



NATIONAL RESOURCE CENTER ON

**CHARTER
SCHOOL**

FINANCE & GOVERNANCE



A Revenue Planning Tool

For Charter School Operators

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ABOUT THE NATIONAL RESOURCE CENTER ON CHARTER SCHOOL FINANCE AND GOVERNANCE

The National Resource Center on Charter School Finance and Governance was established in fall 2006 with funding from the U.S. Department of Education's Office of Innovation and Improvement (Grant No. 0282N060012) under the Charter Schools Program National Leadership Activities Grant Program. The National Resource Center (NRC) develops and disseminates tools, information, and technical assistance to help charter leaders at all levels—operators, authorizers, and state policymakers—take steps to improve charter school finance and governance.

For more information, visit the NRC website at www.CharterResource.org or e-mail NRC at info@charterresource.org.

ABOUT THE PARTNERS

The National Resource Center on Charter School Finance and Governance is a collaborative effort of The Center on Educational Governance at the University of Southern California, The Finance Project, and WestEd.

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Preface

This revenue planning tool is one in a series of tools on charter school finance and governance created by the National Resource Center on Charter School Finance and Governance (NRC). The series of tools was created to support efforts to ensure successful and sustainable charter schools through effective finance and governance practices.

The NRC designed the revenue planning tool to help charter school operators identify and evaluate prospective funding sources that are applicable to their unique needs and situations. Several worksheets walk charter school operators through the process of collecting and evaluating information about funding sources so they can make sound decisions about which ones will help them establish a sound and reliable revenue base for their school.

The contents of this tool were developed under a grant from the U.S. Department of Education (Grant No. U282N060012). These contents do not necessarily represent the policy of the U.S. Department of Education, however, and endorsement by the federal government should not be assumed.

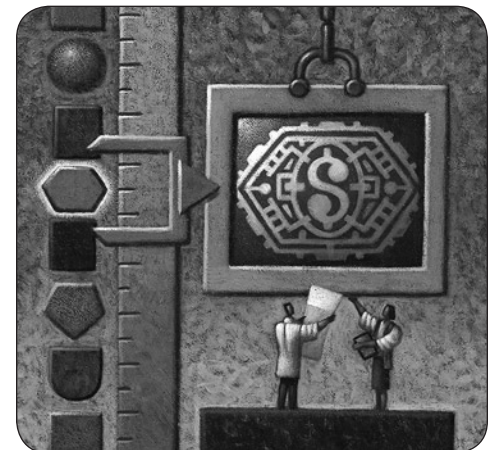
Introduction

In many states, charter school operators face significant challenges in establishing a sound and reliable base of revenue to support their work. Charter schools receive most of their revenue from a per-pupil allocation of state and local public school funding; however, on average, that allotment is nearly 40 percent less than the per-pupil allocation traditional public schools receive.¹ Accordingly, most charter school operators must seek additional sources of revenue, such as state, federal, or foundation grants and individual contributions, to meet the full cost of educating their students.

Charter school operators can strengthen their school's funding base through strategic revenue planning. Several public and private funding opportunities are available to charter schools, but every dollar is not the same as every other dollar. Choosing the right funding source requires targeted research and planning. To make the best use of time and other fundraising resources, charter school operators should align their funding targets with their specific fundraising needs. Many funding sources, regardless of whether they are provided by corporations, government agencies, private foundations, or other nonprofit organizations, are narrowly defined categorical programs that limit the types of activities that can be funded, the types of organizations that are eligible to receive funding, and the target student populations that are eligible to benefit from funding. Accordingly, charter school operators should clarify their financial needs and determine where they have gaps in their budgets; they should assess not just the aggregate amount of funding they need, but funding for which programs and budget line items. This knowledge provides the foundation for targeted fundraising that ensures additional revenues are aligned with financial needs and the goals of the school.

Charter schools receive a per-pupil allotment of public school funding to help cover basic academic costs. In some states and localities, they are also eligible to receive a facilities allowance. The major ongoing sources of funding are generally allocated in accordance with state and local charter school laws that establish funding formulas. Other narrowly defined funding streams can also be tapped to provide funding for:

- students with specific characteristics determined by their family's income status or their own learning needs (e.g., special education and English language learners);
- programs, services, or other learning resources that charter school leaders want to provide for their students (e.g., transportation services, afterschool programs, and English language training);
- innovations and experimental enhancements to curricula and education programs; and
- capital investments in school facilities and equipment.



¹ Center for Education Reform, *Annual Survey of America's Charter Schools 2008* (Washington, D.C.: Center for Education Reform, 2008).

WHAT IS REVENUE PLANNING?

