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
<table>
<thead>
<tr>
<th>The Past</th>
<th>Current Direction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prior CFO controlled budget and did not provide sufficient budget visibility to</td>
<td>Accounting Manager and Academic Leadership share a common vision of fiscal</td>
</tr>
<tr>
<td>Academic Leadership needed for effective and efficient school management:</td>
<td>management</td>
</tr>
<tr>
<td>• Principals not involved in budget management</td>
<td>• Increased transparency/ownership of budgets by Academic Leadership</td>
</tr>
<tr>
<td>• Principals lacked understanding of how school funds were used</td>
<td>• Increased focus and investment in the academic program</td>
</tr>
<tr>
<td>• Principals found the process to secure goods and services to be inefficient, poor</td>
<td>• Initial actions align to the vision of Academic/Finance partnership, but this</td>
</tr>
<tr>
<td>use of time, and frustrating</td>
<td>partnership is in the beginning stages</td>
</tr>
<tr>
<td>• Academic leadership did not receive the financial information they needed</td>
<td>• It will take time to realize vision as Principals do not have budget management</td>
</tr>
<tr>
<td>• Fiscal policies do not demonstrate clear segregation of duties creating an opportunity</td>
<td>experience and will require support, training, and time to assume this responsibility</td>
</tr>
<tr>
<td>for fraud or fiscal mismanagement</td>
<td>• Payroll: Interest in transitioning from LACOE to another payroll provider</td>
</tr>
<tr>
<td></td>
<td>• Systems: TAS is in process of re-building or implementing new financial systems</td>
</tr>
</tbody>
</table>
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

If outsource finance to back office provider, the Lead Ops/Finance position may be able to be combined with Director Fiscal Operations.

Recommend adding a Director of Data & Compliance Position/Function.
## 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)
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