for whistleblowers and a prohibition against destroying documents related to litigation. The act's other provisions deal with good financial accountability practices in for-profit organizations, focusing on the board's responsibilities as the governing body such as having an audit committee, requiring financial reports to be certified, banning personal loans to executives, and increasing financial disclosure requirements. Nonprofits are also advised to adhere to these provisions. The movement begun by the Sarbanes-Oxley Act could lead to more stringent nonprofit accounting standards. This federal law has already motivated several states, including California, Massachusetts, and New York, to consider legislation that would increase financial accountability in nonprofit organizations.

Whistle-Blower Protection

The Sarbanes-Oxley Act provides protections for whistleblowers and imposes criminal penalties for actions taken in retaliation against those who risk their careers by reporting suspected illegal activities in the organization. It's illegal for any entity — for-profit and nonprofit alike — to punish the whistleblower in any manner.

Because illegal activities often involve finances, as the lead finance manager it's essential that you clearly communicate the policy to employees and board members. A good whistleblower policy includes the following:

- A detailed list of who is covered by (and accountable to) this policy. This should include all staff and board members.
- The procedure for whistleblowers to report illegal activities. It should include multiple, separate paths for confidential reporting. If your organization's only process is to report all wrong-doing to the chair of the board, that does not help if the chair is one being reported on.
- An explanation of the investigation and resolution process, including an appeals process.

Implementation of Whistleblower Protection

Having a well-crafted policy is a good start, but it only works if the organization implements it and managers lead by example. Once the policy is created, train the staff and board on it and have all participants sign memos saying that they understand it. Organizational leaders must adhere to the principals of anonymity and confidentiality in any investigations and of course, exercise no retaliation. Above all, all participants must act in good faith, putting the interests of the organization and public good above all others.

Document Destruction

The Sarbanes-Oxley Act addresses destruction of litigation-related documents. The law makes it a crime to alter, cover up, falsify, or destroy any document (or persuade someone else to do so) to prevent its use in an official proceeding (e.g., federal investigation or bankruptcy proceedings). The law extends to destruction of documents in situations where cases are only being contemplated but have not yet begun proceedings.

Implementation of Document Destruction Policies

Because of these restrictions, the Act turns intentional document destruction into a process that must be monitored, justified, and carefully administered. Work with your human resources manager and your information technology manager to create a written, mandatory document retention and periodic destruction policy, which includes guidelines for electronic files and voice-mail. As with the whistleblower policy, train your staff and board on the new processes and have them sign off saying that they understand the policy. If an official investigation is underway or even suspected, stop any document purging in order to avoid criminal obstruction charges.

One final word of advice: In all legal and financial matters in your organization, be sure to confirm your organization's significant decisions with a lawyer and/or an accountant.

Additional Resources

For information from the Internal Revenue Service, go to <http://www.irs.gov/charities/topic/index.html>.

For sample guidelines on document destruction, see the National Council of Nonprofit Associations website at www.ncna.org.

For more information on whistleblower protection policies, see the Board-Source website at www.boardsource.org.

Chapter 11

Sharing a Few Final Reminders

Although creating and operating financial management systems might be considered the least glamorous tasks of running your nonprofit, they are absolutely essential to ensure your organization achieves its mission. As a manager of a youth-serving organization that builds and administers these critical systems, keep in mind this advice culled from the previous chapters of this guide.

Ensure the budget reflects and supports your organization's mission and vision.

Once the board develops and approves your organization's budget, departing from it can be difficult. Be clear about program strategies for the coming year before the budget process begins.

Ask for help from seasoned practitioners to avoid problems early on.

Board members or other friends of your organization can often easily find a volunteer with finance experience. Or, your organization should seek the advice of a CPA and/or other experts.

Craft user-friendly financial management systems.

Your lead finance managers may be tempted to create financial management systems that simplify their jobs while making the jobs of program managers more difficult. Creating systems that both maintain financial integrity and support program operations is possible. Resist unnecessary complexity.

Set policies and procedures, then stick to them.

Whether it is reporting revenue, hiring a new staff person, or issuing petty cash, sticking to established financial management controls will ensure good recordkeeping, demonstrate fairness, and avoid fraud. Consistent execution of these policies and procedures is the ally of financial integrity.

Recognize the difficult role your lead finance manager must play.

Often it is the role of this person to say no. Much misunderstanding and emotional distress can be avoided by clearly articulating not only your financial policies and procedures, but also the reasons behind them. If your lead finance manager has created goodwill by setting up user-friendly financial management systems, conflicts are less likely to happen.

Integrate financial management systems with the rest of your organization.

Financial management systems are part of the larger administrative systems of your organization, which include fundraising, human resources, and participant enrollment. If you have a good lead finance manager, he or she will understand the need to connect the financial management systems

Much misunderstanding and emotional distress can be avoided by clearly articulating not only your financial policies and procedures, but also the reasons behind them.

to the rest of your organization and foster good relationships with other functional areas as much as possible. Quality financial management systems are the result of teamwork.

Get regular audits.

The costs incurred to conduct an audit are a fraction of what could be lost in terms of time, money, and goodwill should an embezzlement case arise. Audits are the best—though not the only—guarantee of your organization's financial integrity.

As a leader of a nonprofit youth-serving organization, you face complexity and challenges. Following the guidelines and suggestions in this guide will help reduce that complexity and enable you to focus on the challenges—and satisfactions—presented by mission and operations.

Acknowledgements

The authors would like to extend their sincere thanks to their colleagues at The Finance Project, especially Brittany Anuszkiewicz, Michelle Beattie, Carol Cohen, Barbara Langford and Cheri Hayes who provided valuable guidance and feedback. The authors are grateful to Jeff Rosen of the Solidago Foundation and Kate Lee, who provided knowledgeable comments and suggestions on the contents of this guide. The Finance Project appreciates Underage Tobacco Prevention: Philip Morris USA, an Altria Company for its generous support enabling the development and publication of this work.

About The Finance Project

Helping leaders finance and sustain initiatives that lead to better futures for children, families, and communities.

The Finance Project is an independent nonprofit research, consulting, technical assistance, and training firm for public- and private-sector leaders nationwide. It specializes in helping leaders plan and implement financing and sustainability strategies for initiatives that benefit children, families, and communities. Through a broad array of tools, products, and services, The Finance Project helps leaders make smart investment decisions, develop sound financing strategies, and build solid partnerships. To learn more, visit www.financeproject.org.

Sustaining and Expanding Youth Programs and Policies

This publication is part of a series of tools and resources on financing and sustaining youth programming developed by The Finance Project with support from Underage Tobacco Prevention: Philip Morris USA, an Altria Company. These tools and resources are intended to help policymakers, program developers, and community leaders develop innovative strategies for implementing, financing, and sustaining effective programs and policies. To access these resources and for more information on this project, see www.financeproject.org/special/irc/youth_about.cfm



The **FINANCE**
PROJECT

The Finance Project; 1401 New York Avenue, NW, Suite 800; Washington, DC 20005
(202) 587-1000, fax (202) 628-1293, www.financeproject.org

Gifted Education

Torrance® Tests of Creative Thinking (TTCT)

The highly reliable **Torrance® Tests of Creative Thinking** are the most widely used tests of their kind since testing only requires the examinee to reflect upon their life experiences. These tests invite examinees to draw and give a title to their drawings (pictures) or to write questions, reasons, consequences and different uses for objects (words). These instruments have been used for identification of the creatively gifted and as a part of gifted matrices in states and districts in the USA, especially in multicultural settings, and for special populations around the world. Published in two equivalent forms, Forms A and B, the **Figural** and **Verbal TTCT** can be used for pre- and posttesting.

Figural TTCT®: *Thinking Creatively with Pictures*

The **Figural TTCT: Thinking Creatively with Pictures** is appropriate at all levels, kindergarten through adult. It uses three picture-based exercises to assess five mental characteristics:

- fluency
- elaboration
- originality
- resistance to premature closure
- abstractness of titles

The **Figural TTCT** can be scored locally or by STS.

Both methods employ the streamlined scoring procedure. Streamlined scoring provides standardized scores for the mental characteristics listed above as well as for the following creative strengths:

- emotional expressiveness
- storytelling articulateness
- movement or action
- expressiveness of titles
- synthesis of incomplete figures
- synthesis of lines or circles
- unusual visualization
- internal visualization
- extending or breaking boundaries
- humor
- richness of imagery
- colorfulness of imagery
- fantasy

With **Figural TTCT Streamlined Scoring** two different norm types are available: grade-

related norms and age-related norms. Grade-related norms use one set of norms for each of the grades for which the test is appropriate, including the adult level. Age-related norms are based on the typical age for each of the grades in which the **Figural TTCT** may be used.

The Figural TTCT is also [available in Spanish](#).

Required for local scoring, the **Figural TTCT Norms-Technical Manual** includes national norm tables with standard scores and national percentiles by grade and age for each score area. The tables also show national percentiles for average standard scores, as well as a creativity

index developed from the five standardized scores and thirteen creative strengths. A Streamlined Scoring Guide is also required for local scoring.

Author: Dr. E. Paul Torrance

Level: Kindergarten–Adult

Working Time: 30 minutes

Appendix Y



The GLOBE Academy Parent Handbook

2013-2014 Academic Year

Table of Contents

A Note from Our School Leaders!	3
Welcome to The GLOBE Academy!	5
<i>Vision</i>	5
<i>Mission</i>	5
<i>Core Values: The GLOBE Academy CREST</i>	5
<i>What is Dual-Language Immersion Education?</i>	6
<i>What Does It Mean To Be a Constructivist School</i>	6
<i>The GLOBE Academy Curricular Framework</i>	
Parent Volunteerism!	
The GLOBE Academy Parent/Teacher Organization!	8
<i>PTO Structure</i>	8
<i>Membership: Join The GLOBE Academy PTO Today!</i>	
<i>The GLOBE Academy PTO Calendar</i>	
Fundraising!	
Fundraising Goals and Initiatives	12
<i>Friends of The GLOBE Academy</i>	12
<i>The GLOBE Academy Building Capital Campaign</i>	12
The GLOBE Academy Policies and Procedures! 12	
Communication	12
<i>Directory of Springdale Park Elementary School Families</i>	12
<i>Communication: Between The GLOBE Academy and Parents</i>	12
<i>Communication: Between Parents and Teachers</i>	14
<i>Communication: Resources and Tools</i>	14
Attendance and Related Expectations	14
<i>School Day</i>	15
<i>Arrival to Campus</i>	15
<i>Late Arrivals</i>	
<i>Student Absence Procedures</i>	16
<i>Excused Travelling days</i>	
<i>Make-up Work</i>	17
<i>Partial Day Attendance</i>	17
<i>Inclement Weather, Emergency School Closings and Delayed Openings</i>	18
<i>School Dismissal</i>	18
<i>Early Dismissal</i>	18
After School Program and Clubs	19
<i>After School Program</i>	
<i>After School Clubs</i>	
Instruction	19
<i>Dual-language Immersion</i>	19
<i>Project-based Learning</i>	19
<i>Workshop Model</i>	19
<i>Service Learning</i>	19
<i>Curriculum Resources</i>	19

Homework.....	20
Field Trips.....	21
Special Programs	22
<i>English Language Learners Program.....</i>	<i>22</i>
<i>Early Intervention Program.....</i>	<i>22</i>
<i>Gifted and Talented: The Challenge Program.....</i>	<i>22</i>
<i>Program for Exceptional Children.....</i>	<i>22</i>
Grades & Records.....	23
Grading.....	23
Report Cards.....	23
Standardized Testing.....	23
Student Expectations.....	24
Student Behavioral Expectations.....	24
Academic Honor Code.....	25
Dress Code.....	25
Items Not Allowed In School or On Campus.....	26
Student Conflicts and Fighting.....	26
Harassment, Intimidation and Bullying.....	26
Affirmative Action.....	27
When Parents Have a Concern.....	27
Medical Policies	27
Medication.....	27
Immunizations.....	
School Nurse.....	
Meals	
Federal Eligibility Application (FEA) Free and Reduced Meal Program.....	29
Cost of Meals.....	29
Paying for Meals.....	30
Snacks.....	30
Birthday Parties.....	30
Calendar.....	31
The GLOBE Academy 2012-2013 Academic Calendar.....	

Appendix Z

The GLOBE Academy 5-Year Budget

5 YEAR BUDGET PROJECTION

School Name: The GLOBE Academy	FY2012		FY2013		FY2014		FY2015		FY2016		FY2017
	Planning Year	% of Total	Year 1	% of Total	Year 2	% of Total	Year 3	% of Total	Year 4	% of Total	Year 5
ASSUMPTIONS											
Number of Students			396		484		572		660		748
Facility Square Footage			31500		31500		70000		70000		70000
Number of Full Time Employees	0		38		50		59		71		79
Full Time Employees (eligible for benefits)			38		50		59		71		79
Number of Administrators			3		3		3		4		4
Number of Teachers			18		22		26		30		34
Number of Other Instructional Staff			15		21		25		32		36
Number of Clerical Staff			1		2		2		2		2
Number of Maintenance Staff			1		2		3		3		3
Number of Food Service Staff			0		0		0		0		0
Student Teacher Ratio			1:22		1:22		1:22		1:22		1:22
Revenue Per Pupil (State and/or Local)			\$7,752		\$7,752		\$7,752		\$7,752		\$7,752
Average Teacher Salary			\$50,000		\$50,000		\$50,000		\$50,000		\$50,000

REVENUES

State and/or Local Revenue (Rev Per Pupil*# of students)	\$0	0.0%	\$3,069,792	89.5%	\$3,751,968	90.0%	\$4,434,144	90.0%	\$5,116,320	90.1%	\$5,798,496
3% District Administrative Fee (Explain any changes in notes)	\$0	0.0%	(\$92,094)	-2.7%	(\$112,559)	-2.7%	(\$133,024)	-2.7%	(\$153,490)	-2.7%	(\$173,955)
Meal Fees		0.0%	\$124,740	3.6%	\$152,460	3.7%	\$180,180	3.7%	\$207,900	3.7%	\$235,620
Walton Grant - Secured	\$15,000	65.2%	\$15,000	0.4%		0.0%		0.0%		0.0%	
Confucious Institute - Paraprofessional		0.0%	\$16,000	0.5%	\$16,000	0.4%	\$16,000	0.3%	\$16,000	0.3%	\$16,000
State Planning Grant	\$8,000	34.8%		0.0%		0.0%		0.0%		0.0%	
Nursing		0.0%	\$5,409	0.2%	\$6,611	0.2%	\$7,814	0.2%	\$9,016	0.2%	\$10,218
Transportation		0.0%	\$18,422	0.5%	\$22,516	0.5%	\$26,609	0.5%	\$30,703	0.5%	\$34,797
Nutrition		0.0%	\$148,251	4.3%	\$181,195	4.3%	\$214,140	4.3%	\$247,084	4.3%	\$280,029
Fundraising- Walton /Federal/Partners grant not included because they are not secured.		0.0%		0.0%		0.0%		0.0%		0.0%	
Family school lunch revenue		0.0%	\$124,740	3.6%	\$152,460	3.7%	\$180,180	3.7%	\$207,900	3.7%	\$235,620
		0.0%		0.0%		0.0%		0.0%		0.0%	
Total Revenues	\$23,000		\$3,430,260		\$4,170,651		\$4,926,042		\$5,681,433		\$6,436,825