Revenue planning is a process of identifying strategies for generating funding. The process entails a thorough analysis of how best to maximize revenue to ensure adequate short- and long-term funding for programs and activities and sufficient diversification to reduce the risk of cuts in certain funding sources.

These public and private funding sources can help meet specific budget needs and can be an important complement to the basic per-pupil allotment. Individual funding streams may offer time-limited support for specific purposes or provide continuing sources of funding. Using time-limited grants for any new program or activity requires a clear long-range plan for generating additional revenue to support the initiative over time. Consequently, charter school operators should develop a focused and clear plan for pursuing funding sources that will best match their school's immediate budgetary needs and its long-term financial goals (see What Is Revenue Planning? above).

This revenue planning tool aims to help charter school operators develop a sound revenue base that can meet their school's current and future funding needs (see Characteristics of a Sound Revenue Base below). It helps identify and assess potential public (federal, state, and local) and private funding sources. The tool incorporates a four-step revenue planning process.

- 1 Establish a planning team.** This step involves identifying and engaging individuals with the right expertise to participate in the revenue planning process.
- 2 Define the school's funding needs.** Charter school leaders should define exactly what they seek to fund.
- 3 Gather resources.** This step provides tips for locating funding sources for charter schools.
- 4 Analyze the funding streams.** Any funding source that charter school leaders pursue should fit into a strategic plan that supports their school's goals.

The tool also includes three worksheets to help charter school leaders gather and organize information for analysis. Each worksheet includes step-by-step instructions and tips to make the revenue planning process easier and more effective.

- **Worksheet A** helps define and prioritize a school's current and future funding needs.
- **Worksheet B** assists in collecting and organizing information about public and private funding sources that can support charter schools.
- **Worksheet C** aids in evaluating which available funding sources are most appropriate for the specific needs of a charter school and whether the funding is worth pursuing.

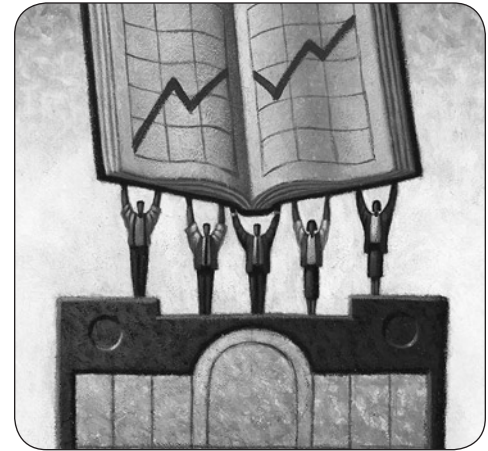
CHARACTERISTICS OF A SOUND REVENUE BASE

A sound revenue base has five characteristics.

- *Stability* means the funding sources are not likely to be reduced or eliminated in the near future.
- *Diversity* means the school's portfolio includes diverse federal, state, local, and private funding sources.
- *Flexibility* means the funding sources do not have stringent restrictions on their use.
- *Sufficiency* means ample resources exist to meet the school's identified short- and long-term needs.
- *Consistency with the school's mission* means the goals of the funding sources align with core school goals.

Revenue Planning Process

Charter school leaders should plan to engage in the revenue planning process well before they face any urgent gaps in funding. Identifying and evaluating funding sources using this framework will likely involve two or three months of data collection, analysis, intermittent discussion, and planning. Once school leaders develop a fundraising strategy and identify their fundraising targets, it will likely take several months to a year to secure funding. Therefore, charter school leaders should have a clear understanding of funding needs that are likely to arise in the next two or three years and plan ahead. Crisis planning inevitably presents fewer good choices for meeting financial needs, because so many financing strategies require significant lead time to be successful.



I Step I: Establish a Planning Team

Before beginning the revenue planning process, consider who should be involved. Typically, each staff, board member, or partner will have a unique perspective and specific expertise to contribute to the process. Engaging a diverse group helps generate buy-in from stakeholders and creates a broader view of fiscal needs and opportunities than an individual staff member is likely to have. In addition to school leaders, consider including at least three categories of people in the revenue planning process: budget staff, technical experts, and other charter school business managers.

- Budget staff have a strong understanding of charter school fiscal needs and management.
- Technical experts have knowledge of the funding sources available to charter schools in a state and how those sources are typically accessed. These technical experts could include members of a state charter school association, national associations, community partners, technical assistance providers, or members of a governing board.
- Other charter school business managers can provide valuable information about potential funding sources. Some states, such as Colorado, have an association of charter school business managers who share best practices and useful information during quarterly meetings.

