SECTION X:

FINANCE

**STANDARD 10:**

The School Has a Financial Plan

to Accomplish Its Mission.

**OVERVIEW: List significant changes** that were made by your school in this area during its previous accreditation cycle.

MLHS has reviewed and revised its financial system in order to have a better checks and balance on its financial processes. Included in these revisions is the addition of two signatures on every check. All school groups i.e. classes, student council etc. must run their finances through the MLHS Financial system. A system of requisition forms has been created to meet the diverse needs of requests and to keep a better tracking system of the deposit and dispersal of funds. The bookkeeper and development director work closely together to accurately track the different types of donations. Monthly reports are distributed to the different organization chairs as well as the Board of Directors. Detailed reports of all transactions are printed monthly and filed in the office. A Endowment Fund has been set up and is generating funds for the school.

**REQUIRED INDICATORS OF SUCCESS:**

 Indicate whether or not the school meets the REQUIRED Indicators of Success by circling **Yes** or **No**.

 YES NO \*10:01 Sources of income and expenditures reflect the school’s mission and promote student

 growth.

 YES NO \*10:02 Capital or long-term indebtedness payments and obligations are:

 1) apportioned as an amount supported by student’s tuition/fees; and/or

 2) secured with capital pledges; and/or

 3) funded by some other source of acceptable secured and guaranteed plan of

 repayment

**GENERAL INDICATORS OF SUCCESS:**

Evaluate the level of implementation for each GENERAL Indicator of Success. Tally and record your point total at the end of this section.

10:03 The school has adopted sound overall financial standards, guidelines and/or principles.

 **\_3\_\_Met in Full (3) \_\_\_Mostly Met (2) \_\_\_Rarely Met (1) \_\_\_Not Presently Met (0) \_3\_\_\_**

 COMMENTS: Quality processes are in place and detailed information is given in the following indicators.

10:04 The school produces timely financial statements defined as:

 1) Y-T-D Operating Statement (income/expense) compared to budget,

 2) Balance sheet and

 3) Monthly Cash Flow Projection in a Source and Use of Funds format

 **\_\_\_Met in Full (3) \_2\_\_Mostly Met (2) \_\_\_Rarely Met (1) \_\_\_Not Presently Met (0) \_2\_\_\_**

COMMENTS: Monthly Cash Flow Projections are not currently used. Recent treasures have preferred working with monthly Y-T-D statements for finance information.

10:05 The school produces monthly financial statements.

 **\_\_3\_Met in Full (3) \_\_\_Mostly Met (2) \_\_\_Rarely Met (1) \_\_\_Not Presently Met (0) \_3\_\_\_**

 COMMENTS: Monthly profit and loss statements are produced timely and provided to the board at the

 first Monday of every month where they approve the statements.

10:06 The school’s overall income meets or exceeds expenses.

 **\_\_\_Met in Full (3) \_\_\_Mostly Met (2) \_1\_\_Rarely Met (1) \_\_\_Not Presently Met (0) \_1\_\_\_**

 COMMENTS: The past couple of years have shown this but this year’s budget shows a negative

 balance. Since income cannot be guaranteed, expenses will need to be reviewed. A

 3 year plan is being updated to help with future planning.

10:07 The congregation(s) provides financial support for the school in accordance with governance and

 membership guidelines or agreements.

 **\_\_\_Met in Full (3) \_2\_\_Mostly Met (2) \_\_\_Rarely Met (1) \_\_\_Not Presently Met (0) \_2\_\_\_**

 COMMENTS: There have been steps to confirm this information. Letters have been sent to churches

 to identify if they have been contributing the 4% or 6% that is required. This will be shown

 to the delegates so they can see who is meeting their requirements.

10:08 The school administrator is responsible for developing, recommending and managing a budget to the school’s governing authority.

 **\_3\_\_Met in Full (3) \_\_\_Mostly Met (2) \_\_\_Rarely Met (1) \_\_\_Not Presently Met (0) \_3\_\_\_**

 COMMENTS: There is a budget process in place. The principal requests information from other staff

 members to come up with initial budget. Forms are filled out and kept when requests for funds are

 needed from the staff.