EXPENSES

PERSONNEL											
Principal		0.0%	\$170,000	5.2%	\$170,000	4.2%	\$180,000	3.9%	\$225,000	4.2%	\$270,000
Social Services (Social Worker/Counselor/Nurse)		0.0%	\$25,000	0.8%	\$25,750	0.6%	\$26,523	0.6%	\$27,318	0.5%	\$28,138
Technology Support		0.0%	\$15,000	0.5%	\$15,450	0.4%	\$15,914	0.3%	\$16,391	0.3%	\$16,883
Teachers	\$0	0.0%	\$900,000	27.5%	\$1,100,000	27.5%	\$1,300,000	28.4%	\$1,500,000	27.8%	\$1,700,000
Arts/PE/Comp Sci		0.0%	\$0	0.0%	\$0	0.0%		0.0%	\$150,000	2.8%	\$150,000
Athletics/Extracurricular Coaches		0.0%	\$0	0.0%	\$0	0.0%	\$50,000	1.1%	\$100,000	1.9%	\$100,000
Guidance Counselor		0.0%	\$25,200	0.8%	\$25,956	0.6%	\$26,735	0.6%	\$27,537	0.5%	\$28,363
Special Education Teacher		0.0%	\$50,000	1.5%	\$103,000	2.6%	\$106,090	2.3%	\$109,273	2.0%	\$112,551
Office Manager		0.0%		0.0%	\$45,000	1.1%	\$46,350	1.0%	\$47,741	0.9%	\$49,173
Office Assistant		0.0%	\$25,000	0.8%	\$25,750	0.6%	\$26,523	0.6%	\$27,318	0.5%	\$28,138
Business manager		0.0%	\$60,000	1.8%	\$61,800	1.5%	\$63,654	1.4%	\$65,564	1.2%	\$67,531
Maintenance		0.0%	\$25,000	0.8%	\$51,500	1.3%	\$77,250	1.7%	\$79,568	1.5%	\$81,955
Food Service		0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0
Retirement Benefits		0.0%	\$173,444	5.3%	\$204,751	5.1%	\$243,134	5.3%	\$296,735	5.5%	\$331,572
Health Benefits		0.0%	\$312,638	9.5%	\$191,682	4.8%	\$227,615	5.0%	\$277,794	5.2%	\$310,408
FICA		0.0%	\$134,976	4.1%	\$174,256	4.4%	\$206,923	4.5%	\$252,540	4.7%	\$282,189
Other Payroll Expenses/Taxes		0.0%	\$50,616	1.5%	\$65,346	1.6%	\$77,596	1.7%	\$94,703	1.8%	\$105,821
Media Specialist		0.0%	\$0	0.0%	\$50,000	1.2%	\$51,500	1.1%	\$53,045	1.0%	\$54,636
Paraprofessionals		0.0%	\$392,000	12.0%	\$504,000	12.6%	\$616,000	13.5%	\$728,000	13.5%	\$840,000

Total Personnel		\$0	0.0%	\$2,358,874	72.0%	\$2,814,242	70.3%	\$3,341,806	73.1%	\$4,078,525	75.7%	\$4,557,357
INSTRUCTION												
Textbooks			0.0%	\$125,000	3.8%	\$172,317	4.3%	\$136,365	3.0%	\$154,397	2.9%	\$218,945
Classroom Supplies			0.0%	\$18,000	0.5%	\$22,000	0.5%	\$26,000	0.6%	\$30,000	0.6%	\$34,000
Computers			0.0%	\$64,800	2.0%	\$16,200	0.4%	\$16,686	0.4%	\$17,187	0.3%	\$17,702
Software			0.0%	\$14,400	0.4%	\$17,600	0.4%	\$18,128	0.4%	\$18,672	0.3%	\$19,232
Field Trips			0.0%	\$5,000	0.2%	\$5,150	0.1%	\$5,305	0.1%	\$5,464	0.1%	\$5,628
Instructional Equipment			0.0%	\$15,000	0.5%	\$3,750	0.1%	\$3,863	0.1%	\$3,978	0.1%	\$4,098
Library and Media Center			0.0%	\$25,000	0.8%	\$25,000	0.6%	\$25,000	0.5%	\$25,000	0.5%	\$25,000
Student Assessment			0.0%	\$12,672	0.4%	\$15,488	0.4%	\$18,304	0.4%	\$21,120	0.4%	\$23,936
Classroom Furniture			0.0%	\$39,600	1.2%	\$48,400	1.2%	\$57,200	1.3%	\$66,000	1.2%	\$74,800
PE Equipment			0.0%	\$2,000	0.1%	\$2,500	0.1%	\$1,000	0.0%	\$1,000	0.0%	\$3,200
Art Supplies			0.0%	\$9,000	0.3%	\$24,200	0.6%	\$28,600	0.6%	\$33,000	0.6%	\$37,400
			0.0%		0.0%		0.0%		0.0%		0.0%	
			0.0%		0.0%		0.0%		0.0%		0.0%	
Total Instruction		\$0	0.0%	\$330,472	10.1%	\$352,605	8.8%	\$336,450	7.4%	\$375,817	7.0%	\$463,940

SERVICES & SUPPLIES												
Student Uniforms			0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0
Athletic Program			0.0%		0.0%		0.0%		0.0%	\$0	0.0%	
Office Supplies			0.0%	\$20,000	0.6%	\$20,600	0.5%	\$23,690	0.5%	\$24,401	0.5%	\$28,061
Office Furniture			0.0%	\$10,000	0.3%		0.0%		0.0%		0.0%	\$2,000
Office Computers & Software			0.0%	\$5,000	0.2%	\$2,000	0.0%	\$2,000	0.0%	\$2,000	0.0%	\$3,000
Printing and Copy Services			0.0%	\$29,945	0.9%	\$11,000	0.3%	\$11,000	0.2%	\$11,000	0.2%	\$11,000
Postage and Shipping			0.0%	\$500	0.0%		0.0%		0.0%		0.0%	
Bookkeeping			0.0%	\$20,000	0.6%	\$20,600	0.5%	\$23,690	0.5%	\$24,401	0.5%	\$28,061
Audit			0.0%	\$10,300	0.3%	\$10,609	0.3%	\$12,200	0.3%	\$12,566	0.2%	\$14,451
Payroll Services			0.0%	\$4,752	0.1%	\$5,808	0.1%	\$6,864	0.2%	\$7,920	0.1%	\$8,976
Banking Fees			0.0%	\$500	0.0%	\$500	0.0%	\$500	0.0%	\$500	0.0%	\$500
Legal Services			0.0%	\$12,000	0.4%	\$12,000	0.3%	\$12,000	0.3%	\$12,000	0.2%	\$0
Liability & Property Insurance			0.0%	\$15,500	0.5%	\$14,072	0.4%	\$24,278	0.5%	\$24,278	0.5%	\$24,278
Staff Development			0.0%	\$9,003	0.3%	\$9,273	0.2%	\$10,664	0.2%	\$10,984	0.2%	\$12,632
Special Education			0.0%	\$500	0.0%		0.0%		0.0%		0.0%	
Health Services			0.0%		0.0%		0.0%		0.0%	\$500	0.0%	\$500
Staff Recruitment			0.0%	\$700	0.0%	\$721	0.0%	\$743	0.0%	\$765	0.0%	\$880
Student Recruitment			0.0%	\$2,600	0.1%	\$2,678	0.1%	\$2,758	0.1%	\$2,841	0.1%	\$3,267
Tech Support			0.0%		0.0%		0.0%		0.0%		0.0%	
Phone/Internet Service			0.0%	\$5,000	0.2%	\$5,150	0.1%	\$5,305	0.1%	\$5,464	0.1%	\$6,283
Food Service			0.0%	\$124,740	3.8%	\$152,460	3.8%	\$180,180	3.9%	\$207,900	3.9%	\$235,620
Transportation			0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0
Health Supplies			0.0%	\$500	0.0%	\$500	0.0%	\$500	0.0%	\$500	0.0%	\$500
Pest Control			0.0%	\$2,000	0.1%	\$2,000	0.0%	\$2,000	0.0%	\$2,000	0.0%	\$2,000
Janitorial Supplies & Services			0.0%	\$6,885	0.2%	\$7,092	0.2%	\$7,304	0.2%	\$7,523	0.1%	\$8,652
Waste Disposal			0.0%	\$7,200	0.2%	\$7,416	0.2%	\$7,638	0.2%	\$7,868	0.1%	\$9,048
Marketing	\$5,000	100.0%		\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0
Insurances			0.0%	\$4,000	0.1%	\$4,000	0.1%	\$4,000	0.1%	\$4,000	0.1%	\$4,000
			0.0%		0.0%		0.0%		0.0%		0.0%	
Total Services & Supplies		\$5,000	100.0%	\$291,625	8.9%	\$288,479	7.2%	\$337,315	7.4%	\$369,410	6.9%	\$403,708

FACILITIES												
Rent/Lease/Mortgage			0.0%	\$1	0.0%	\$364,608	9.1%	\$364,608	8.0%	\$364,608	6.8%	\$364,608
Grounds Maintenance			0.0%	\$25,000	0.8%	\$25,750	0.6%	\$26,523	0.6%	\$30,501	0.6%	\$35,076
Maintenance & Repair			0.0%	\$50,000	1.5%		0.0%		0.0%		0.0%	
Utilities			0.0%	\$150,000	4.6%	\$154,500	3.9%	\$159,135	3.5%	\$163,909	3.0%	\$188,495
Fire Safety and Compliance			0.0%	\$5,000	0.2%	\$5,150	0.1%	\$5,923	0.1%	\$6,811	0.1%	\$7,833
Architecture/Engineering for Renovations			0.0%	\$65,000	2.0%		0.0%		0.0%		0.0%	

		0.0%		0.0%		0.0%		0.0%		0.0%	
Total Facilities	\$0	0.0%	\$295,001	9.0%	\$550,008	13.7%	\$556,188	12.2%	\$565,829	10.5%	\$596,012
Total Expenses	\$5,000		\$3,275,972		\$4,005,334		\$4,571,759		\$5,389,582		\$6,021,017
Contingency Fund	\$0		\$65,519		\$80,107		\$91,435		\$107,792		\$120,420
Surplus (Deficit)	\$18,000		\$88,768		\$85,211		\$262,848		\$184,060		\$295,387

Cash Balance											
Beginning Cash (Renewals, conversions, or org. funding amounts)	\$25,000		\$43,000		\$131,768		\$216,979		\$479,827		\$663,887
Net Surplus (Deficit)	\$18,000		\$88,768		\$85,211		\$262,848		\$184,060		\$295,387
Ending Cash	\$43,000		\$131,768		\$216,979		\$479,827		\$663,887		\$959,274

% of Total	
	Notes
	5 classes of K in year 1, 4 in following grades (10% attrition assumed)
	Yrs 1-3: Oper. lead, k-5 Instr. Lead, Bus. Manager; Years 4&5 add 6-8 inst. Lead
	Includes just core classroom teachers: 1 per unit
	includes Special ed teachers; 1 para /grade K & 1st; 1/2 para/grade in 2nd & 3rd; 1/2 counsel. & 1/2 social worker; art & music and athletics yrs. 3-5
	middle grades Admin. Asst. hired in Year 5
	1 lead teacher and 1 paraprofessional
	based on 2011 DeKalb Revenue Report from GA DOE
	Taken from DeKalb County Averages

90.1%	
-2.7%	
3.7%	374.31 per fte
0.0%	
0.2%	
0.0%	
0.2%	
0.5%	
4.4%	
0.0%	
3.7%	
0.0%	

4.5%	School Lead & K-5 Instructional Lead year 1; Yr. 4 add 6-8 Instructional lead at 1/2 time
0.5%	Contracted at 1 day a week (70/hr)
0.3%	First year is contract support
28.2%	
2.5%	Years 1&2&3 (excess language teachers and paraprof teach art & P.E.) year 3 add music and art, years 4-5 have music, art, and P.E. teachers
1.7%	
0.5%	Part-time
1.9%	1 Sped Teacher yr 1; 2 special ed teachers yrs. 2-5/ case loads will change based on IEPs
0.8%	
0.5%	
1.1%	
1.4%	based on DCSD average salary of \$25,000 including COL increase
0.0%	3.10/pupil
5.5%	QRF
5.2%	state
4.7%	
1.8%	
0.9%	
14.0%	\$27,000/paraprofessional

75.7%	
3.6%	Reading Rooms, texts, and project materials
0.6%	\$1,000 per classroom
0.3%	4 per classroom @ \$1,000 ea. Anticipate 1/4 replacement each year
0.3%	
0.1%	approximatley 4 per grade per year
0.1%	
0.4%	10 books/child + computers
0.4%	\$32/student (ITBS, MAP, ACCESS assessments)
1.2%	See Appendix DD -Furniture
0.1%	
0.6%	\$500/classroom yr 1; \$50 per student yrs 2-5
0.0%	
0.0%	
7.7%	

0.0%	
0.0%	
0.5%	
0.0%	ikea
0.0%	
0.2%	large volume of copying due to project-based learning
0.0%	
0.5%	contractor
0.2%	
0.1%	
0.0%	501c3 status?
0.0%	GCSA retainer at \$12000/year
0.4%	explain this
0.2%	explain this
0.0%	equipment
0.0%	
0.0%	career builder adds;
0.1%	
0.0%	contract support
0.1%	
3.9%	\$1.50/child for average free and reduced lunch cost to school estimate
0.0%	gresham hills and buford highway/ district expense / our number
0.0%	
0.0%	
0.1%	
0.2%	1 dumpster every 2 weeks
0.0%	marketing included in student recruitment for years 1-5
0.1%	
0.0%	
6.7%	

6.1%	Assumes note on renovation loan for \$4.5Million @6.5% over 25 years
0.6%	
0.0%	any needed rehab on existing bldg. yr. 1
3.1%	
0.1%	
0.0%	Risk-Hazard Assess. yr.1 & A&E review docs for state and

0.0%	
9.9%	

SERVICES & SUPPLIES													
Student Uniforms													\$0
Athletic Program													\$0
Office Supplies													\$0
Office Furniture													\$0
Office Computers & Software													\$0
Printing and Copy Services													\$0
Postage and Shipping													\$0
Bookkeeping													\$0
Audit													\$0
Payroll Services													\$0
Banking Fees													\$0
Legal Services													\$0
Liability & Property Insurance													\$0
Staff Development													\$0
Special Education													\$0
Health Services													\$0
Staff Recruitment													\$0
Student Recruitment													\$0
Tech Support													\$0
Phone/Internet Service													\$0
Food Service													\$0
Transportation													\$0
Health Supplies													\$0
Pest Control													\$0
Janitorial Supplies & Services													\$0
Waste Disposal													\$0
Marketing	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$5,000
													\$0
													\$0
Total Services & Supplies	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$5,000
FACILITIES													
Rent/Lease/Mortgage													\$0
Grounds Maintenance													\$0
Maintenance & Repair													\$0
Utilities													\$0
Fire Safety and Compliance													\$0
													\$0
													\$0
Total Facilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(C) TOTAL DISPURSEMENTS	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$5,000
CONTINGENCY FUND													\$0
(D) NET REVENUE	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$18,000
ENDING CASH (A+D)	\$26,500	\$28,000	\$29,500	\$31,000	\$32,500	\$34,000	\$35,500	\$37,000	\$38,500	\$40,000	\$41,500	\$43,000	

SERVICES & SUPPLIES													
Student Uniforms	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Athletic Program													\$0
Office Supplies	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$20,000
Office Furniture	\$833	\$833	\$833	\$833	\$833	\$833	\$833	\$833	\$833	\$833	\$833	\$833	\$10,000
Office Computers & Software	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$5,000
Printing and Copy Services	\$2,495	\$2,495	\$2,495	\$2,495	\$2,495	\$2,495	\$2,495	\$2,495	\$2,495	\$2,495	\$2,495	\$2,495	\$29,945
Postage and Shipping	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$500
Bookkeeping	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$20,000
Audit	\$858	\$858	\$858	\$858	\$858	\$858	\$858	\$858	\$858	\$858	\$858	\$858	\$10,300
Payroll Services	\$396	\$396	\$396	\$396	\$396	\$396	\$396	\$396	\$396	\$396	\$396	\$396	\$4,752
Banking Fees	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$500
Legal Services	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$12,000
Liability & Property Insurance	\$1,292	\$1,292	\$1,292	\$1,292	\$1,292	\$1,292	\$1,292	\$1,292	\$1,292	\$1,292	\$1,292	\$1,292	\$15,500
Staff Development	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$9,003
Special Education	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$500
Health Services													\$0
Staff Recruitment	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$700
Student Recruitment	\$217	\$217	\$217	\$217	\$217	\$217	\$217	\$217	\$217	\$217	\$217	\$217	\$2,600
Tech Support													\$0
Phone/Internet Service	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$5,000
Food Service	\$10,395	\$10,395	\$10,395	\$10,395	\$10,395	\$10,395	\$10,395	\$10,395	\$10,395	\$10,395	\$10,395	\$10,395	\$124,740
Transportation													\$0
Health Supplies	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$500
Pest Control	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$2,000
Janitorial Supplies & Services	\$574	\$574	\$574	\$574	\$574	\$574	\$574	\$574	\$574	\$574	\$574	\$574	\$6,885
Waste Disposal	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$7,200
Marketing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurances	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$4,000
													\$0
Total Services & Supplies	\$24,302	\$24,302	\$24,302	\$24,302	\$24,302	\$24,302	\$24,302	\$24,302	\$24,302	\$24,302	\$24,302	\$24,302	\$291,625