2 Step 2: Define the School's Funding Needs

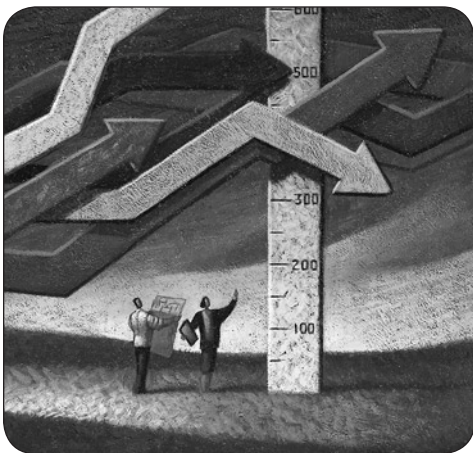
Once the planning team is established, the next step is to clarify the funding needs of the charter school (i.e., the specific programs and activities that require financial support). These programs and activities will be closely tied to the charter school's goals. For example, if one of the school's goals is to increase the total number of students served, a funding need associated with this goal might be to obtain a loan to purchase, lease, or renovate a larger facility. A different goal, such as expanding the geographic area from which a school draws students, might lead to a different funding need, such as obtaining resources for improved transportation services.

Pursuing different goals generally entails identifying specific funding needs. These needs could include:

- capital investments for property, facilities, and equipment;
- additional education service subsidies to students;
- categorical funding for specific programs and services or for aid to students with specific characteristics;
- capacity-building grants and assistance to develop internal leadership and management and administrative capacity;
- professional development support for teachers, staff, and board members;
- innovation funds to cover the cost of adding a new component to an existing education program or testing out a new one; and
- evaluation funding to gather data and measure the effects of the school's academic programs.

These diverse needs are likely to require different funding sources, so charter school leaders must be clear on exactly what they plan to fund.

Accurately estimating the costs of the charter school's infrastructure, programs, and supplemental services is an important part of the revenue planning process. If a charter school



plans to expand a service it already provides, past years' budgets will help estimate the cost of this expansion. For charter schools providing an entirely new service or activity, other charter school business managers can provide valuable advice for estimating the costs. **For more information on estimating costs, see “Starting New Charter Schools: A Cost Estimation Tool” available soon at <http://www.charterresource.org>.**

WORKSHEET A: Defining Current and Future Funding Needs

The purpose of this worksheet is to help charter leaders identify the specific elements in their school's operation for which funding is needed. Consider funding needs for all aspects of the charter school's operation including facilities, staffing, transportation, fundraising, marketing, curriculum development, etc. The worksheet also helps identify how these needs are likely to change over time.

WORKSHEET A: COLUMN-BY-COLUMN OVERVIEW

Column 1: Funding Need

Briefly describe the specific program element or activity for which funding is needed. Be as specific as possible. If a need is to expand current facilities, detail exactly how much square feet of space is needed and for what will it be used.

Column 2: Expected Start Date

Identify when funding needs will arise. Categorize the school's funding needs as short term or long term to distinguish between those that will be addressed immediately and those that require long-term planning.

Column 3: Start-Up Requirements

Estimate how much funding the school needs to begin this activity. This figure will be the one-time cost required to get the activity up and running. When making this estimate, charter school operators may need to consider exactly how many students will be served through this activity.

Column 4: Ramp-Up Assumptions

Estimate the continuing cost of this activity for the next three years. Consider any ramp-up assumptions, if plans exist to increase the number of students served.

SAMPLE WORKSHEET A: Defining Current and Future Funding Needs

Fiscal Year 2009

1. Funding Need	2. Expected Start Date	3. Start-up Requirements	4. Ramp-up assumptions		
			First Year	Second Year	Third Year
<i>Begin a physical education program for 100 students</i>	<i>September 2010</i>	<i>\$ 30,000 (equipment)</i>	<i>\$ 70,000 (equipment and salary)</i>	<i>\$ 80,000 (equipment and salary)</i>	<i>\$ 90,000 (equipment and salary)</i>
<i>Purchase desktop computers for computer lab (20)</i>	<i>January 2011</i>	<i>\$ 10,000</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
<i>Hire specialist to develop ESL program</i>	<i>September 2011</i>	<i>\$ 4,000 (recruiting costs)</i>	<i>\$ 50,000 (salary)</i>	<i>n/a</i>	<i>n/a</i>