10:09 The administrator manages the budget responsibly, using appropriate bookkeeping procedures and

 safeguards.

 **\_3\_\_Met in Full (3) \_\_\_Mostly Met (2) \_\_\_Rarely Met (1) \_\_\_Not Presently Met (0) \_3\_\_\_**

 COMMENTS: There is one bookkeeper who handles data entry. Expenses paid require two signatures.

 Tuition payments are processed by one person and deposited by another. Another staff

 member receives other donations and verifies the bank statements each month. The

 bookkeeper then takes all money to be deposited.

10:10 There is a process for budget approval.

 **\_3\_\_Met in Full (3) \_\_\_Mostly Met (2) \_\_\_Rarely Met (1) \_\_\_Not Presently Met (0) \_3\_\_\_**

 COMMENTS: The principal puts together a preliminary budget with consultation with the Treasurer.

 The Board then reviews the Budget and makes changes, if necessary. The delegates are then

 responsible for the final approval.

10:11 The school has a financial plan for the next three years to ensure continuing financial support adequate to provide a quality educational program, including necessary staff, adequate facilities and equipment,

 instructional resources, and other support services to achieve the goals of the school.

 **\_\_\_Met in Full (3) \_\_\_Mostly Met (2) \_1\_\_Rarely Met (1) \_\_\_Not Presently Met (0) \_1\_\_\_**

 COMMENTS: This was completed in the spring of 2012 but needs further revision.

10:12 The school maintains comprehensive and functional financial records and reports.

 **\_\_\_Met in Full (3) \_2\_\_Mostly Met (2) \_\_\_Rarely Met (1) \_\_\_Not Presently Met (0) \_2\_\_\_**

 COMMENTS: There are monthly financial statements done, but there could be more detail on fund

 raising efforts. This is currently in the works. There could also be reports showing statement balances.

10:13 Salaries and compensation minimally reflect the current LCMS district recommended salary scale

 and salaries are reviewed annually.

 **\_\_\_Met in Full (3) \_\_\_Mostly Met (2) \_\_1\_Rarely Met (1) \_\_\_Not Presently Met (0) \_1\_\_\_**

 COMMENTS: The preliminary study suggests the salaries are within range. The totals are being

 reviewed. They are lower than district guidelines, but higher than other Lutheran schools in the area.

10:14 The school has adequate comprehensive insurance coverage that includes liability coverage of the school including faculty and staff members, other workers, volunteers and students.

 **\_3\_\_Met in Full (3) \_\_\_Mostly Met (2) \_\_\_Rarely Met (1) \_\_\_Not Presently Met (0) \_3\_\_\_**

 COMMENTS: The amounts were reviewed last winter and are adequate. Bond insurance for deposit

 handlers was increased.

10:15 Funds provided by auxiliary organizations are allocated according to policy and in consultation with the

 school administrator.

 **\_3\_\_Met in Full (3) \_\_\_Mostly Met (2) \_\_\_Rarely Met (1) \_\_\_Not Presently Met (0) \_3\_\_\_**

 COMMENTS: The PTL provides a donation of $5,000 twice per year from rummage sale proceeds to

 help with the loan for the gym addition.

10:16 Financial assistance is available to families with limited financial resources.

 **\_3\_\_Met in Full (3) \_\_\_Mostly Met (2) \_\_\_Rarely Met (1) \_\_\_Not Presently Met (0) \_3\_\_\_**

 COMMENTS: Families complete an application with a third party organization (TADS). They must

 Provide the required documentation showing their financial status. This organization then

 makes a recommendation for the amount they can pay. The school has determined each student should

 pay a minimum tuition amount.

 Total \_\_33\_\_\_\_\_

**ANSWER THE FOLLOWING QUESTIONS:**

 Are the REQUIRED Indicators of Success complete and available for review? \_\_YES\_\_\_

 What is your point total for Standard X? \_33\_\_

 Is the total for the GENERAL Indicators of Success a minimum of 28 points? \_Yes

 Have you provided comments of explanation or proposed actions to meet any of the GENERAL Indicators of Success that are not fully met? \_\_Yes\_\_\_\_