FACILITIES														
Rent/Lease/Mortgage													\$1	\$1
Grounds Maintenance	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$25,000
Maintenance & Repair	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$50,000
Utilities	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$150,000
Fire Safety and Compliance	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$5,000
Architecture/Engineering for Renovations	\$5,417	\$5,417	\$5,417	\$5,417	\$5,417	\$5,417	\$5,417	\$5,417	\$5,417	\$5,417	\$5,417	\$5,417	\$5,417	\$65,000
Moving Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Facilities	\$24,583	\$24,583	\$24,583	\$24,583	\$24,583	\$24,583	\$24,583	\$24,583	\$24,583	\$24,583	\$24,583	\$24,583	\$24,584	\$295,001

(C) TOTAL DISPURSEMENTS	\$272,998	\$272,998	\$272,998	\$272,998	\$272,998	\$272,998	\$272,998	\$272,998	\$272,998	\$272,998	\$272,998	\$272,998	\$272,999	\$3,275,972
CONTINGENCY FUND	\$5,460	\$5,460	\$5,460	\$5,460	\$5,460	\$5,460	\$5,460	\$5,460	\$5,460	\$5,460	\$5,460	\$5,460	\$5,460	\$65,519
(D) NET REVENUE (B-C)	\$7,397	\$7,397	\$7,397	\$7,397	\$7,397	\$7,397	\$7,397	\$7,397	\$7,397	\$7,397	\$7,397	\$7,397	\$7,396	\$88,768
ENDING CASH (A+D)	\$50,397	\$57,795	\$65,192	\$72,590	\$79,987	\$87,385	\$94,782	\$102,180	\$109,577	\$116,974	\$124,372	\$131,768		

													\$0
Total Instruction	\$29,384	\$29,384	\$29,384	\$29,384	\$29,384	\$29,384	\$29,384	\$29,384	\$29,384	\$29,384	\$29,384	\$29,384	\$352,605

SERVICES & SUPPLIES

Student Uniforms	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Athletic Program													\$0
Office Supplies	\$1,717	\$1,717	\$1,717	\$1,717	\$1,717	\$1,717	\$1,717	\$1,717	\$1,717	\$1,717	\$1,717	\$1,717	\$20,600
Office Furniture													\$0
Office Computers & Software	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$2,000
Printing and Copy Services	\$917	\$917	\$917	\$917	\$917	\$917	\$917	\$917	\$917	\$917	\$917	\$917	\$11,000
Postage and Shipping													\$0
Bookkeeping	\$1,717	\$1,717	\$1,717	\$1,717	\$1,717	\$1,717	\$1,717	\$1,717	\$1,717	\$1,717	\$1,717	\$1,717	\$20,600
Audit	\$884	\$884	\$884	\$884	\$884	\$884	\$884	\$884	\$884	\$884	\$884	\$884	\$10,609
Payroll Services	\$484	\$484	\$484	\$484	\$484	\$484	\$484	\$484	\$484	\$484	\$484	\$484	\$5,808
Banking Fees	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$500
Legal Services	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$12,000
Liability & Property Insurance	\$1,173	\$1,173	\$1,173	\$1,173	\$1,173	\$1,173	\$1,173	\$1,173	\$1,173	\$1,173	\$1,173	\$1,173	\$14,072
Staff Development	\$773	\$773	\$773	\$773	\$773	\$773	\$773	\$773	\$773	\$773	\$773	\$773	\$9,273
Special Education													\$0
Health Services													\$0
Staff Recruitment	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$721
Student Recruitment	\$223	\$223	\$223	\$223	\$223	\$223	\$223	\$223	\$223	\$223	\$223	\$223	\$2,678
Tech Support													\$0
Phone/Internet Service	\$429	\$429	\$429	\$429	\$429	\$429	\$429	\$429	\$429	\$429	\$429	\$429	\$5,150
Food Service	\$12,705	\$12,705	\$12,705	\$12,705	\$12,705	\$12,705	\$12,705	\$12,705	\$12,705	\$12,705	\$12,705	\$12,705	\$152,460
Transportation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Health Supplies	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$500
Pest Control	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$2,000
Janitorial Supplies & Services	\$591	\$591	\$591	\$591	\$591	\$591	\$591	\$591	\$591	\$591	\$591	\$591	\$7,092
Waste Disposal	\$618	\$618	\$618	\$618	\$618	\$618	\$618	\$618	\$618	\$618	\$618	\$618	\$7,416
Marketing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurances	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$4,000
													\$0
Total Services & Supplies	\$24,040	\$24,040	\$24,040	\$24,040	\$24,040	\$24,040	\$24,040	\$24,040	\$24,040	\$24,040	\$24,040	\$24,040	\$288,479

FACILITIES

Rent/Lease/Mortgage	\$30,384	\$30,384	\$30,384	\$30,384	\$30,384	\$30,384	\$30,384	\$30,384	\$30,384	\$30,384	\$30,384	\$30,384	\$364,608
Grounds Maintenance	\$2,146	\$2,146	\$2,146	\$2,146	\$2,146	\$2,146	\$2,146	\$2,146	\$2,146	\$2,146	\$2,146	\$2,146	\$25,750
Maintenance & Repair													\$0
Utilities	\$12,875	\$12,875	\$12,875	\$12,875	\$12,875	\$12,875	\$12,875	\$12,875	\$12,875	\$12,875	\$12,875	\$12,875	\$154,500
Fire Safety and Compliance	\$429	\$429	\$429	\$429	\$429	\$429	\$429	\$429	\$429	\$429	\$429	\$429	\$5,150
Architecture/Engineering													\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Facilities	\$45,834	\$45,834	\$45,834	\$45,834	\$45,834	\$45,834	\$45,834	\$45,834	\$45,834	\$45,834	\$45,834	\$45,834	\$550,008

(C) TOTAL DISPURSEMENTS	\$333,778	\$333,778	\$333,778	\$333,778	\$333,778	\$333,778	\$333,778	\$333,778	\$333,778	\$333,778	\$333,778	\$333,778	\$4,005,334
CONTINGENCY FUND	\$6,676	\$6,676	\$6,676	\$6,676	\$6,676	\$6,676	\$6,676	\$6,676	\$6,676	\$6,676	\$6,676	\$6,676	\$80,107
(D) NET REVENUE (B-C)	\$7,101	\$7,101	\$7,101	\$7,101	\$7,101	\$7,101	\$7,101	\$7,101	\$7,101	\$7,101	\$7,101	\$7,102	\$85,210
ENDING CASH (A+D)	\$138,869	\$145,970	\$153,070	\$160,171	\$167,272	\$174,373	\$181,473	\$188,574	\$195,675	\$202,776	\$209,876	\$216,978	

School Name: The GLOBE Academy

Surplus (Deficit)

Ending Cash Balance

Total Facilities Costs > 15% of Total Expenses

Cash Flow Projections:

Do the Cash Flow Proj. From the 5yr Budget match yr 0-2 Cash Flow Proj.?

Planning Year	Year 1	Year 2	Year 3
OK	OK	OK	OK
OK	OK	OK	OK
OK	OK	OK	OK

YES	YES	NO	
-----	-----	----	--

Year 4	Year 5
OK	OK
OK	OK
OK	OK



DeKalb County Earnings and Projected Earnings for GLOBE

	FTE	% of Funding	QBE DeKalb 2012	DeKalb Estimated Rate For GLOBE	Yr 1 State		Year 2 State		Year 3 State		Year 4 State		Year 5 State	
					Year 1	Revenue	Year 2	Revenue	Year 3	Revenue	Year 4	Revenue	Year 5	Revenue
Kindergarten	7,434	0.076405233	\$35,333,679.00	\$4,752.98	97.79545	\$464,820.16	76.6588055	\$364,358.03	75.68467	\$359,727.98	75.31804	\$357,985.37	75.20654	\$357,455.43
Kindergarten EIP	226	0.002322785	\$1,387,424.00	\$6,139.04	0.910532	\$5,589.79	1.03828484	\$6,374.08	1.328633	\$8,156.54	1.533038	\$9,411.39	1.737443	\$10,666.24
Primary 1-3	20,409	0.209759808	\$77,034,527.00	\$3,774.54	248.0367	\$936,223.61	272.437366	\$1,028,324.94	269.0846	\$1,015,669.71	245.6817	\$927,334.61	223.0442	\$841,888.60
Primary 1-3 EIP	1,013	0.010411421	\$5,681,964.00	\$5,609.05	4.081277	\$22,892.07	4.65390505	\$26,103.97	5.955333	\$33,403.74	6.871538	\$38,542.77	7.787743	\$43,681.81
Primary 4-5	12,589	0.12938734	\$36,277,457.00	\$2,881.68	0	\$0.00	73.8701378	\$212,870.03	149.1295	\$429,743.28	170.0516	\$490,034.16	191.484	\$551,795.49
Primary 4-5 EIP	833	0.008561415	\$4,659,439.00	\$5,593.56	0	\$0.00	3.82695253	\$21,406.30	4.897129	\$27,392.41	5.650534	\$31,606.62	6.403938	\$35,820.84
Middle 6-8	410	0.004213902	\$1,168,369.00	\$2,849.68	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00
Middle 6-8	17,758	0.182513335	\$57,226,336.00	\$3,222.57	0	\$0.00	0	\$0.00	0	\$0.00	76.85107	\$247,657.69	153.888	\$495,914.19
High	21,518	0.221157898	\$59,782,372.00	\$2,778.25	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00
Voc. Lab	2,545	0.026157024	\$8,565,792.00	\$3,365.73	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00
Dis. Cat I	961	0.009876975	\$7,142,419.00	\$7,432.28	3.871774	\$28,776.10	4.41500766	\$32,813.56	5.649629	\$41,989.62	6.518803	\$48,449.56	7.387977	\$54,909.50
Dis. Cat II	717	0.007369189	\$6,427,160.00	\$8,963.96	2.888722	\$25,894.39	3.29402757	\$29,527.53	4.215176	\$37,784.67	4.863665	\$43,597.70	5.512154	\$49,410.73
Dis. Cat III	2,250	0.023125071	\$26,270,254.00	\$11,675.67	9.065028	\$105,840.26	10.3369066	\$120,690.29	13.22754	\$154,440.38	15.26255	\$178,200.43	17.29755	\$201,960.49
Dis. Cat IV	326	0.003350566	\$6,362,632.00	\$19,517.28	1.313422	\$25,634.42	1.49770291	\$29,231.08	1.916524	\$37,405.32	2.211373	\$43,159.99	2.506223	\$48,914.65
Dis. Cat V	721	0.0074103	\$5,483,737.00	\$7,605.74	2.904838	\$22,093.43	3.31240429	\$25,193.28	4.238692	\$32,238.38	4.890798	\$37,198.13	5.542905	\$42,157.88
Gifted VI	4,339	0.044595414	\$21,269,359.00	\$4,901.90	17.4814	\$85,692.15	19.9341501	\$97,715.28	25.50858	\$125,040.58	29.43297	\$144,277.59	33.35737	\$163,514.61
Remedial Ed	292	0.00300112	\$1,140,413.00	\$3,905.52	0	\$0.00	0	\$0.00	0	\$0.00	1.980739	\$7,735.83	2.244838	\$8,767.27
Alternate Ed	1,057	0.010863644	\$4,743,820.00	\$4,488.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00
ESOL	1,899	0.01951756	\$15,689,044.00	\$8,261.74	7.650883	\$63,209.61	8.72434916	\$72,078.30	11.16404	\$92,234.43	12.88159	\$106,424.34	14.59913	\$120,614.25
						\$0.00								
	97297	1.00	\$381,646,197.00		396	\$1,786,665.99	484	\$2,066,686.68	572	\$2,395,227.03	660	\$2,711,616.20	748	\$3,027,471.98

The GLOBE Academy Year 1 Revenue Projections

State Revenues Earned

DeKalb County School District (DCSD)	TOTAL
State Funds FY 2012	\$ 285,169,025.00
ARRA State Stabalization	\$ -
Local 5 Mill Share Earned FY 2012	\$ 108,441,680.00

GROSS State Funds DCSD \$ 458,057,104.00

Charter School

State Funds Earned (based on FY2012) \$ 1,786,665.99



Local Revenue

DeKalb County School District	TOTAL
FY 2012 Budgeted Local Taxes	\$ 400,159,216.00
Less: Local Five Mill Share	\$ (108,441,680.00)
FY2012 Equilization Grant	\$0.00
Budgeted Investment Earnings	\$0.00
Budgeted Unrestricted Donations	\$0.00
Budgeted Sale of Surplus Property	\$0.00

Total Local Revenue Available for Distribution \$ 291,717,536.00

Charter School

Gross State Funds Earned - School \$ 1,786,665.99
 divided by /
 Gross State Funds Earned - DCSD \$ 458,057,104.00

Local Revenue Quotient 0.003900531

multiplied by
 Total Local Revenue Available for Distribution

Charter School Total Local Revenue

State Revenue
 Total Local Revenue
 Total Categorical Grants

Total Annual Revenue

FTE TOTAL Enrollment Earnings

Projected Annual Charter School Earnings
divided by
Projected Total FTE Enrollment Year 1

Annual Earnings per FTE
divided by 12 months

Monthly Earnings per FTE

state/local
QBE
Total

Transportation QBE DeKalb County School District
District Transportation QBE
divided by
District FTE TOTAL

Per FTE Transportation Revenue

GLOBE Estimated Transportation Revenue

Nursing Services DeKalb County School District
District Nursing QBE
divided by
District FTE Total

Per FTE Nursing Revenue Estimate

GLOBE Estimated Nursing Revenue

Nutrition Services Revenue
District Nutrition Revenue

District FTE Total

Per FTE Nutrition Revenue Estimate

GLOBE Estimated Nutrition Revenue

TOTAL

** On the DeKalb funding sheet, they use the whole QBE for this line. Keep in mind the estimates below DO NOT take out austerity or the 3%. You need to be prepared for that.

	0.003900531	
	X	
\$		291,717,536.00
\$		1,137,853.33
\$		1,786,665.99
\$		1,137,853.33
		\$139,055.00
\$		3,063,574.32



\$ 3,063,574.32

/
392

\$ 7,815.24

/ 12

\$ 651.27



\$0.00 average for budget

\$4,525,947.00

/

\$97,297.00

\$46.52

\$14,885.38

/

\$1,329,161.00

\$97,297.00

\$13.66

\$4,371.48

\$36,425,000.00

\$97,297.00

\$374.37

\$119,798.14

\$139,055.00

Appendix AA

Gifted Rating Scale Overview of Entire Battery

At a Glance:

- **Administration:** 5-10 minutes
- **Qualification level:** B,C-Level
- **Publication Date:** 2003
- **Ages / Grades:** GRS-P: 4.0 through 6.11 years GRS-S: 6.0 through 13.11 years
- **Forms:** GRS-P Form GRS-S Form

Product Summary

Gifted Rating Scales (GRS)

Author(s): Steven Pfeiffer, Ph.D. and Tania Jarosewich, Ph.D.

Designed to help identify children for placement in gifted and talented educational programs.

Overview

The Gifted Rating Scales are norm-referenced rating scales based on current theories of giftedness and federal and state guidelines regarding the definition of gifted and talented students. Pre-school and Kindergarten teachers complete the Pre-School/Kindergarten GRS-P form for children between the ages of 4:0 and 6:11 years. This form of GRS-P contains brief scales covering five domains: intellectual, academic readiness, motivation, creativity and artistic talent. Teachers complete six brief scales on the School-Age GRS-S form to evaluate children between the ages of 6:0 through 13:11 years who are in grades 1 - 8. The six domains include: intellectual, academic, motivation, creativity, leadership and artistic talent.