WORKSHEET A: Defining Current and Future Funding Needs

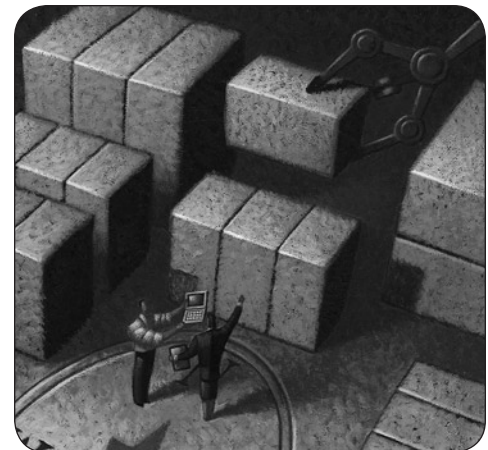
Fiscal Year _____

1. Funding Need	2. Expected Start Date	3. Start-up Requirements	4. Ramp-up assumptions		
			First Year	Second Year	Third Year

3 Step 3: Gather Resources

After clearly defining funding needs, the next step in the revenue planning process is to collect data on available funding sources. Following are some useful resources to help identify prospective funding. (See, also, Positioning Charter Schools to Access Funding on page 10.)

- **Federal Funding Catalog for Charter Schools.** This catalog, produced and maintained by the National Resource Center on Charter School Finance and Governance, identifies federal funding sources that can be used to support charter school development and operations. The online, searchable database provides detailed information on how each program works and how to access the funds. Users can also narrow their search by specific topic areas, such as special education, health education, facilities development, and student support services. See <http://www.charterresource.org/index.cfm?page=5>.
- **Catalog of Federal Domestic Assistance/Catalog of State Financial Assistance.** Available online at www.cfda.gov, this database of all domestic federal programs is a good source for basic program information, funding history, eligibility, and target beneficiaries. Charter school leaders cannot apply for grants through this website; it is simply a catalog of available federal grants. However, this catalog provides a good starting point for understanding the kinds of federal assistance available to charter schools.
- **U.S. Department of Education.** The U.S. Department of Education's website provides information on all of its current grants, contracts, and programs as well as a forecast of upcoming funding opportunities. See <http://www.ed.gov/fund/landing.jhtml>.
- **Education Week.** This magazine's website contains an extensive list of public and private grant opportunities available to schools. See <http://www.edweek.org/ew/section/grants/index.html>.
- **Grants.gov.** Charter school leaders can search and apply for federal government grants through this website. They can also subscribe to receive e-mail alerts about new and updated grant opportunities. Visit <http://grants.gov/>.
- **State Charter School Association Websites.** Many state charter school association websites provide information on local funding opportunities. Links to state associations and charter school technical assistance centers are available at <http://www.charterresource.org/organizations.cfm#2>.
- **The Foundation Center.** The Foundation Center offers a subscription-based service that provides information on available foundation grants and funding priorities. Visit <http://foundationcenter.org/>.



Worksheet B: Identifying Funding Sources to Support School Needs

The purpose of this worksheet is to catalogue basic descriptive information on sources of funding that can meet the needs identified in Worksheet A. It may be useful to collect information on several funding sources that could potentially meet each funding need. This information helps assess whether a particular funding source can contribute to a stable, flexible, diverse, and sufficient revenue base. When considering possible funding sources that could support charter schools, be sure to consider federal sources, state sources, local sources, foundations, community development financial institutions, business/corporate sources, and individual donors.

- **Federal Sources.** A wide variety of federal programs support charter schools.
- **State Sources.** Several states provide charter schools with dedicated sources of funding to meet their facilities, start-up, and operational needs. The state charter school association or the state department of education is a good source of information on programs in a state.

POSITIONING CHARTER SCHOOLS TO ACCESS FUNDING

As charter school leaders collect information on the funding sources available in their community, they may find it helpful to consider how best to position their school to access those opportunities. Consider these strategies.

- Publicize the achievements of students, staff, and graduates through newsletters and e-blasts.
- Develop relationships with key champions (i.e., community leaders who are willing to use their influence to generate support for charter schools).
- Involve parents, community leaders, and others who might donate to the charter school during the school's planning process, when appropriate.
- Hire a savvy development director.
- Develop a board with strong giving behavior.

THREE TYPES OF PUBLIC GRANT PROGRAMS

Entitlement programs, which guarantee that all individuals meeting certain eligibility criteria are served, generally are the most stable source of funding. **Block or formula grants**, which provide states with a fixed allocation of funds, and **discretionary grants**, which are awarded through a competitive bidding process for specific projects, generally are less stable sources of funding.

