



The Accelerated Schools Finance and CALPADS Assessment – Summary

April 2019



Project Overview

Project Objective & Scope

Identify how best to structure the accounting/finance and CALPADS reporting functions

ExED evaluated the following processes:

- Budgeting
- Financial Management/Reporting
- Accounting & Bookkeeping
- Cash Management
- CALPADS Reporting

Project Approach

- Interviewed selected TAS staff members to gain an understanding of each of the key processes
- Reviewed TAS organizational structure
- Reviewed experience of TAS staff responsible for accounting/finance

Finance/Accounting Assessment Findings

The Past

- Prior CFO controlled budget and did not provide sufficient budget visibility to Academic Leadership needed for effective and efficient school management:
 - Principals not involved in budget management
 - Principals lacked understanding of how school funds were used
 - Principals found the process to secure goods and services to be inefficient, poor use of time, and frustrating
 - Academic leadership did not receive the financial information they needed
- Fiscal policies do not demonstrate clear segregation of duties creating an opportunity for fraud or fiscal mismanagement

Current Direction

- Accounting Manager and Academic Leadership share a common vision of fiscal management
 - Increased transparency/ownership of budgets by Academic Leadership
 - Increased focus and investment in the academic program
- Initial actions align to the vision of Academic/Finance partnership, but this partnership is in the beginning stages
- It will take time to realize vision as Principals do not have budget management experience and will require support, training, and time to assume this responsibility
- Payroll: Interest in transitioning from LACOE to another payroll provider
- Systems: TAS is in process of re-building or implementing new financial systems

CALPADS Reporting Recommendations

Add central function/position for oversight and direction of programmatic compliance and data management

Establish a cross-functional data management team comprised of key staff members and data stewards which meets regularly to review requirements, timelines, responsibilities, and task status

Establish a data review process to ensure accurate data is reported. The review process should include:

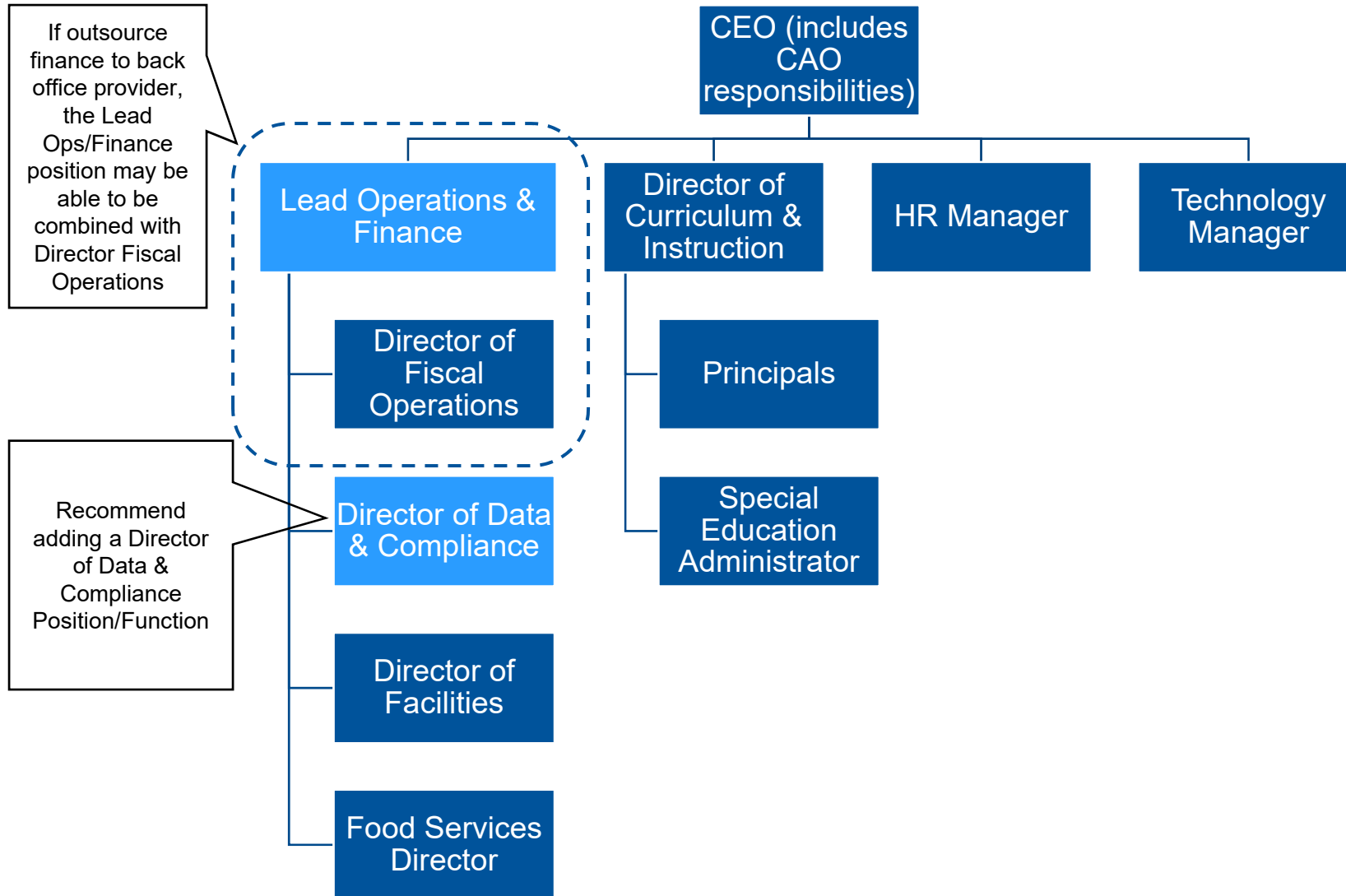
- Review certification reports early in submission cycle
- Develop sign-off procedures prior to certification

Develop process to ensure operations staff members are prepared and understand the organizational importance of their data management responsibilities

- Provide for regular professional development days for operations staff, similar to teaching staff
- Plan for contingencies by cross training staff

Structure Recommendations

Recommended Structure



Cost-Benefit of Contracting for Finance/Accounting

Benefits In-House Finance

- Lower total cost
- More autonomy to create processes and select systems specific to TAS' needs/preferences

Benefits of Outsourcing Finance

- Reduce dependency and turnover risk of lead finance role
- Secure access to organization and staff with deep charter school finance experience
- Save staff time and reduce risk by using existing systems/tools rather than selecting/building new solutions, for example ExED has
 - Multi-year budget model
 - Cloud-based financial reporting tool to provide end-users direct visibility to their budgets and financial data (Qlik)
 - Established procure-to-pay solution to facilitate purchasing and invoice processing (SpendBridge)
 - Significant experience with Paycom (and Paychex)

Cost-Benefit of Contracting for CALPADS Support

Whether or not TAS contracts for CALPADS reporting support

- TAS should create a Director of Data & Compliance function/position to oversee CALPADS reporting and other compliance/data management activities
- TAS still owns the accuracy of their data

Outsourcing CALPADS support is not expected to reduce TAS FTE's

ExED's CALPADS reporting support is \$34,292/year

Benefits of outsourcing CALPADS

- Gain a partner with deep charter school expertise and the associated data management requirements and best practices
- Reduce the likelihood of reporting errors (Note: this depends on partnership with the TAS staff)
- Have access to more training on CALPADS reporting process (e.g., webinars, at ExED, at school site)
- ExED reviews data in CALPADS system for anomalies and discrepancies