Features and Benefits

- GRS-P (4:0-6:11) validity studies have been conducted linking it to the Wechsler Preschool and Primary Scale of Intelligence™—Third Edition (WPPSI™—III) and measures of potential in other domains.
- GRS-S (6:0-13:11) validity studies have been conducted linking it to the Wechsler Intelligence Scale for Children®—Third Edition (WISC®—III), and the Wechsler Individual Achievement Test®—Second Edition (WIAT®—II) and measures in other domains.
- Both forms of the GRS provides a standardized method for identifying children for gifted and talented programs based on teacher observations.

- Both forms of the GRS allows for identification of relative strengths and specific areas of giftedness.
- Both forms of the GRS provides specific behavioral guidelines for identification of giftedness within each domain.
- Teachers can complete both forms of the GRS easily and quickly.

Appendix BB

Required Insurance/Indemnification Information

1) The GLOBE Academy agrees to indemnify, defend and hold harmless the DeKalb County School Board, the DeKalb County School District, and the DeKalb County School System (hereinafter collectively referred to as "DCSS"), their officials, officers, employees, agents, volunteers, and assigns (all of whom hereinafter may collectively be referred to as "Indemnitees"), from any and all claims, demands, suits, actions, legal or administrative proceedings, losses, liabilities, costs, interest, and damages of every kind and description, including any attorneys' fees and/or litigation and investigative expenses, for bodily injury, personal injury, (including but not limited to The GLOBE Academy's employees), patent, copyright, or infringement on any intellectual property rights, or loss or destruction of property (including loss of use, damage or destruction of DCSS owned property) to the extent that any such claim or suit was caused by, arose out of, or contributed to, in whole or in part, by reason of any act, omission, professional error, fault, mistake, or negligence whether active, passive or imputed, of The GLOBE Academy, its employees, agents, representatives, or subcontractors, their employees, agents, or representatives in connection with or incidental to The GLOBE Academy's performance of this Agreement regardless of whether such liability, claim, damage, loss, cost or expense is caused in part by an Indemnitee.

2) The GLOBE Academy shall be excused from its indemnification obligations above:

- a) If the claims, demands, suits, actions, proceedings, losses, liabilities arise solely and exclusively out of the negligence of DCSS or one of the indemnitees; or
- b) If DCSS fails to (i) provide written notice of the third party claim or suit as soon as practicable, (ii) cooperate with all reasonable requests of The GLOBE Academy; or (iii) assist The GLOBE Academy with the defense and/or settlement of such claim or suit.

3) The GLOBE Academy's obligation to indemnify any Indemnitee shall survive the completion, expiration, or termination of this Agreement for any reason.

Insurance.

1) The GLOBE Academy shall procure and maintain throughout the term of this Agreement a policy or policies of insurance providing coverages as set forth below that shall protect The GLOBE Academy and the Indemnitees from any and all claims as set forth in the Indemnification clause that may arise out of The GLOBE Academy's operations under this Agreement. The foregoing policies shall be obtained from insurance companies approved to do business in the State of Georgia or companies acceptable to DCSS. The GLOBE Academy shall procure the insurance policy(ies) at The GLOBE Academy's own expense and shall furnish to DCSS a certificate(s) of insurance containing the following information:

- (a) Name and address of agent/broker;
- (b) Name and address of insured;
- (c) Name of insurance company, underwriting syndicate, or other insuring entity;
- (d) Description of coverage in standard terminology;

- (e) Policy period;
- (f) Policy Number;
- (g) Limits of liability;
- (h) Name and address of certificate holder;
- (i) Acknowledgment to the DCSS of notice requirements of material adverse change;
- (j) Signature of authorized agent/broker;
- (k) Telephone number of authorized agent/broker; and
- (l) Details of policy exclusions applicable to this Agreement in comments section of Insurance Certificate.

In addition to the Certificates of Insurance, The GLOBE Academy's broker / insurer shall provide copies of the policy endorsements evidencing the coverage(s) for DCSS through the Indemnification and Insurance obligations assumed by The GLOBE Academy herein. All certificates / endorsements evidencing primary and excess layers shall be renewed and kept current and up to date on an annual or lesser time basis as needed.

2) The GLOBE Academy is required to maintain the following insurance coverage(s) during the

Term of this Agreement:

- (a) Workers Compensation Insurance in the amount of the statutory limits established by the General Assembly of the State of Georgia. The GLOBE Academy shall have the ability to self-insure its required workers compensation coverage if it is an approved self-insurer in the State of Georgia;
- (b) Comprehensive General Liability Policy (CGL) including Products and Completed Operations, or equivalent coverage, to include the contractual obligation of The GLOBE Academy for any liability assumed hereunder;
- (c) Business Auto Policy to include but not be limited to liability coverage on any owned, non-owned and hired vehicle used by The GLOBE Academy or The GLOBE Academy's personnel in the performance of this Agreement and their operations;
- (d) Educators Professional Liability Insurance (Errors and Omissions) in the amount of \$1,000,000 per Insured per Wrongful Act and \$3,000,000 in the annual aggregate per Insured for all Wrongful Acts;
- (e) Should The GLOBE Academy desire to structure their insurance program utilizing a Commercial Umbrella or Excess Liability Policy, all such policies shall have sufficient limits to provide that there is no gap in coverage between an underlying policy and the secondary layer;
- (f) All Risk Property Insurance in sufficient amounts to cover the replacement cost of all structures and contents to their full value for property owned or leased by The GLOBE Academy. Policy(ies) shall be endorsed to name DCSS as a Loss Payee as their interest may appear. Deductible or Self-Insured Retentions shall not exceed \$250,000 per claim;
- (g) Crime and Fidelity Insurance in the amount of \$500,000 per loss subject to a deductible of not more than \$10,000 per occurrence covering Employee Theft and Dishonesty, Forgery or Alteration, Theft of Money and Securities, Robbery or Safe Burglary, Computer Fraud, and Money Orders and Counterfeit Currency;
- (h) Under all coverages required hereunder, the policy(ies) shall be endorsed to include the following terms and conditions:
- (i) Except for Professional Liability policies, all coverages shall be on an "occurrence"

not “claims made” basis;

(ii) The foregoing policies shall contain a provision that coverage afforded under the policies will not be canceled, allowed to lapse, fail to be renewed, or endorsed to

adversely change any coverage applicable to DCSS or an Indemnitee for any reason until at least thirty (30) days prior written notice has been given to DCSS;

(iii) Shall waive all right of subrogation against Indemnites for any losses arising out of this Agreement;

(iv) All such coverage shall remain in full force and effect during the Term and any renewal or extension thereof;

(v) Except for any acceptable secondary layer of protection, the policies shall be primary and not excess to any other coverage provided by or available to the Indemnites.

(i) Under coverages required under Sections 2 (b), (c), (d) and (e) above, the policy(ies) shall be endorsed to include the following terms and conditions:

(i) Except as provided otherwise above, minimum limits of \$1,000,000 per occurrence \$2,000,000 in the annual aggregate (if applicable) with insurers approved to conduct business in the State of Georgia

(ii) Contractual liability coverage, specifically referencing this Agreement and the Indemnification herein.

(iii) Shall include Indemnites as Additional Insureds.

(iv) A severability of interest or cross liability clause or endorsement applicable to Comprehensive General Liability, Auto, and any Excess Liability policy(ies).

3) The GLOBE Academy shall require any and all subcontractors performing work under this Agreement to carry insurance of the type and with limits of liability as The GLOBE Academy shall deem appropriate and adequate for the work being performed. However, the obligations of the The GLOBE Academy to the Indemnites assumed in Sections “Indemnification”, and “Insurance” shall not be reduced or diminished by the standards set for the subcontractors. Further, The GLOBE Academy agrees that their obligation to indemnify and insure the Indemnites shall pertain to all losses arising out of the subcontractor’s acts or negligence in the same manner and to the same extent as if committed by the The GLOBE Academy The GLOBE Academy shall obtain and make available for inspection by DCSS, current certificates of insurance evidencing insurance coverage by such subcontractors.

CONTACT INFORMATION

AGENCY CUSTOMER ID: _____

CONTACT TYPE: Board member				CONTACT TYPE:			
CONTACT NAME: Brandi Kenner				CONTACT NAME:			
PRIMARY PHONE # <input type="checkbox"/> HOME <input type="checkbox"/> BUS <input type="checkbox"/> CELL		SECONDARY PHONE # <input type="checkbox"/> HOME <input type="checkbox"/> BUS <input type="checkbox"/> CELL		PRIMARY PHONE # <input type="checkbox"/> HOME <input type="checkbox"/> BUS <input type="checkbox"/> CELL		SECONDARY PHONE # <input type="checkbox"/> HOME <input type="checkbox"/> BUS <input type="checkbox"/> CELL	
PRIMARY E-MAIL ADDRESS: brandi_kenner@yahoo.com				PRIMARY E-MAIL ADDRESS:			
SECONDARY E-MAIL ADDRESS:				SECONDARY E-MAIL ADDRESS:			

PREMISES INFORMATION (Attach ACORD 823 for Additional Premises)

LOC #	STREET	CITY LIMITS	INTEREST	# FULL TIME EMPL	ANNUAL REVENUES: \$
1	2225 Heritage Drive NE	<input type="checkbox"/> INSIDE	<input type="checkbox"/> OWNER	25	OCCUPIED AREA: SQ FT
BLD #	CITY: Atlanta STATE: GA	<input type="checkbox"/> OUTSIDE	<input type="checkbox"/> TENANT	# PART TIME EMPL	OPEN TO PUBLIC AREA: SQ FT
	COUNTY: ZIP: 30345	<input type="checkbox"/>	<input type="checkbox"/>		TOTAL BUILDING AREA: SQ FT
DESCRIPTION OF OPERATIONS:					ANY AREA LEASED TO OTHERS? Y / N
LOC #	STREET	CITY LIMITS	INTEREST	# FULL TIME EMPL	ANNUAL REVENUES: \$
		<input type="checkbox"/> INSIDE	<input type="checkbox"/> OWNER		OCCUPIED AREA: SQ FT
BLD #	CITY: STATE:	<input type="checkbox"/> OUTSIDE	<input type="checkbox"/> TENANT	# PART TIME EMPL	OPEN TO PUBLIC AREA: SQ FT
	COUNTY: ZIP:	<input type="checkbox"/>	<input type="checkbox"/>		TOTAL BUILDING AREA: SQ FT
DESCRIPTION OF OPERATIONS:					ANY AREA LEASED TO OTHERS? Y / N

NATURE OF BUSINESS

<input type="checkbox"/> APARTMENTS	<input type="checkbox"/> CONTRACTOR	<input type="checkbox"/> MANUFACTURING	<input type="checkbox"/> RESTAURANT	<input type="checkbox"/> SERVICE	DATE BUSINESS STARTED (MM/DD/YYYY)
<input type="checkbox"/> CONDOMINIUMS	<input type="checkbox"/> INSTITUTIONAL	<input type="checkbox"/> OFFICE	<input type="checkbox"/> RETAIL	<input type="checkbox"/> WHOLESALE	

DESCRIPTION OF PRIMARY OPERATIONS

Charter School...Property, GL, Errors & Omissions, Property Lease

RETAIL STORES OR SERVICE OPERATIONS % OF TOTAL SALES:	INSTALLATION, SERVICE OR REPAIR WORK	OFF PREMISES INSTALLATION, SERVICE OR REPAIR WORK
	%	%

DESCRIPTION OF OPERATIONS OF OTHER NAMED INSURED

ADDITIONAL INTEREST (Not all fields apply to all scenarios - provide only the necessary data) Attach ACORD 45 for more Additional Interests

INTEREST <input checked="" type="checkbox"/> ADDITIONAL INSURED <input type="checkbox"/> LOSS PAYEE <input type="checkbox"/> BREACH OF WARRANTY <input type="checkbox"/> MORTGAGEE <input type="checkbox"/> CO-OWNER <input type="checkbox"/> OWNER <input type="checkbox"/> EMPLOYEE AS LESSOR <input type="checkbox"/> REGISTRANT <input type="checkbox"/> LEASEBACK OWNER <input type="checkbox"/> TRUSTEE <input type="checkbox"/> LIENHOLDER <input type="checkbox"/>	NAME AND ADDRESS RANK:	EVIDENCE: <input type="checkbox"/> CERTIFICATE <input type="checkbox"/> POLICY <input type="checkbox"/> SEND BILL	INTEREST IN ITEM NUMBER	
	Dekalb County Schools Charter Schools		LOCATION:	BUILDING:
			VEHICLE:	BOAT:
			AIRPORT:	AIRCRAFT:
			ITEM CLASS:	ITEM:
	REFERENCE / LOAN #:	INTEREST END DATE:	ITEM DESCRIPTION	
	LIEN AMOUNT:	PHONE (A/C, No, Ext):	FAX (A/C, No):	
REASON FOR INTEREST:	E-MAIL ADDRESS:			

GENERAL INFORMATION

EXPLAIN ALL "YES" RESPONSES				Y / N
1a. IS THE APPLICANT A SUBSIDIARY OF ANOTHER ENTITY ?				N
PARENT COMPANY NAME	RELATIONSHIP DESCRIPTION	% OWNED		
1b. DOES THE APPLICANT HAVE ANY SUBSIDIARIES?				N
SUBSIDIARY COMPANY NAME	RELATIONSHIP DESCRIPTION	% OWNED		
2. IS A FORMAL SAFETY PROGRAM IN OPERATION? <input type="checkbox"/> SAFETY MANUAL <input type="checkbox"/> MONTHLY MEETINGS <input type="checkbox"/> <input type="checkbox"/> SAFETY POSITION <input type="checkbox"/> OSHA				N
3. ANY EXPOSURE TO FLAMMABLES, EXPLOSIVES, CHEMICALS?				N
4. ANY OTHER INSURANCE WITH THIS COMPANY? (List policy numbers)				N
LINE OF BUSINESS	POLICY NUMBER	LINE OF BUSINESS	POLICY NUMBER	
5. ANY POLICY OR COVERAGE DECLINED, CANCELLED OR NON-RENEWED DURING THE PRIOR THREE (3) YEARS FOR ANY PREMISES OR OPERATIONS? (Missouri Applicants - Do not answer this question) <input type="checkbox"/> NON-PAYMENT <input type="checkbox"/> AGENT NO LONGER REPRESENTS CARRIER <input type="checkbox"/> <input type="checkbox"/> NON-RENEWAL <input type="checkbox"/> UNDERWRITING <input type="checkbox"/> CONDITION CORRECTED (Describe):				N
6. ANY PAST LOSSES OR CLAIMS RELATING TO SEXUAL ABUSE OR MOLESTATION ALLEGATIONS, DISCRIMINATION OR NEGLIGENT HIRING?				N
7. DURING THE LAST FIVE YEARS (TEN IN RI), HAS ANY APPLICANT BEEN INDICTED FOR OR CONVICTED OF ANY DEGREE OF THE CRIME OF FRAUD, BRIBERY, ARSON OR ANY OTHER ARSON-RELATED CRIME IN CONNECTION WITH THIS OR ANY OTHER PROPERTY? (In RI, this question must be answered by any applicant for property insurance. Failure to disclose the existence of an arson conviction is a misdemeanor punishable by a sentence of up to one year of imprisonment).				N
8. ANY UNCORRECTED FIRE AND/OR SAFETY CODE VIOLATIONS?				N
OCCURRENCE DATE	EXPLANATION	RESOLUTION	RESOLUTION DATE	
9. HAS APPLICANT HAD A FORECLOSURE, REPOSSESSION, BANKRUPTCY OR FILED FOR BANKRUPTCY DURING THE LAST FIVE (5) YEARS?				N
OCCURRENCE DATE	EXPLANATION	RESOLUTION	RESOLUTION DATE	
10. HAS APPLICANT HAD A JUDGEMENT OR LIEN DURING THE LAST FIVE (5) YEARS?				N
OCCURRENCE DATE	EXPLANATION	RESOLUTION	RESOLUTION DATE	
11. HAS BUSINESS BEEN PLACED IN A TRUST?				N
NAME OF TRUST				
12. ANY FOREIGN OPERATIONS, FOREIGN PRODUCTS DISTRIBUTED IN USA, OR US PRODUCTS SOLD/DISTRIBUTED IN FOREIGN COUNTRIES? (If "YES", attach ACORD 815 for Liability Exposure and/or ACORD 816 for Property Exposure)				N
13. DOES APPLICANT HAVE OTHER BUSINESS VENTURES FOR WHICH COVERAGE IS NOT REQUESTED?				N

REMARKS / PROCESSING INSTRUCTIONS (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

PRIOR CARRIER INFORMATION

YEAR	CATEGORY	GENERAL LIABILITY	AUTOMOBILE	PROPERTY	OTHER:
	CARRIER	New Venture			
	POLICY NUMBER				
	PREMIUM	\$	\$	\$	\$
	EFFECTIVE DATE				
	EXPIRATION DATE				
	CARRIER				
	POLICY NUMBER				
	PREMIUM	\$	\$	\$	\$
	EFFECTIVE DATE				
	EXPIRATION DATE				
	CARRIER				
	POLICY NUMBER				
	PREMIUM	\$	\$	\$	\$
	EFFECTIVE DATE				
	EXPIRATION DATE				
	CARRIER				
	POLICY NUMBER				
	PREMIUM	\$	\$	\$	\$
	EFFECTIVE DATE				
	EXPIRATION DATE				

LOSS HISTORY Check if none (Attach Loss Summary for Additional Loss Information)

ENTER ALL CLAIMS OR LOSSES (REGARDLESS OF FAULT AND WHETHER OR NOT INSURED) OR OCCURRENCES THAT MAY GIVE RISE TO CLAIMS FOR THE LAST _____ YEARS						TOTAL LOSSES: \$	
DATE OF OCCURRENCE	LINE	TYPE / DESCRIPTION OF OCCURRENCE OR CLAIM	DATE OF CLAIM	AMOUNT PAID	AMOUNT RESERVED	SUBROGATION Y/N	CLAIM OPEN Y/N

SIGNATURE

COPY OF THE NOTICE OF INFORMATION PRACTICES (PRIVACY) HAS BEEN GIVEN TO THE APPLICANT. (Not applicable in all states, consult your agent or broker for your state's requirements.)