- **Local Sources.** This includes funds made available to charter schools by the local school district or other local initiatives. Examine funders of other charter schools in the area to get leads on potential local sources of funding.
- **Foundations.** Many foundations have programs that support charter schools. Before approaching a specific foundation, check the foundation's website to determine whether charter schools are included in its funding priorities.
- **Community Development Financial Institutions.** Community development financial institutions (CDFIs) are organizations that often make loans to charter schools for facilities development. Although CDFI loans can be a good option for some charter schools, school leaders should carefully weigh the positives and negatives of loan financing and consider what funding streams will be used for repayment. Visit <http://www.cdfi.org/> for more information about CDFIs.
- **Business/Corporate Sources.** Consider seeking support from local businesses, especially if the charter school serves families from a core group of employers in the community. In addition to monetary resources, investigate possibilities for in-kind contributions. Volunteer services, goods, materials, or equipment (e.g., used office furniture) may be available.
- **Individual Donors.** Individual donors can be an important source of funds accessed through fundraising campaigns and special events such as bake sales or charity auctions. Stay informed about any prominent individuals in the community who make significant philanthropic donations.

In addition to cash funding sources, be sure to consider in-kind contributions of goods and services. These contributions can come in many forms, including facilities space, instructional materials, and volunteer services. Often, in-kind contributions provide goods and services that would be very expensive to purchase (e.g., specialized scientific equipment and materials, computers, or equipment for visual and performing arts). Similarly, volunteers with specialized program, management, legal, and administrative expertise can be valuable resources for charter schools that may otherwise not be able to purchase these services.

WORKSHEET B: COLUMN-BY-COLUMN OVERVIEW

Column 1: Funding Source

List all funding sources that could support the funding needs identified in Worksheet A, including prospective in-kind contributions. Charter school leaders can also list funding sources they already access to determine whether the school is maximizing revenue from these sources.

Column 2: Funding Need (from Worksheet A)

Enter the funding need from Worksheet A that the source listed in column 1 could help address. If this funding cannot be applied to any identified funding needs, consider whether pursuing it is worthwhile.

Column 3: Type of Program

For public sources, indicate whether the program is an entitlement, a block or formula grant, or a discretionary grant (see Three Types of Public Grant Programs on page 10). This information will be used in Worksheet C, because the type of public grant program has implications for the stability of the funding.

Column 4: Funding Institution

Column 4 asks for information regarding the original source of the funding. For example, do the funds come from the state's general fund or the U.S. Department of Education? This information will be used in Worksheet C to help understand whether a school's funding base is composed of a diverse mix of sources.

SAMPLE WORKSHEET B: Identifying Funding Sources to Support School Needs

Fiscal Year 2009

1. Funding Source	2. Funding Need (from Worksheet A)	3. Type of Program	4. Funding Institution	5. Average Grant Size	6. Eligibility Requirements	7. Program Goals/Description	8. Funding History
Public Funds							
Federal Agencies							
<i>Carol M. White Physical Education Program</i>	<i>Develop a physical education program</i>	<i>Discretionary Grant</i>	<i>U.S. Department of Education, Office of Safe and Drug-Free Schools</i>	<i>Average grant in FY 2008 between \$200,000 and \$400,000</i>	<i>LEA's, including charter schools that are considered LEA's</i>	<i>Supports innovative approaches to health and physical activity</i>	<i>FY 2005: \$73,408,000; FY 2006: \$72,673,920; FY 2007: \$72,674,000</i>
<i>AmeriCorps Vista</i>	<i>Hire specialist to develop ESL curriculum</i>	<i>Discretionary Grant</i>	<i>Corporation for National and Community Service</i>	<i>Volunteers are usually assigned to projects for one year</i>	<i>Government agencies or nonprofit organizations (including charter schools)</i>	<i>To help private agencies eliminate poverty by providing volunteers</i>	<i>FY 2007: \$95,470,000</i>
Private Funds							
Business/Corporate and CDIFS							
<i>Main Street Technologies*— In-kind donations of computer equipment</i>	<i>Purchase desktop computers for computer lab (20)</i>	<i>NA</i>	<i>Main St. Technologies</i>	<i>\$20,000</i>	<i>Non-profit organizations (including charter schools)</i>	<i>Increasing technology use among low-income individuals</i>	<i>Company has donated computers in each of the last 5 years to 10 organizations, 2 of which were charter schools</i>

*Fictional company

ADDITIONAL STRATEGIES FOR ESTIMATING THE OUTLOOK FOR A REVENUE SOURCE

To estimate the outlook for a revenue source, charter school leaders can pursue these additional strategies.