NOTICE OF INSURANCE INFORMATION PRACTICES - PERSONAL INFORMATION ABOUT YOU MAY BE COLLECTED FROM PERSONS OTHER THAN YOU IN CONNECTION WITH THIS APPLICATION FOR INSURANCE. SUCH INFORMATION AS WELL AS OTHER PERSONAL AND PRIVILEGED INFORMATION COLLECTED BY US OR OUR AGENTS MAY IN CERTAIN CIRCUMSTANCES BE DISCLOSED TO THIRD PARTIES WITHOUT YOUR AUTHORIZATION. YOU HAVE THE RIGHT TO REVIEW YOUR PERSONAL INFORMATION IN OUR FILES AND CAN REQUEST CORRECTION OF ANY INACCURACIES. A MORE DETAILED DESCRIPTION OF YOUR RIGHTS AND OUR PRACTICES REGARDING SUCH INFORMATION IS AVAILABLE UPON REQUEST. CONTACT YOUR AGENT OR BROKER FOR INSTRUCTIONS ON HOW TO SUBMIT A REQUEST TO US.

ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR ANOTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND SUBJECTS THE PERSON TO CRIMINAL AND [NY: SUBSTANTIAL] CIVIL PENALTIES. (Not applicable in CO, DC, FL, HI, MA, NE, OH, OK, OR, VT or WA; in LA, ME, TN and VA, insurance benefits may also be denied)

IN THE DISTRICT OF COLUMBIA, WARNING: IT IS A CRIME TO PROVIDE FALSE OR MISLEADING INFORMATION TO AN INSURER FOR THE PURPOSE OF DEFRAUDING THE INSURER OR ANY OTHER PERSON. PENALTIES INCLUDE IMPRISONMENT AND/OR FINES.

IN FLORIDA, ANY PERSON WHO KNOWINGLY AND WITH INTENT TO INJURE, DEFRAUD, OR DECEIVE ANY INSURER FILES A STATEMENT OF CLAIM OR AN APPLICATION CONTAINING ANY FALSE, INCOMPLETE, OR MISLEADING INFORMATION IS GUILTY OF A FELONY OF THE THIRD DEGREE.

IN MASSACHUSETTS, NEBRASKA, OREGON AND VERMONT, ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR ANOTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING INFORMATION CONCERNING ANY FACT MATERIAL THERETO, MAY BE COMMITTING A FRAUDULENT INSURANCE ACT, WHICH MAY BE A CRIME AND MAY SUBJECT THE PERSON TO CRIMINAL AND CIVIL PENALTIES.

IN WASHINGTON, IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE, OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES INCLUDE IMPRISONMENT, FINES, AND DENIAL OF INSURANCE BENEFITS.

THE UNDERSIGNED IS AN AUTHORIZED REPRESENTATIVE OF THE APPLICANT AND REPRESENTS THAT REASONABLE ENQUIRY HAS BEEN MADE TO OBTAIN THE ANSWERS TO QUESTIONS ON THIS APPLICATION. HE/SHE REPRESENTS THAT THE ANSWERS ARE TRUE, CORRECT AND COMPLETE TO THE BEST OF HIS/HER KNOWLEDGE.

PRODUCER'S SIGNATURE Ricky O Henderson	PRODUCER'S NAME (Please Print)	STATE PRODUCER LICENSE NO (Required in Florida)
APPLICANT'S SIGNATURE	DATE	NATIONAL PRODUCER NUMBER



AGENCY CUSTOMER ID: _____

COMMERCIAL GENERAL LIABILITY SECTIONDATE (MM/DD/YYYY)
05/15/2012

AGENCY The Henderson Group		CARRIER Commerce & Industry Ins Co		NAIC CODE 19410
POLICY NUMBER Pending	EFFECTIVE DATE 05/15/2012	APPLICANT / FIRST NAMED INSURED The Globe Academy		

COVERAGES**LIMITS**

<input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCURRENCE <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROTECTIVE <input type="checkbox"/>	GENERAL AGGREGATE	\$ 200,000.00	PREMIUMS PREMISES/OPERATIONS
	LIMIT APPLIES PER:	<input checked="" type="checkbox"/> POLICY <input type="checkbox"/> LOCATION <input type="checkbox"/> PROJECT <input type="checkbox"/> OTHER:	
DEDUCTIBLES <input type="checkbox"/> PROPERTY DAMAGE \$ <input type="checkbox"/> BODILY INJURY \$ <input type="checkbox"/> \$	PRODUCTS & COMPLETED OPERATIONS AGGREGATE	\$ 1,000,000.00	PRODUCTS
	PERSONAL & ADVERTISING INJURY	\$ 1,000,000.00	OTHER TOTAL
	EACH OCCURRENCE	\$ 1,000,000.00	
	DAMAGE TO RENTED PREMISES (each occurrence)	\$ 50,000.00	
	MEDICAL EXPENSE (Any one person)	\$	
	EMPLOYEE BENEFITS	\$	
		\$	

OTHER COVERAGES, RESTRICTIONS AND/OR ENDORSEMENTS (For hired/non-owned auto coverages attach the applicable state Business Auto Section, ACORD 137)

APPLICABLE ONLY IN WISCONSIN: IF NON-OWNED ONLY AUTO COVERAGE IS TO BE PROVIDED UNDER THE POLICY:

1. UM / UIM COVERAGE IS IS NOT AVAILABLE. 2. MEDICAL PAYMENTS COVERAGE IS IS NOT AVAILABLE.**SCHEDULE OF HAZARDS**

LOC #	HAZ #	CLASSIFICATION	CLASS CODE	PREMIUM BASIS	EXPOSURE	TERR	RATE		PREMIUM	
							PREM/OPS	PRODUCTS	PREM/OPS	PRODUCTS
1	1	charter school								

RATING AND PREMIUM BASIS
 (S) GROSS SALES - PER \$1,000/SALES (P) PAYROLL - PER \$1,000/PAY (C) TOTAL COST - PER \$1,000/COST (U) UNIT - PER UNIT
 (A) AREA - PER 1,000/SQ FT (M) ADMISSIONS - PER 1,000/ADM (T) OTHER

CLAIMS MADE (Explain all "Yes" responses)

EXPLAIN ALL "YES" RESPONSES	Y/N
1. PROPOSED RETROACTIVE DATE:	
2. ENTRY DATE INTO UNINTERRUPTED CLAIMS MADE COVERAGE:	
3. HAS ANY PRODUCT, WORK, ACCIDENT, OR LOCATION BEEN EXCLUDED, UNINSURED OR SELF-INSURED FROM ANY PREVIOUS COVERAGE?	N
4. WAS TAIL COVERAGE PURCHASED UNDER ANY PREVIOUS POLICY?	N

EMPLOYEE BENEFITS LIABILITY

1. DEDUCTIBLE PER CLAIM: \$	3. NUMBER OF EMPLOYEES COVERED BY EMPLOYEE BENEFITS PLANS:
2. NUMBER OF EMPLOYEES:	4. RETROACTIVE DATE:

ACORD 126 (2010/05) QF

Attach to ACORD 125

© 1993-2010 ACORD CORPORATION. All rights reserved.
The ACORD name and logo are registered marks of ACORD

CONTRACTORS

AGENCY CUSTOMER ID: _____

EXPLAIN ALL "YES" RESPONSES (For all past or present operations)					Y / N
1. DOES APPLICANT DRAW PLANS, DESIGNS, OR SPECIFICATIONS FOR OTHERS?					N
2. DO ANY OPERATIONS INCLUDE BLASTING OR UTILIZE OR STORE EXPLOSIVE MATERIAL?					N
3. DO ANY OPERATIONS INCLUDE EXCAVATION, TUNNELING, UNDERGROUND WORK OR EARTH MOVING?					N
4. DO YOUR SUBCONTRACTORS CARRY COVERAGES OR LIMITS LESS THAN YOURS?					N
5. ARE SUBCONTRACTORS ALLOWED TO WORK WITHOUT PROVIDING YOU WITH A CERTIFICATE OF INSURANCE?					N
6. DOES APPLICANT LEASE EQUIPMENT TO OTHERS WITH OR WITHOUT OPERATORS?					N
DESCRIBE THE TYPE OF WORK SUBCONTRACTED	\$ PAID TO SUB-CONTRACTORS:	% OF WORK SUBCONTRACTED:	# FULL-TIME STAFF:	# PART-TIME STAFF:	

PRODUCTS / COMPLETED OPERATIONS

PRODUCTS	ANNUAL GROSS SALES	# OF UNITS	TIME IN MARKET	EXPECTED LIFE	INTENDED USE	PRINCIPAL COMPONENTS

EXPLAIN ALL "YES" RESPONSES (For all past or present products or operations) PLEASE ATTACH LITERATURE, BROCHURES, LABELS, WARNINGS, ETC.					Y / N
1. DOES APPLICANT INSTALL, SERVICE OR DEMONSTRATE PRODUCTS?					N
2. FOREIGN PRODUCTS SOLD, DISTRIBUTED, USED AS COMPONENTS? (If "YES", attach ACORD 815)					N
3. RESEARCH AND DEVELOPMENT CONDUCTED OR NEW PRODUCTS PLANNED?					N
4. GUARANTEES, WARRANTIES, HOLD HARMLESS AGREEMENTS?					N
5. PRODUCTS RELATED TO AIRCRAFT/SPACE INDUSTRY?					N
6. PRODUCTS RECALLED, DISCONTINUED, CHANGED?					N
7. PRODUCTS OF OTHERS SOLD OR RE-PACKAGED UNDER APPLICANT LABEL?					N
8. PRODUCTS UNDER LABEL OF OTHERS?					N
9. VENDORS COVERAGE REQUIRED?					N
10. DOES ANY NAMED INSURED SELL TO OTHER NAMED INSURED?					N

ADDITIONAL INTEREST / CERTIFICATE RECIPIENT **ACORD 45 attached for additional names**

INTEREST <input type="checkbox"/> ADDITIONAL INSURED <input type="checkbox"/> LOSS PAYEE <input type="checkbox"/> MORTGAGEE <input type="checkbox"/> LIENHOLDER <input type="checkbox"/> EMPLOYEE AS LESSOR <input type="checkbox"/>	NAME AND ADDRESS REFERENCE / LOAN #:	RANK: _____	EVIDENCE: <input type="checkbox"/> CERTIFICATE	INTEREST IN ITEM NUMBER	
				LOCATION:	BUILDING:
				ITEM CLASS:	ITEM:
				ITEM DESCRIPTION	

GENERAL INFORMATION

EXPLAIN ALL "YES" RESPONSES (For all past or present operations)	Y / N
1. ANY MEDICAL FACILITIES PROVIDED OR MEDICAL PROFESSIONALS EMPLOYED OR CONTRACTED?	N
2. ANY EXPOSURE TO RADIOACTIVE/NUCLEAR MATERIALS?	N
3. DO/HAVE PAST, PRESENT OR DISCONTINUED OPERATIONS INVOLVE(D) STORING, TREATING, DISCHARGING, APPLYING, DISPOSING, OR TRANSPORTING OF HAZARDOUS MATERIAL? (e.g. landfills, wastes, fuel tanks, etc)	N
4. ANY OPERATIONS SOLD, ACQUIRED, OR DISCONTINUED IN LAST FIVE (5) YEARS?	N
5. MACHINERY OR EQUIPMENT LOANED OR RENTED TO OTHERS?	N
6. ANY WATERCRAFT, DOCKS, FLOATS OWNED, HIRED OR LEASED?	N
7. ANY PARKING FACILITIES OWNED/RENTED?	N
8. IS A FEE CHARGED FOR PARKING?	N
9. RECREATION FACILITIES PROVIDED?	N
10. IS THERE A SWIMMING POOL ON THE PREMISES?	N
11. SPORTING OR SOCIAL EVENTS SPONSORED?	N
12. ANY STRUCTURAL ALTERATIONS CONTEMPLATED?	N
13. ANY DEMOLITION EXPOSURE CONTEMPLATED?	N
14. HAS APPLICANT BEEN ACTIVE IN OR IS CURRENTLY ACTIVE IN JOINT VENTURES?	N
15. DO YOU LEASE EMPLOYEES TO OR FROM OTHER EMPLOYERS?	N

GENERAL INFORMATION (continued)

AGENCY CUSTOMER ID: _____

EXPLAIN ALL "YES" RESPONSES (For all past or present operations)	Y / N
16. IS THERE A LABOR INTERCHANGE WITH ANY OTHER BUSINESS OR SUBSIDIARIES?	N
17. ARE DAY CARE FACILITIES OPERATED OR CONTROLLED?	N
18. HAVE ANY CRIMES OCCURRED OR BEEN ATTEMPTED ON YOUR PREMISES WITHIN THE LAST THREE (3) YEARS?	N
19. IS THERE A FORMAL, WRITTEN SAFETY AND SECURITY POLICY IN EFFECT? n	N
20. DOES THE BUSINESSES' PROMOTIONAL LITERATURE MAKE ANY REPRESENTATIONS ABOUT THE SAFETY OR SECURITY OF THE PREMISES?	N

REMARKS (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR ANOTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND SUBJECTS THE PERSON TO CRIMINAL AND [NY: SUBSTANTIAL] CIVIL PENALTIES. (Not applicable in CO, DC, FL, HI, MA,MN, NE, OH, OK, OR, VT or WA; in LA, ME, TN and VA, insurance benefits may also be denied)

IN THE DISTRICT OF COLUMBIA, WARNING: IT IS A CRIME TO PROVIDE FALSE OR MISLEADING INFORMATION TO AN INSURER FOR THE PURPOSE OF DEFRAUDING THE INSURER OR ANY OTHER PERSON. PENALTIES INCLUDE IMPRISONMENT AND/OR FINES.

IN FLORIDA, ANY PERSON WHO KNOWINGLY AND WITH INTENT TO INJURE, DEFRAUD, OR DECEIVE ANY INSURER FILES A STATEMENT OF CLAIM OR AN APPLICATION CONTAINING ANY FALSE, INCOMPLETE, OR MISLEADING INFORMATION IS GUILTY OF A FELONY OF THE THIRD DEGREE.

IN MASSACHUSETTS, NEBRASKA, OREGON AND VERMONT, ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR ANOTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING INFORMATION CONCERNING ANY FACT MATERIAL THERETO, MAY BE COMMITTING A FRAUDULENT INSURANCE ACT, WHICH MAY BE A CRIME AND MAY SUBJECT THE PERSON TO CRIMINAL AND CIVIL PENALTIES.

IN WASHINGTON, IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE, OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES INCLUDE IMPRISONMENT, FINES, AND DENIAL OF INSURANCE BENEFITS.



AGENCY CUSTOMER ID: _____

PROPERTY SECTION

DATE (MM/DD/YYYY)

05/15/2012

AGENCY NAME The Henderson Group		CARRIER Commerce & Industry Ins Co		NAIC CODE 19410
POLICY NUMBER Pending		EFFECTIVE DATE 05/15/12	NAMED INSURED(S) The Globe Academy	

PREMISES INFORMATION		PREMISES #:	STREET ADDRESS:					
		BUILDING #:	BLDG DESCRIPTION:					
SUBJECT OF INSURANCE	AMOUNT	COINS %	VALU- ATION	CAUSES OF LOSS	INFLATION GUARD %	DED	BLKT #	FORMS AND CONDITIONS TO APPLY
2225 Heritage Dr NE	1,000,000			Broad				

 ADDITIONAL INFORMATION BUSINESS INCOME / EXTRA EXPENSE - Attach ACORD 810 VALUE REPORTING INFORMATION - Attach ACORD 811
ADDITIONAL COVERAGES, OPTIONS, RESTRICTIONS, ENDORSEMENTS AND RATING INFORMATION

SPOILAGE COVERAGE (Y/N) <input type="checkbox"/> Y	DESCRIPTION OF PROPERTY COVERED School Building	LIMIT \$	REFRIG MAINT AGREEMENT (Y/N) <input type="checkbox"/> Y	OPTIONS
		DEDUCTIBLE \$		<input checked="" type="checkbox"/> BREAKDOWN OR CONTAMINATION <input checked="" type="checkbox"/> POWER OUTAGE <input type="checkbox"/> SELLING PRICE <input type="checkbox"/>

 SINKHOLE COVERAGE (Required in Florida) ACCEPT COVERAGE REJECT COVERAGE LIMIT: \$

 PROPERTY HAS BEEN DESIGNATED AN HISTORICAL LANDMARK

OF OPEN SIDES ON STRUCTURE: _____

NO

CONSTRUCTION TYPE Joint Masonry	DISTANCE TO HYDRANT 100 FT	FIRE STAT 3 MI	FIRE DISTRICT DeKalb	CODE NUMBER 3	PROT CL	# STORIES 1	# BASM'TS 0	YR BUILT 1970	TOTAL AREA 31000
------------------------------------	----------------------------------	-------------------	-------------------------	------------------	---------	----------------	----------------	------------------	---------------------

BUILDING IMPROVEMENTS		BLDG CODE GRADE	TAX CODE	ROOF TYPE	OTHER OCCUPANCIES	
<input checked="" type="checkbox"/> WIRING, YR: 2000	<input type="checkbox"/> PLUMBING, YR: 2000	WIND CLASS <input type="checkbox"/> RESISTIVE <input type="checkbox"/> SEMI-RESISTIVE			<input type="checkbox"/> HEATING SOURCE INCL WOODBURNING STOVE OR FIREPLACE INSERT	DATE INSTALLED: _____
<input checked="" type="checkbox"/> ROOFING, YR 2000	<input type="checkbox"/> HEATING, YR: 2000					
<input type="checkbox"/> OTHER: YR:						

PRIMARY HEAT	SECONDARY HEAT
<input type="checkbox"/> BOILER <input type="checkbox"/> SOLID FUEL <input type="checkbox"/> IF BOILER, IS INSURANCE PLACED ELSEWHERE <input type="checkbox"/> Y/N	<input type="checkbox"/> BOILER <input type="checkbox"/> SOLID FUEL <input type="checkbox"/> IF BOILER, IS INSURANCE PLACED ELSEWHERE <input type="checkbox"/> Y/N

RIGHT EXPOSURE & DISTANCE Parking	LEFT EXPOSURE & DISTANCE parking	FRONT EXPOSURE & DISTANCE Parking	REAR EXPOSURE & DISTANCE Parking
--------------------------------------	-------------------------------------	--------------------------------------	-------------------------------------

BURGLAR ALARM TYPE ADT	CERTIFICATE #	EXPIRATION DATE	<input type="checkbox"/> CENTRAL STATION <input type="checkbox"/> LOCAL GONG <input type="checkbox"/> WITH KEYS
---------------------------	---------------	-----------------	--

BURGLAR ALARM INSTALLED AND SERVICED BY ADT	EXTENT	GRADE	# GUARDS / WATCHMEN	<input type="checkbox"/> CLOCK HOURLY <input type="checkbox"/>
--	--------	-------	---------------------	---

PREMISES FIRE PROTECTION (Sprinklers, Standpipes, CO2 / Chemical Systems)	% SPRNK	FIRE ALARM MANUFACTURER	<input type="checkbox"/> CENTRAL STATION <input type="checkbox"/> LOCAL GONG
---	---------	-------------------------	---

ADDITIONAL INTEREST ACORD 45 attached for additional names

INTEREST <input type="checkbox"/> LOSS PAYEE <input type="checkbox"/> MORTGAGEE <input type="checkbox"/>	NAME AND ADDRESS RANK:	EVIDENCE: <input type="checkbox"/> CERTIFICATE	INTEREST IN ITEM NUMBER	
	REFERENCE / LOAN #:	LOCATION:		BUILDING:
		ITEM CLASS:		ITEM:
		ITEM DESCRIPTION		

REMARKS

--

ADDITIONAL PREMISES INFORMATION

PREMISES #:		STREET ADDRESS:						
BUILDING #:		BLDG DESCRIPTION:						
SUBJECT OF INSURANCE	AMOUNT	COINS %	VALU-ATION	CAUSES OF LOSS	INFLATION GUARD %	DED	BLKT #	FORMS AND CONDITIONS TO APPLY

ADDITIONAL INFORMATION BUSINESS INCOME / EXTRA EXPENSE - Attach ACORD 810 VALUE REPORTING INFORMATION - Attach ACORD 811

ADDITIONAL COVERAGES, OPTIONS, RESTRICTIONS, ENDORSEMENTS AND RATING INFORMATION

SPOILAGE COVERAGE (Y/N) <input type="checkbox"/>	DESCRIPTION OF PROPERTY COVERED	LIMIT \$	REFRIG MAINT AGREEMENT (Y/N) <input type="checkbox"/>	OPTIONS <input type="checkbox"/> BREAKDOWN OR CONTAMINATION <input type="checkbox"/> POWER OUTAGE <input type="checkbox"/> SELLING PRICE <input type="checkbox"/>
		DEDUCTIBLE \$		

SINKHOLE COVERAGE (Required in Florida) ACCEPT COVERAGE REJECT COVERAGE LIMIT: \$

PROPERTY HAS BEEN DESIGNATED AN HISTORICAL LANDMARK # OF OPEN SIDES ON STRUCTURE _____

CONSTRUCTION TYPE	DISTANCE TO HYDRANT FT	FIRE STAT MI	FIRE DISTRICT	CODE NUMBER	PROT CL	# STORIES	# BASM'TS	YR BUILT	TOTAL AREA
-------------------	---------------------------	-----------------	---------------	-------------	---------	-----------	-----------	----------	------------

BUILDING IMPROVEMENTS <input type="checkbox"/> WIRING, YR: <input type="checkbox"/> PLUMBING, YR: <input type="checkbox"/> ROOFING, YR: <input type="checkbox"/> HEATING, YR: <input type="checkbox"/> OTHER: YR:	BLDG CODE GRADE	TAX CODE	ROOF TYPE	OTHER OCCUPANCIES
WIND CLASS <input type="checkbox"/> RESISTIVE <input type="checkbox"/> SEMI- RESISTIVE	<input type="checkbox"/> HEATING SOURCE INCL WOODBURNING STOVE OR FIREPLACE INSERT MANUFACTURER: _____		DATE INSTALLED: _____	

PRIMARY HEAT <input type="checkbox"/> BOILER <input type="checkbox"/> SOLID FUEL <input type="checkbox"/> IF BOILER, IS INSURANCE PLACED ELSEWHERE? <input type="checkbox"/> Y / N	SECONDARY HEAT <input type="checkbox"/> BOILER <input type="checkbox"/> SOLID FUEL <input type="checkbox"/> IF BOILER, IS INSURANCE PLACED ELSEWHERE? <input type="checkbox"/> Y / N
--	--

RIGHT EXPOSURE & DISTANCE	LEFT EXPOSURE & DISTANCE	FRONT EXPOSURE & DISTANCE	REAR EXPOSURE & DISTANCE
---------------------------	--------------------------	---------------------------	--------------------------

BURGLAR ALARM TYPE	CERTIFICATE #	EXPIRATION DATE <input type="checkbox"/> CENTRAL STATION <input type="checkbox"/> LOCAL GONG <input type="checkbox"/> WITH KEYS
--------------------	---------------	--

BURGLAR ALARM INSTALLED AND SERVICED BY	EXTENT	GRADE	# GUARDS / WATCHMEN <input type="checkbox"/> CLOCK HOURLY <input type="checkbox"/>
---	--------	-------	---

PREMISES FIRE PROTECTION (Sprinklers, Standpipes, CO2 / Chemical Systems)	% SPRNK	FIRE ALARM MANUFACTURER	<input type="checkbox"/> CENTRAL STATION <input type="checkbox"/> LOCAL GONG
---	---------	-------------------------	---

ADDITIONAL INTEREST ACORD 45 attached for additional names

INTEREST <input type="checkbox"/> LOSS PAYEE <input type="checkbox"/> MORTGAGEE <input type="checkbox"/>	NAME AND ADDRESS RANK: _____ EVIDENCE: <input type="checkbox"/> CERTIFICATE	INTEREST IN ITEM NUMBER	
		LOCATION:	BUILDING:
		ITEM CLASS:	ITEM:
		ITEM DESCRIPTION	
REFERENCE / LOAN #:			

REMARKS

FRAUD NOTICES

ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR ANOTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND SUBJECTS THE PERSON TO CRIMINAL AND [NY: SUBSTANTIAL] CIVIL PENALTIES. (Not applicable in CO, DC, FL, HI, KS, MA, MN, NE, OH, OK, OR, VT or WA; in LA, ME, TN and VA, insurance benefits may also be denied)

IN THE DISTRICT OF COLUMBIA, WARNING: IT IS A CRIME TO PROVIDE FALSE OR MISLEADING INFORMATION TO AN INSURER FOR THE PURPOSE OF DEFRAUDING THE INSURER OR ANY OTHER PERSON. PENALTIES INCLUDE IMPRISONMENT AND/OR FINES.

IN FLORIDA, ANY PERSON WHO KNOWINGLY AND WITH INTENT TO INJURE, DEFRAUD, OR DECEIVE ANY INSURER FILES A STATEMENT OF CLAIM OR AN APPLICATION CONTAINING ANY FALSE, INCOMPLETE, OR MISLEADING INFORMATION IS GUILTY OF A FELONY OF THE THIRD DEGREE

IN KANSAS, ANY PERSON WHO, KNOWINGLY AND WITH INTENT TO DEFRAUD, PRESENTS, CAUSES TO BE PRESENTED OR PREPARES WITH KNOWLEDGE OR BELIEF THAT IT WILL BE PRESENTED TO OR BY AN INSURER, PURPORTED INSURER, BROKER OR ANY AGENT THEREOF, ANY WRITTEN STATEMENT AS PART OF, OR IN SUPPORT OF, AN APPLICATION FOR THE ISSUANCE OF, OR THE RATING OF AN INSURANCE POLICY FOR PERSONAL OR COMMERCIAL INSURANCE, OR A CLAIM FOR PAYMENT OR OTHER BENEFIT PURSUANT TO AN INSURANCE POLICY FOR COMMERCIAL OR PERSONAL INSURANCE WHICH SUCH PERSON KNOWS TO CONTAIN MATERIALLY FALSE INFORMATION CONCERNING ANY FACT MATERIAL THERETO; OR CONCEALS, FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO COMMITS A FRAUDULENT INSURANCE ACT.

IN MASSACHUSETTS, NEBRASKA, OREGON AND VERMONT, ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR ANOTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING INFORMATION CONCERNING ANY FACT MATERIAL THERETO, MAY BE COMMITTING A FRAUDULENT INSURANCE ACT, WHICH MAY BE A CRIME AND MAY SUBJECT THE PERSON TO CRIMINAL AND CIVIL PENALTIES.

IN WASHINGTON, IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE, OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES INCLUDE IMPRISONMENT, FINES, AND DENIAL OF INSURANCE BENEFITS.

REMARKS

[Empty box for remarks]

Globe - Furniture Budget														
Grades	Instructional Units (IU)	Students Per Instructional Unit	FTE	small tables (allotment per child)	small chairs	middle school desks	adult size chairs	office desks	office shelving	office seating	furniture allowance per FTE (shelving)	Per classroom furniture budget	Office Totals	Classroom Total
K	5	10	22	\$4,400.00	\$3,300.00	\$50.00	\$700.00	\$200.00			\$22.00	\$484.00		
1	5	10	22	\$4,400.00	\$3,300.00	\$50.00	\$700.00				\$2,420.00	\$484.00		
2	4	10	22	\$3,520.00	\$2,640.00		\$560.00				\$1,936.00	\$484.00		
3	4	10	22	\$3,520.00	\$2,640.00		\$560.00				\$1,936.00	\$484.00		
4	4	10	22	\$3,520.00	\$2,640.00		\$560.00				\$1,936.00	\$484.00		
5	4	10	22	\$3,520.00	\$2,640.00	\$4,400.00	\$560.00				\$1,936.00	\$484.00		
6	4		22	\$3,520.00	\$2,640.00	\$4,400.00	\$560.00				\$1,936.00	\$484.00		
7	4		22	\$3,520.00	\$2,640.00	\$4,400.00	\$560.00				\$1,936.00	\$484.00		
8	0		0											
Year 1	37			\$15,840.00	\$11,880.00		\$2,520.00	\$600.00	\$600.00	\$1,000.00	\$8,712.00	\$2,200.00	\$2,200.00	\$38,952.00
Year 2	51			\$3,520.00	\$2,640.00		\$560.00	\$300.00	\$300.00	\$1,000.00	\$1,936.00	\$1,600.00	\$1,600.00	\$8,656.00
Year 3	60			\$3,520.00	\$2,640.00		\$560.00				\$1,936.00		\$600.00	\$8,656.00
Year 4	69			\$3,520.00	\$2,640.00	\$4,400.00	\$560.00	\$300.00	\$300.00		\$1,936.00		\$600.00	\$13,656.00
Year 5	79			\$3,520.00	\$2,640.00	\$4,400.00	\$560.00				\$1,936.00			\$13,056.00

SELECTED CATEGORY:
TABLES

- [Activity Tables](#)
- [Banquet & Hospitality Tables](#)
- [CAD Drawing Tables](#)
- [Cafe & Pedestal Tables](#)
- [Cafeteria Tables](#)
- [Computer Tables](#)
- [Conference Tables](#)
- [Drafting & Art Tables](#)
- [Folding Tables](#)
- [Library Tables](#)
- [Sand & Water Tables](#)
- [Science & Lab Tables](#)
- [Table Trucks & Dollies](#)
- [Tables & Chairs](#)
- [Training & Seminar Tables](#)
- [Utility Tables](#)
- [Waiting Room & Reception Tables](#)
- [Wheelchair Accessible Tables](#)

CATEGORIES

- On Sale School Furniture**
- Ships Today**
- Clearance**
- [AV Equipment](#)
- [Bulletin Boards & Letter Boards](#)
- [Cafeteria & Food Service](#)
- [Carts](#)
- [Chairs](#)
- [Classroom Rugs](#)
- [Classroom Technology](#)
- [Computer Furniture](#)
- [Desks](#)
- [Drafting & Art Furniture](#)
- [Dry Erase & Chalkboards](#)
- [Easels](#)
- [Exercise & Fitness Equipment](#)
- [Facility Equipment](#)
- [Flags](#)
- [Gymnasium & Sports Equipment](#)
- [Industrial & Vocational Arts Furniture](#)
- [Library Furniture](#)
- [Lockers](#)
- [Medical Furniture & Equipment](#)
- [Music Furniture & Equipment](#)
- [Office Furniture](#)
- [Outdoor Furniture & Equipment](#)
- [Portable Stages & Risers](#)
- [Preschool Furniture & Equipment](#)
- [Room Dividers & Partitions](#)
- [Science & Lab Furniture](#)
- [Storage Cabinets & Shelving](#)
- Tables**
- [Trophy & Display Cases](#)

[Activity Tables Buying Guide](#)

[Home](#) > [Tables](#) > [Activity Tables](#) > [Rectangle 849 Series Activity Table](#)

Scholar Craft

Rectangle 849 Series Activity Table (24" W x 48" L)



[Click to Enlarge](#)

Rectangle 849 Series Activity Table



Roll over any image for a larger view.
Click to select photos.