- Scan the environment. Significant changes in the local, state, or national economy, as well as changes in political leadership, can have a real effect on a charter school's revenue streams.
- Cultivate relationships with key information sources. Charter school leaders should get to know the people who know about their school's funding streams. For example, they should cultivate relationships with people who work inside the budgeting process of their state or local school district.
- Maintain a current understanding of funder priorities. Whether public or private, funders periodically change their priorities. Charter school leaders may want to consider keeping in touch with the state and district education agency staff who are responsible for funds that flow to their school. Similarly, charter school leaders can cultivate close communications and good relationships with the foundation program officers who currently fund or could possibly fund charter schools in the future.

Source: Robert E. Lavalley and Kate Sandel, *Beyond the Checkbook: A Financial Management Guide for Leaders of Small Youth-Serving Organizations* (Washington, D.C.: The Finance Project, 2009).

Column 5: Average Grant Size

Enter the average size of the grant that this funding source makes to grantees. This information will help determine whether the funding from this source is likely to be large enough to meet the identified need. If an average grant size is not available, record the maximum grant size to document the most that can be expected from this source.

Column 6: Eligibility Requirements

Outline both applicant eligibility requirements for the funding source and allowable populations that can receive services through funded programs (e.g., the student population). For example, some federal programs require charter schools to function as their own local education agency (LEA) to receive funding. Understanding eligibility requirements will help identify any barriers that would prevent the use of this source to meet specific funding needs. This information will also help determine whether a charter school is maximizing funding from entitlement programs by ensuring that all eligible students are being counted.

Column 7: Program Goals/Description

In this column, enter a brief description of the primary goals of the funding source. This information will help determine whether the goals of the funding program align with the charter school's goals and core mission.

Column 8: Funding History

In this column, enter any information about the program's historical levels of funding. This knowledge will help assess the stability of this funding source. (See, also, *Additional Strategies for Estimating the Outlook for a Revenue Source*.)

WORKSHEET B: Identifying Funding Sources to Support School Needs

Fiscal Year _____

1. Funding Source	2. Funding Need (from Worksheet A)	3. Type of Program	4. Funding Institution	5. Average Grant Size	6. Eligibility Requirements	7. Program Goals/Description	8. Funding History
Public Funds							
Federal Agencies							
State Agencies							
Local Agencies							

(continues on page 14)

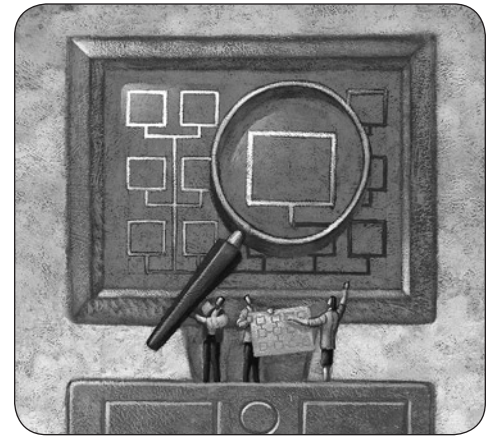
WORKSHEET B: Identifying Funding Sources to Support School Needs *(continued)*

Fiscal Year _____

1. Funding Source	2. Funding Need (from Worksheet A)	3. Type of Program	4. Funding Institution	5. Average Grant Size	6. Eligibility Requirements	7. Program Goals/Description	8. Funding History
Private Funds							
Foundations							
		NA					
		NA					
Business/Corporate and CDIFS							
		NA					
		NA					
Individual Donors							
		NA					
		NA					

4 Step 4: Analyze the Funding Sources

As charter school leaders explore the many funding opportunities available to them, they may be tempted to pursue any and all funding that could support their school, especially during financially difficult times. However, without a strategic plan for pursuing funding sources that are both viable for their school and aligned with their school's needs, charter school leaders may spend an inordinate amount of time and resources pursuing opportunities that are unlikely to generate significant or sustainable funding. Charter school leaders should consider whether key characteristics of the funding source meet the needs of their school, align with their school's core goals, and fit into a long-term plan to maximize and stabilize their school's revenue.



Worksheet C: Analyzing the Funding Sources

Worksheet C begins with Column 9, because it is a continuation of the information collected in Worksheet B. This worksheet poses several questions that help evaluate whether the potential funding source is a good match for the specific funding needs of a charter school. This process is iterative, and it may require several discussions about a particular funding source to complete the worksheet.

POTENTIAL PARTNERS FOR CHARTER SCHOOLS

Charter schools may need to partner with other organizations in order to apply for some federal programs. When looking for potential partners, charter leaders should consider:

- Child welfare agencies
- Health departments
- Libraries and literacy programs
- Museums
- Juvenile justice agencies
- Colleges and universities
- Faith-based organizations
- Early care and education providers
- Business leaders
- Economic development organizations

WORKSHEET C: COLUMN-BY-COLUMN OVERVIEW

Column 1: Funding Source

Enter the same funding source listed in Worksheet B.