Specifications

Table Shape:	Rectangle
Recommended Grade Level:	1st grade - adult
Recommended Seating Capacity:	2 adults; 4 children
Top Material:	1 1/4" thick particleboard; thermofused melamine finish
Leg Material:	16-gauge tubular steel
Leg Finish:	Nickel chrome
Glides:	Rubber cushioned, swivel self-leveling nylon glides
Warranty:	2 years
Assembly:	Easy to assemble
Width:	24"
Length:	48"
Height:	22" to 30" adjustable in 1" increments
Available Options:	Table Color Combinations: Blue Top/Black Edge Band, Cherry Top/Black Edge Band, Dove Gray Top/Black Edge Band, Gray Glace Top/Black Edge Band, Gray Glace Top/Blue Edge Band, Gray Glace Top/Green Edge Band, Gray Glace Top/Navy Edge Band, Gray Glace Top/Red Edge Band, Gray Glace Top/Yellow Edge Band, Green Top/Black Edge Band, Light Oak Top/Black Edge Band, Maple Top/Black Edge Band, Pecan Top/Black Edge Band, Red Top/Black Edge Band, Walnut Top/Black Edge Band, Yellow Top/Black Edge Band
Weight:	92.0 lbs.
Shipping Method:	Freight

Your Price: **\$69.99** each

Manufacturer's Price: **\$110.00**

Save 36%



[Shipping Calculator](#)

SKU: SFT-FS849RE2448-2140

Scholar Craft's 849 Series Rectangle Activity Table provides a durable, spacious work surface perfect for any group lesson or project. Sturdy steel legs adjust from 22 inches to 30 inches and have a classic chrome finish that stays looking great for years. The particleboard top has a thermofused laminate finish that's easy to clean, and durable T-molding edges. Nylon glides prevent wobbling and keep your work surface even. Choose from nine attractive top colors sure to enhance your décor.

[View specifications](#)

[See other sizes and configurations](#)

[Back to top](#)



We accept U.S. credit cards, checks and [purchase orders](#). On phone orders, we also accept Canadian and Mexican credit cards. For leasing options, please call 1-800-260-2776.

[About Us](#) • [Privacy Policy](#) • [Return Policy](#) • [Site Map](#) • [Help](#) • [Co-ops & Contracts](#) • [Careers](#)

©School Outfitters, 2012



[To Order:](#) [Cart](#) | [Checkout](#) | [Order Status](#) | [View Account](#) | [Login](#)

[Your cart is empty](#)
New customers [sign here](#) | Returning customers [sign in](#)

Choose your options

Roll over boxes to enlarge.

Choose a table color combination:



Select Table Color Combinations

Note: The colors your monitor displays may vary slightly from the actual product colors.

+ Add to Cart

SHARE: [f](#) [t](#) [e](#) [Pin it](#)

SELECTED CATEGORY:
ON SALE SCHOOL FURNITURE

[Home](#) > [On Sale School Furniture](#) > [Sale Library Furniture](#) > Norwood Series Metal Bookcase

[Cart](#) | [Checkout](#) | [Order Status](#) | [View Account](#) | [Login](#)

Your cart is empty

New customers [start here](#) | [Returning customers sign in](#)



Norwood Commercial Furniture
Norwood Series Metal Bookcase

\$89.88 – \$194.88

Click a link in the product list to learn more. Please call 1-800-260-2776 to order by phone.



[Click to Enlarge](#)

Norwood Series Metal Bookcase

	Price	
View Details	\$89.88	36" W x 12" D x 30" H
View Details	\$109.88	36" W x 12" D x 42" H
View Details	\$134.88	36" W x 12" D x 52" H
View Details	\$169.88	36" W x 12" D x 72" H
View Details	\$124.88	36" W x 18" D x 30" H
View Details	\$149.88	36" W x 18" D x 42" H
View Details	\$164.88	36" W x 18" D x 52" H
View Details	\$194.88	36" W x 18" D x 72" H

Store books, binders and other classroom materials on Norwood Commercial Furniture's Norwood Series Metal Bookcase, an affordable addition to any classroom. Welded steel construction and adjustable shelves mean you will enjoy this sturdy and adaptable bookcase for years. Choose a size and color that fits your needs. Available with one to four adjustable shelves, in addition to the fixed bottom shelf. Choose from eight sizes and three attractive colors.

SHARE: [f](#) [t](#) [e](#) [Pin it](#)

[Back to top](#)



We accept U.S. credit cards, checks and [purchase orders](#). On phone orders, we also accept Canadian and Mexican credit cards. For leasing options, please call 1-800-260-2776.

[About Us](#) • [Privacy Policy](#) • [Return Policy](#) • [Site Map](#) • [Help](#) • [Co-ops & Contracts](#) • [Careers](#)

©School Outfitters, 2012

- [Sale Activity Tables](#)
- [Sale AV & Classroom Technology](#)
- [Sale AV & Computer Carts](#)
- [Sale Bulletin Boards & Tack Boards](#)
- [Sale Cafeteria Furniture](#)
- [Sale Computer Furniture](#)
- [Sale Dry Erase Boards](#)
- [Sale Folding & Training Tables](#)
- [Sale Lecterns & Podiums](#)
- [Sale Library Furniture](#)
- [Sale Outdoor Furniture](#)
- [Sale Portable Room Dividers & Partitions](#)
- [Sale Portable Stages & Risers](#)
- [Sale Preschool Furniture & Equipment](#)
- [Sale Public Address Systems](#)
- [Sale School Chairs](#)
- [Sale School Desks](#)
- [Sale Science & Lab Furniture](#)
- [Sale Seating](#)
- [Sale Storage](#)
- [Sale Trophy & Display Cases](#)

CATEGORIES

On Sale School Furniture

Ships Today

Clearance

AV Equipment

Bulletin Boards & Letter Boards

Cafeteria & Food Service

Carts

Chairs

Classroom Rugs

Classroom Technology

Computer Furniture

Desks

Drafting & Art Furniture

Dry Erase & Chalkboards

Easels

Exercise & Fitness Equipment

Facility Equipment

Flags

Gymnasium & Sports Equipment

Industrial & Vocational Arts Furniture

Library Furniture

Lockers

Medical Furniture & Equipment

Music Furniture & Equipment

Office Furniture

Outdoor Furniture & Equipment

Portable Stages & Risers

Preschool Furniture & Equipment

Room Dividers & Partitions

Science & Lab Furniture

Storage Cabinets & Shelving

Tables

- SELECTED CATEGORY:
[Sale Activity Tables](#)
ON SALE SCHOOL FURNITURE
[Sale AV & Classroom Technology](#)
[Sale AV & Computer Carts](#)
[Sale Bulletin Boards & Tack Boards](#)
[Sale Cafeteria Furniture](#)
[Sale Computer Furniture](#)
[Sale Dry Erase Boards](#)
[Sale Folding & Training Tables](#)
[Sale Lecterns & Podiums](#)
Sale Library Furniture
[Sale Outdoor Furniture](#)
[Sale Portable Room Dividers & Partitions](#)
[Sale Portable Stages & Risers](#)
[Sale Preschool Furniture & Equipment](#)
[Sale Public Address Systems](#)
[Sale School Chairs](#)
[Sale School Desks](#)
[Sale Science & Lab Furniture](#)
[Sale Seating](#)
[Sale Storage](#)
[Sale Trophy & Display Cases](#)

CATEGORIES

On Sale School Furniture

Ships Today

Clearance

- [AV Equipment](#)
- [Bulletin Boards & Letter Boards](#)
- [Cafeteria & Food Service](#)
- [Carts](#)
- [Chairs](#)
- [Classroom Rugs](#)
- [Classroom Technology](#)
- [Computer Furniture](#)
- [Desks](#)
- [Drafting & Art Furniture](#)
- [Dry Erase & Chalkboards](#)
- [Easels](#)
- [Exercise & Fitness Equipment](#)
- [Facility Equipment](#)
- [Flags](#)
- [Gymnasium & Sports Equipment](#)
- [Industrial & Vocational Arts Furniture](#)
- [Library Furniture](#)
- [Lockers](#)
- [Medical Furniture & Equipment](#)
- [Music Furniture & Equipment](#)
- [Office Furniture](#)
- [Outdoor Furniture & Equipment](#)
- [Portable Stages & Risers](#)
- [Preschool Furniture & Equipment](#)
- [Room Dividers & Partitions](#)
- [Science & Lab Furniture](#)
- [Storage Cabinets & Shelving](#)
- [Tables](#)
- [Trophy & Display Cases](#)

Buying Guides

Home > [On Sale School Furniture](#) > [Sale Library Furniture](#) > Single-Sided Wooden Book Display [Cart](#) | [Checkout](#) | [Order Status](#) | [View Account](#) | [Login](#)

Sprogs Early Childhood Furniture
Single-Sided Wooden Book Display



[Click to Enlarge](#)
 Single-Sided Wooden Book Display

Save up to 50%
 Prices shown reflect discount.
 Shop today – offer ends
 June 14, 2012.

Specifications

Material:	Baltic birch plywood w/ UV finish
Number of shelves:	4
Wheels:	No
Assembly:	Ships assembled
Other Info:	Greenguard certified Made in the USA
Warranty:	20 years
Width:	30"
Depth:	10 1/2"
Height:	29"
Weight:	35.0 lbs.
Shipping Method:	UPS

Your Price: **\$99.88** each
 Manufacturer's Price: **\$189.00**
Save 47%



SKU: SPG-355F
 Make books easily accessible to the little ones in your classroom with Sprogs' Single-Sided Wooden Book Display. Four sloped shelves provide plenty of space for displaying picture and coloring books. Rounded edges, strong mortise and secure fastener construction and a durable UV finish make this book display perfectly suited for busy classrooms. Ships fully assembled.

[View specifications](#)
[See all On Sale School Furniture](#)

To Order: [Order Status](#) | [View Account](#) | [Login](#)
 Your cart is empty
 Choose a quantity:
 New customers [sign here](#) | Returning customers [sign in](#)

+ Add to Cart

SHARE: [f](#) [t](#) [e](#) [Pin it](#)

[Back to top](#)



We accept U.S. credit cards, checks and [purchase orders](#). On phone orders, we also accept Canadian and Mexican credit cards. For leasing options, please call 1-800-260-2776.

[About Us](#) • [Privacy Policy](#) • [Return Policy](#) • [Site Map](#) • [Help](#) • [Co-ops & Contracts](#) • [Careers](#)

©School Outfitters, 2012

SELECTED CATEGORY:
CHAIRS

- [Big & Tall Chairs](#)
- [Cafe & Lunch Chairs](#)
- [Chair Dollies & Trucks](#)
- [Drafting Stools](#)
- [Executive Chairs](#)
- [Folding Chairs](#)
- [Guest Chairs & Waiting Room Chairs](#)
- [Industrial Chairs & Stools](#)
- [Lounge Seating](#)
- [Medical Seating](#)
- [Music Chairs](#)
- [Office & Task Chairs](#)
- [Preschool Chairs](#)
- [School Chairs](#)
- [Stack Chairs](#)
- [Stools](#)
- [Teacher Chairs](#)
- [Wood Chairs](#)

[Home](#) > [Chairs](#) > [School Chairs](#) > 9000 Series School Chair

[Cart](#) | [Checkout](#) | [Order Status](#) | [View Account](#) | [Login](#)
Your cart is empty
New customers [start here](#) | Returning customers [sign in](#)

Virco
9000 Series School Chair



[Click to Enlarge](#)

9000 Series School Chair

\$29.99 – \$34.99

Click a link in the product list to learn more. Please call 1-800-260-2776 to order by phone.

	Price	Seat Height
View Details	\$29.99	12"
View Details	\$29.99	10"
View Details	\$30.99	14"
View Details	\$32.99	16"
View Details	\$34.99	18"

Virco's 9000 Series School Chair is durable and affordable enough to outfit your classroom. Let your students enjoy the comfort of the vented, anti-static soft plastic shell seat. The sturdy tubular steel frame features an attractive chrome finish and nylon glides that protect your floors from damage when chairs are shifted around the room. These classroom chairs come in five seat heights to accommodate students from preschool to college. Choose from a selection of fun seat colors to match any classroom in your school. Virco's 9000 Series School Chairs are covered by a 10-year warranty.

SHARE:

[Back to top](#)



We accept U.S. credit cards, checks and [purchase orders](#). On phone orders, we also accept Canadian and Mexican credit cards. For leasing options, please call 1-800-260-2776.

[About Us](#) • [Privacy Policy](#) • [Return Policy](#) • [Site Map](#) • [Help](#) • [Co-ops & Contracts](#) • [Careers](#)

©School Outfitters, 2012

CATEGORIES

On Sale School Furniture

Ships Today

Clearance

AV Equipment

Bulletin Boards & Letter Boards

Cafeteria & Food Service

Carts

Chairs

Classroom Rugs

Classroom Technology

Computer Furniture

Desks

Drafting & Art Furniture

Dry Erase & Chalkboards

Easels

Exercise & Fitness Equipment

Facility Equipment

Flags

Gymnasium & Sports Equipment

Industrial & Vocational Arts Furniture

Library Furniture

Lockers

Medical Furniture & Equipment

Music Furniture & Equipment

Office Furniture

Outdoor Furniture & Equipment

Portable Stages & Risers

Preschool Furniture & Equipment

Room Dividers & Partitions

Science & Lab Furniture

Storage Cabinets & Shelving

Tables

Trophy & Display Cases

[School Chairs Buying Guide](#)



SELECTED CATEGORY:
SHIPS TODAY

- [Ships Today Activity Tables](#)
- [Ships Today AV Equipment](#)
- [Ships Today Chairs](#)
- [Ships Today Desks](#)
- [Ships Today Markerboards & Bulletin Boards](#)
- [Ships Today Preschool](#)
- [Ships Today Room Dividers & Partitions](#)
- [Ships Today Tables](#)

CATEGORIES

On Sale School Furniture

Ships Today

Clearance

- AV Equipment
- Bulletin Boards & Letter Boards
- Cafeteria & Food Service
- Carts
- Chairs
- Classroom Rugs
- Classroom Technology
- Computer Furniture
- Desks
- Drafting & Art Furniture
- Dry Erase & Chalkboards
- Easels
- Exercise & Fitness Equipment
- Facility Equipment
- Flags
- Gymnasium & Sports Equipment
- Industrial & Vocational Arts Furniture
- Library Furniture
- Lockers
- Medical Furniture & Equipment
- Music Furniture & Equipment
- Office Furniture
- Outdoor Furniture & Equipment
- Portable Stages & Risers
- Preschool Furniture & Equipment
- Room Dividers & Partitions
- Science & Lab Furniture
- Storage Cabinets & Shelving
- Tables
- Trophy & Display Cases

Buying Guides



[Home](#) > [Ships Today](#) > [Ships Today Chairs](#) > 9000 Series School Chair

[Cart](#) | [Checkout](#) | [Order Status](#) | [View Account](#) | [Login](#)

Your cart is empty

New customers [start here](#) | Returning customers [sign in](#)



Virco-SO
9000 Series School Chair



\$21.88 – \$24.88

Click a link in the product list to learn more. Please call 1-800-260-2776 to order by phone.

	Price	Seat Height
View Details	\$21.88	14"
View Details	\$23.88	16"
View Details	\$24.88	18"

Virco's 9000 Series School Chair is durable and affordable enough to outfit all of your school's classrooms. Let your students enjoy the comfort of the vented, anti-static plastic seat. The sturdy tubular steel frame features an attractive chrome finish and nylon glides that protect your floors from damage when chairs are shifted around the room. Virco's 9000 Series School Chairs are covered by a 10-year warranty.

[Click to Enlarge](#)

Virco 9000 Series School Chair - Navy

SHARE:

[Back to top](#)



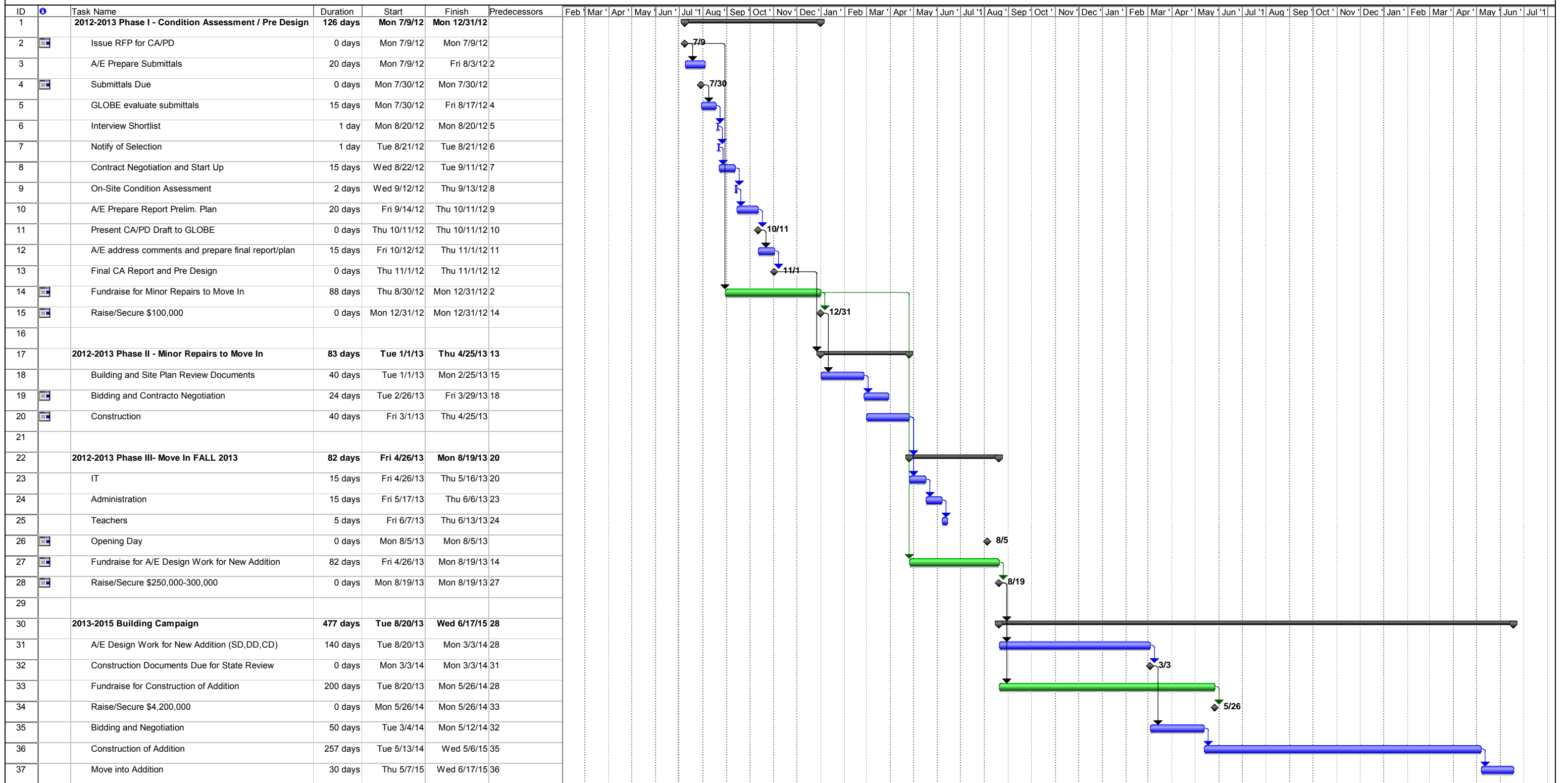
We accept U.S. credit cards, checks and [purchase orders](#). On phone orders, we also accept Canadian and Mexican credit cards. For leasing options, please call 1-800-260-2776.

[About Us](#) • [Privacy Policy](#) • [Return Policy](#) • [Site Map](#) • [Help](#) • [Co-ops & Contracts](#) • [Careers](#)

©School Outfitters, 2012

Appendix DD

APPENDIX - FACILITIES - DRAFT SCHEDULE FOR RENOVATIONS TO Heritage Center hTe GLOBE Academy Charter Petition



Project: Heritage
Date: Sat 6/30/12

Task Progress Summary External Tasks Deadline Split Milestone Project Summary External Milestone



Request for Qualifications (RFQ)

Architect / Engineering Professional Services

for

The GLOBE Academy

I. INTRODUCTION

The GLOBE Academy (“Owner”) is seeking a highly qualified architect / engineering firm (“Consultant”) to provide professional services for a permanent facility for the Owner. The Globe Academy is petitioning both Dekalb County for charter a to open the Fall of 2013. The school will open with approximately 18 classrooms and 390 children in 4 grades K-3. The school will continue to add one grade per year through the eighth grade.

It is the intention of the GLOBE Academy is to renovate an existing structure for the school for permanent occupation in year 3. The GLOBE Academy is in the process of securing temporary facilities prior to this renovation. The Consultant shall assist the Owner through the process of investigation of such facilities, conceptual design, and potentially full architectural services (Schematic Design through Construction Contract Administration).

II. SCOPE OF WORK

The scope of work for this project will be divided into two phases as described below. Based on the responses to the qualifications requested in this document, the selected Consultant may provide services for all or portions of Phase I. It is the intention of this RFQ and the Owner to select a Consultant to complete both Phase I and Phase II. However, at the completion of

Phase I, the Owner reserves the right to engage the selected Consultant for services of Phase II or go through a similar RFQ process to select an architect/engineering firm for Phase II.

Phase 1:

1. **Full Property Assessment:** Provide a full building and site assessment of a potential property. The intention of this assessment is to have a better understanding of a property prior to purchase/lease. The information below shall be compiled into a report which allow a cost estimate to be developed to establish a project budget. The assessment shall include, but not limited to:
 - a. Investigation of existing building/utility systems and recommendations of required improvements to those systems.
 - b. Investigation of entire building/site and recommendations for bringing building into compliance and preparation for occupancy.
 - c. Identification of future site improvement opportunities such as buildable area for additions and parking.
 - d. Code Analysis: document and provide recommendations for compliance for all applicable codes including, but not limited to: ADA, life safety, energy, Board of Education requirements, etc.
 - e. Recommendations for Remediation of hazardous material including, but not limited to asbestos.
2. **Concept Design:**
 - a. Program Verification: The GLOBE Academy will provide a program for the Consultant to verify is appropriate for the number of students and property being investigated.
 - b. Test Fit of Program: including phasing of program through eighth grade.
3. **Conceptual Renderings:** One interior and one exterior image for use in fund-raising.
4. **Conceptual Cost Estimate:** based upon the concept design and full property assessment listed above.

Phase II:

The Consultant would provide full design services consisting of Schematic through Construction Contract Administration for the permanent building.

III. General Requirements:

The Consultant may propose as a single architectural firm with Mechanical, Electrical, Plumbing, and Civil engineering firms as sub consultants or as a single architectural / engineering firm.

The Consultant will be expected to have appropriate staffing to accomplish the scope of work within the specified term of the contract.

The Professional Services Contract will be with the Owner. The Consultant will be responsive to the Owner in complying with master planning, developing detailed plans both textual and visual, conducting reviews and design critiques, and providing periodic progress reports and meeting notes both oral and written. The selected firm will be expected to provide computer generated modeling of the design.

The firm will designate a highly qualified principal designer to act as the Project Manager for the duration of the Project. Owner reserves the right to designate other specialty consultants/sub consultants to be used for this project.

The Consultant shall design based on the Georgia Department of Education Design and DeKalb County requirements. The Consultant will be responsible for submitting a package to DeKalb County and Atlanta Public Schools for all applicable permits.

The Consultant is responsible for developing a project schedule that will allow for the opening of the school by the fall of 2013.

IV. PROCUREMENT PROCESS

Selection:

The Consultant firm that will perform the work for this project will be selected as a result of the following process:

1. Experience: Firms responding to this RFQ will be evaluated on the basis of prior experience designing and constructing K-12 facilities, preferably in DeKalb County or APS.
2. Sustainability: The firm's experience in sustainable design and programs such as LEED shall be carefully considered.
3. Other Factors: All other responses to information requested in this RFQ shall be considered in the selection process.
4. A Firm considered best qualified to perform the work will be selected by the Selection Committee.
5. Final selection will be made and announced by the Owner based on the recommendations of the Selection Committee in May, 2012.
6. A Professional Services Contract award is anticipated in May 2012. The Contract, if awarded, will be with the Owner, and will be based on final evaluation of qualifications and fee.

Qualifications Submittal:

Submittals shall consist of one (1) signed original and eight (7) complete copies of the following:

1. Proposals shall be limited to no more than fifteen (15) letter-sized pages, single or double-sided. Please think sustainably in preparing proposals. Proposals shall be assembled such that the entire proposal can be easily recycled. No binders, no individual plastic sleeves for pages in submittal, etc.
2. Firm Profile: Provide a letter of interest and summary of qualifications of the proposing firm.
3. Relevant Project Experience: Provide brief descriptions and imagery of projects of similar size and scope in which the firm participated as Architect, Architect of Record, or equivalent position;

4. References: Provide three (3) reference contacts (contact name, current address, and current telephone number) of projects of similar size and scope.
5. Key Team Members: Resumes, professional qualifications, design/planning philosophy, and a representative portfolio of past work of the specific individual proposed as the Project Manager and Project Architect. Include up to three relevant projects. The Owner wants to know specifically whom they will be working with on this project.
6. Entire Team: Proposed local Atlanta staffing, organization, and/or consultant firms (if applicable)
7. Design Approach: Proposals shall include a narrative briefly describing the planning and design approach that will be taken on the project.
8. Fee: Provide a line item fee for all four items described in Phase I such that the Owner may select all or some of the options available. In addition, provide a table of values of hourly fees for team member positions. This information is not included as one of the 15 pages.

Submittal packages should be mailed or otherwise hand delivered to the address below so as to arrive not later than **5:00 pm on July 30, 2012**.

Mailing/Delivery Address:

The GLOBE Academy
Attn: Karen Gravel, AIA, Board of Directors, Facility Chair

Cost of Preparing Qualifications Submittals

The cost for preparing qualifications submittals in response to this RFQ is the sole responsibility of the responding firms. The Owner will not provide reimbursement for such costs.

V MISCELLANEOUS PROVISIONS OF THIS RFQ:

Right to Reject Qualifications and/or Proposals:

The GLOBE Academy selection committee reserves the right to reject any and all qualifications and/or proposals.

Form of Contract:

A standard AIA Professional Services Contract will be used as the contract. The Contract will be between the Owner and the Consultant. Prospective proposers are urged to carefully read this type of contract prior to submitting qualifications.

Contact Information:

The point of contact for all questions related to this RFQ shall be:

Karen Gravel, AIA. [do](#) we have email addresses?

Notice of Potential Conflict of Interest:

Karen Gravel is an employee of Lord, Aeck and Sargent (LAS). If LAS submits a proposal for this project, Karen Gravel will not vote on the selection committee.

Questions:

All questions shall be submitted to Karen Gravel via email above. The cut-off for all questions shall be **6:00 pm on July 15, 2012**. All submitted questions will be posted to the GLOBE Academy website. All questions shall be answered in this manner. No questions will be answered via phone.

Addendum:

Any Addendum/Addenda shall be posted to the GLOBE website no later than **July 20, 2012**.

End of RFQ

Appendix FF

The GLOBE Academy Anticipated Square Footage Needs K-7 (At end of first 5 years)							
FULL FTE K-8	Instructional Units per Grade	Students Per Instructional Unit		Faculty			
	4	22		2		750	
						660	
Grades	Instructional Units (IU)	Students Per Instructional Unit	FTE	Teachers Per Classroom		State Minimum s.f.	
K	4	22	88	2	8	750	3000
1	4	22	88	2	8	750	3000
2	4	22	88	2	8	750	3000
3	4	22	88	2	8	750	3000
4	5	22	110	2	10	660	3300
5	5	22	110	2	10	660	3300
6	4	22	88	2	8	660	2640
7	4	22	88	2	8	660	2640
8	0	22	0	2	0	660	0
	34		748		68		23,880
Art					1		1,000
Music					1		1,000
Media					1		4,800
Gymnasium					1		16,000
Cafeteria/Multipurpose					4		2,850
Kitchen							3,000
Administration							
	Reception/Secretary				1		200
	Principal				1		120
	Counselor Reception				1		100
	Counselor Office						100
	Storage for Records						400
	Storage for Supplies						200
	Teacher Workroom						200
	Teacher Toilet						150
Science Lab		(middle school)			1		1,100
Computer Technology Lab		(middle school)					1,000
Career Connections		(middle school)					750
Exploration in Technology		(middle school)					2,500
				Total Faculty	80		
						Net Subtotal	59,350
1. Construction Square Footage Budget per 2004 State Guidelines of 1,800xIU for Elementary and 2,250xIU for Middle							
	IU for K-5	26	46,800				
	IU for 6-8	8	18,000				
	Total	34	64,800				
	IU per FTE	72					
2. Total FTE divided by 3.15 multiplied by 12 = Cafeteria Requirements							
3. Toilet Calculations							
Kindergarten classrooms will have one toilet room each.							
			K-5				
Girls		Toilet Rooms					
Boys	374	1.8 gang toilets					
	374	1.8 gang toilets					
				Total Required Gross Square Footage per IU			64,800

Appendix GG

The GLOBE Academy Anticipated Square Footage Needs K-3							
FULL FTE K-8	Instructional Units per Grade	Students Per Instructional Unit		Teachers Per Classroom			
		22		2		750	
						660	
Grades	Instructional Units (IU)	Students Per Instructional Unit	FTE	Teachers Per Classroom		State Minimum s.f.	
K	5	22	110	2	10	750	3750
1	5	22	110	2	10	750	3750
2	4	22	88	2	8	750	3000
3	4	22	88	2	8	750	3000
4	0	0	0	0	0	660	0
5	0	0	0	0	0	660	0
6	0	0	0	0	0	660	0
7	0	0	0	0	0	660	0
8	0	0	0	0	0	660	0
	18		396		36		13,500
Art					1		1,000
Music					1		1,000
Media					1		2,755
Gymnasium					1		5,000
Cafeteria/Multipurpose (2)					4		1,257
Kitchen							3,000
Administration	-3				5		1,000
						Total	28,512
State allocation of IU for FTE							
	34						
1. Construction Square Footage Budget per 2004 State Guidelines of 1800xIU				61,200			
2. Total FTE divided by 3.15 multiplied by 10							
3. Minimum administration facilities shall include: Reception space, principal's office, counseling (reception and office), storage for school records, storage for supplies, clinic, teachers' work rooms, and toilets.							
4. Toilet Calculations							
		Toilet Rooms	K-5				
			Not worked out yet.				
Girls	198	0.9	gang toilets				
Boys	198	0.9	gang toilets				
Kindergarten classrooms will have one toilet room each.							