Column 9: Is School Maximizing Funding Source?

For this column, the planning team will conduct an analysis of the extent to which a school is maximizing all available funding.

For entitlement programs

- Are all qualified recipients receiving benefits?
- Are all administrative costs being claimed, if appropriate?
- For example, are school leaders correctly identifying and counting all students who are eligible for free and reduced-price lunches to receive the maximum amount of Title I funding? Providing incentives (e.g., a pizza party) that result in a 100 percent return rate of income verification forms is one strategy that could help maximize this funding source.

For block grants

- Are charter school leaders accessing all available funds from state agencies and their LEA?
- For example, many states and communities receive federal Community Development Block Grant funding and then award those funds to eligible recipients in their jurisdictions.

For discretionary grants

- Are charter school leaders taking advantage of all appropriate grant opportunities?
- Do charter school leaders have a strategy for staying informed about new opportunities as they emerge?

DO NOT COUNT FUNDING SOURCES BEFORE THEY HATCH

Column 10 estimates a date when the charter school will receive funding from a particular source, if the grant is awarded. However, remember that some discretionary grant applications will never result in funding. Charter school leaders should not include a revenue source in their budget projections unless they are absolutely certain the school will receive that revenue.

Column 10: When Can School Expect the Revenue?

Establish a realistic expectation for when funding will be received, if it is awarded to the charter school (see, also, Do Not Count Funding Sources Before They Hatch). In addition, record the period in which funds must be spent.

- Some funding sources will take longer to develop than others. Does this funding source require building new relationships or convincing funders to adjust their priorities?
- For discretionary grants, how long will it take to complete a quality grant application?
- Will this funding source arrive at a time that helps fill a gap in the charter school's revenue stream?

Column 11: Does Source Help Diversify the Funding Mix?

Charter schools that rely too heavily on a single funding source are likely to struggle financially if that source suddenly shrinks or becomes unavailable.

- Does this source help create a more balanced mix of federal, state, local, and private funds?
- Does it present constraints, time limits, or vulnerabilities that are similar to those of current funding sources?

Column 12: Do Opportunities Exist for Coordinating with and Leveraging Other Funding?

- Do other funding programs have similar goals and priorities?
- For example, if a local foundation supports dropout prevention programs, accessing the federal School Dropout Prevention Program could provide a starting point from which charter leaders could leverage additional funds from the foundation.

Column 13: Do Barriers Impede the Use of Funds?

Many funding sources have complex restrictions about which organizations can access the funding program and how awarded funds may be used. Understanding these restrictions is critical before the charter school pursues a funding source.

- Does the charter school meet all the eligibility requirements?
- Are there any matching requirements?
- Is the charter school equipped to meet financial and programmatic reporting requirements?
- Would the funding source require the charter school to add any new administrative structures?
- What partnerships are required? (see, also, Potential Partners for Charter Schools on page 15)

Column 14: Is Funding Source Flexible?

Charter schools should try to access some flexible funding sources that do not have rigid restrictions on how funds may be spent.

- Can funds be used to support general operating costs?
- Must the funds be spent within a specific period?
- Can funds be used to support only a small segment of a student population, such as students with special needs?

Column 15: Is Funding Source Stable?

Awareness of the current and future status of funding streams is essential in planning for the future.

- Is the funding amount increasing or decreasing each year or has it leveled off?
- Is there a move toward reallocating funds elsewhere?

Column 16: Does Funding Source Aligns with School's Core Mission?

It is important to ensure that the funding source and the work it supports align with the core mission and values of the charter school. Incorporating activities that do not match the goals of the charter school may create problems

in the long run. For example, a newly opened charter school riding a wave of community support may find short-term funding available to create a new sports team. However, if that funding goes away, the school may be left with a costly program that is difficult to maintain because the program does not relate to the school's core objectives.

Column 17: Priority Source to Access?

Based on the information collected, charter school leaders can select the funding sources that are best suited to their school's needs. Is the investment of resources required to pursue this source worth the potential funding? If not, does it still make sense to build a relationship with this funder because the future potential for additional funding is high? Is this a promising funding source but one that needs a little more research and consideration? The answers to these questions will usually not be straightforward, but engaging a group in the decision-making process will help ensure all considerations are weighed and multiple perspectives are shared. If responses to most of these questions indicate that the funding source will help strengthen the school's revenue base, it is probably worth pursuing.

SAMPLE WORKSHEET C: Analyzing the Funding Sources

Fiscal Year 2009

I. Funding Source	9. Is School Maximizing Funding Source?	10. When Can School Expect the Revenue?	11. Does Source Help Diversify Funding Mix?	12. Do Opportunities Exist for Coordinating with and Leveraging Other Funding?	13. Do Barriers Impede the Use of Funds?	14. Is Funding Source Flexible?	15. Is Funding Source Stable?	16. Does Funding Source Align with School's Core Mission?	17. Priority Source to Access?
Public Funds									
Federal Agencies									
Example: Carol M. White Physical Education Program	No	Awards made on June 30—could receive funding by FY 2010	Yes, currently have no federal funds	Yes, may be able to leverage in-kind equipment donations	Requires a 10% match from the state	No, funds must be used for physical education	Funds have been stable	Yes, part of school's mission is to support physical health	Yes
AmeriCorps Vista	No	Application process will take 6 months—could receive volunteer by FY 2010	Yes, currently have no federal funds	Yes, there is a local foundation that might support our ESL program, once it is established	Must demonstrate that these efforts help fight poverty	Yes, funds can be used for a variety of activities that help build the capacity of organizations	Yes	No, the school does not serve a high-poverty student population.	No
Private Funds									
Business/Corporate and CDIFS									
Main Street Technologies*—In-kind donations of computer equipment	No	Could receive donations in 3–6 months	Yes, currently receive no corporate support	No	No	No, this source provides only donated computers	Yes, company has consistently made donations for 5 years	Yes, increasing technology use is a primary goal of the school	Yes

*Fictional company

WORKSHEET C: Analyzing the Funding Sources

Fiscal Year _____

1. Funding Source	9. Is School Maximizing Funding Source?	10. When Can School Expect the Revenue?	11. Does Source Help Diversify Funding Mix?	12. Do Opportunities Exist for Coordinating with and Leveraging Other Funding?	13. Do Barriers Impede the Use of Funds?	14. Is Funding Source Flexible?	15. Is Funding Source Stable?	16. Does Funding Source Align with School's Core Mission?	17. Priority Source to Access?
Public Funds									
Federal Agencies									
State Agencies									

WORKSHEET C: Analyzing The Funding Sources *(continued)*

Fiscal Year _____

1. Funding Source	9. Is School Maximizing Funding Source?	10. When Can School Expect the Revenue?	11. Does Source Help Diversify Funding Mix?	12. Do Opportunities Exist for Coordinating with and Leveraging Other Funding?	13. Do Barriers Impede the Use of Funds?	14. Is Funding Source Flexible?	15. Is Funding Source Stable?	16. Does Funding Source Align with School's Core Mission?	17. Priority Source to Access?
Local Agencies									
Private Funds									
Foundations									

(continues on page 20)

WORKSHEET C: Analyzing The Funding Sources *(continued)*

Fiscal Year _____

1. Funding Source	9. Is School Maximizing Funding Source?	10. When Can School Expect the Revenue?	11. Does Source Help Diversify Funding Mix?	12. Do Opportunities Exist for Coordinating with and Leveraging Other Funding?	13. Do Barriers Impede the Use of Funds?	14. Is Funding Source Flexible?	15. Is Funding Source Stable?	16. Does Funding Source Align with School's Core Mission?	17. Priority Source to Access?
Business/Corporate and CDIFS									
Individual Donors									

Conclusion

Revenue planning is a critical management process, but the work does not stop there. Charter school leaders should also devote attention to implementing the plan and monitoring progress toward reaching financial goals (see Key Considerations Related to the Charter School's Revenue Plan below). This process involves developing grant-writing strategies, tracking grant applications, staying abreast of new funding opportunities, and revising plans as school needs and revenue sources change. Monitoring plan implementation, checking progress regularly, and making any necessary changes are essential to ensure revenue planning is a dynamic and integral part of a healthy charter school operation.

The fiscal and personnel constraints that most charter school leaders face require them to choose wisely when deciding which funding sources to pursue. Having the knowledge to identify and select a diverse portfolio of funding sources that are most applicable to their school will enable charter school leaders to create a revenue base that is sufficient, stable, and flexible enough to support their school's programmatic goals. This strong revenue base will help ensure charter schools have the resources they need to accomplish their most important goal—providing a high-quality education for their students.

KEY CONSIDERATIONS RELATED TO THE CHARTER SCHOOL'S REVENUE PLAN

Charter school leaders may want to consider these questions with respect to revenue planning.

- What would increase board members' or funders' confidence that charter school leaders will achieve the plan?
- What policies, processes, data systems, and staff roles are needed to ensure the plan is implemented and maintained effectively?

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