

**ALLEGHENY EAST CONFERENCE OF SDA
OFFICE OF EDUCATION
2012-13 K-10 SCHOOL BUDGET INFORMATION**

PREPARING A PROJECTED BUDGET

To prepare a projected budget you will have to use the available information at this time, and then revise the budget in September when you have determined your actual enrollment, etc. It is advisable that you start with your expenses and determine the total amount and then adjust your sources of income to balance the budget.

You will find the following information valuable in preparing your school budget. Please give attention to these items so you will have a realistic budget for next year.

EXPENSE SECTION

Conference Remittance/Teacher Salary Remittance (TSR) - This is the largest item in your budget. Due to inflation, medical expenses, and increased cost of living there is a carefully-calculated increase each year. Note that the amount may change due to increase or decrease in teaching personnel. **The projected monthly remittance for 2012-13 is \$5,352 per teacher per month, paid 10 months from September to June.**

Part-Time/Full-time Personnel - This is a school expense. The school must care for its own payroll related expenses incurred for part-time/full-time personnel. Pre-K expenses should be included only if they are a part of your total financial operation.

FICA - This is a school expense. The school must allow the correct amount (approximately 7.65% of total salaries) for payroll taxes.

Substitute Teacher Salary - The substitute teacher salary rate should be commensurate with the local going rate. A guide to consider is \$40.00 a day for non-degreed and/or non-certificated persons, and \$65.00 for degreed and denominationally/state-certificated persons. The school pays the substitute and bills the conference for its share (25%) of the expense.

Textbooks/Workbooks - Textbooks have a five-year life; workbooks are consumable; lower grades require more consumables, while upper grades require more textbooks. The per student cost for grades 1 to 8 is nearly the same. The per student cost for grades 9 to 12 is about \$30.00 more. Last year the average cost per grade per student ranged from \$120.00 to \$180.00+ for text/workbooks.

Achievement Tests - These tests are given to all grades. The conference will bill the school for the cost of materials and scoring service (approximately \$30.00 per student). This should be collected in the registration fee.

Library - Each school should collect \$30.00 (1-8) and/or \$35.00 (9-12) per student for library. This expense should be part of the registration fee. \$20.00/\$25.00 should be set aside for library purchasing, preferably the ANGEL (Adventist Network of General Education Libraries) program. \$10.00 should be set aside for teachers to purchase magazines and other library materials for the classroom or library.

Student Insurance - By law this is required. Proof of insurance should be on file at the conference office at the start of each school year. The fee per child should be collected in the registration fee.

RenWeb Fee to the Allegheny East Conference Treasury - This expense should be charged as a fee to parents for each child registered. It is a per month fee that should be collected in the registration fee. It is approximately \$5.00 per child per month which is determined by the RenWeb service. This is an added billing to the school from the Conference.

Administration Supplies - Stationery, postage, printing school bulletin, etc.

Instructional Supplies - These are supplies the school purchases for teacher and pupil use. It is recommended that the teacher have a monthly budget for these purchases.

Playground Equipment - There is a constant need to upgrade play equipment for student use.

Equipment - This should include school, classroom, and office needs.

Telephone - It is policy that all schools must have a telephone for business and emergencies. This is a school expense. Telephones should be in working order and readily available to the administrator/head teacher to respond in case of emergencies and/or concerns of parents, etc.

Utilities - This item should be figured high to allow for the constant increase in cost. (Be sure to check this year's operation when making your projection.)

Janitor Supplies - This is another item that keeps increasing in cost (toilet paper, paper towels, cleaning materials, etc.).

Note/Lease Payable - This would include mortgage, loan, and/or lease payments being made monthly.

Building Maintenance - This refers to repairs, upkeep, etc.

Capital Improvement - This is major building construction, replacing the roof, etc.

School Insurance - Building insurance will likely increase approximately 10%. This has been forgotten by many school boards. Such insurance is billed directly by your insurance carrier (i.e., Church Mutual Insurance).

Real Estate Taxes - This may or may not apply to the individual school.

School Bus/Van - Next to the conference remittance this can be the most expensive item in the budget. Carefully compute this item if you own and operate a school bus/van.

Tuition Discounts - This item should include the exact amount allowed for all family tuition and cash payment discounts.

Bad and Doubtful Accounts - Every school must be realistic concerning collection of school accounts. If you have figured for every child paying full tuition, you will have to allow for doubtful accounts.

The recommended maximum allowance that should be reflected in the budget is 5% of tuition charges per year. **A written collection policy should be strictly followed by the school!**

Old Debt Payment to Allegheny East Conference - Schools with balances due to Allegheny East Conference should include a substantive monthly payment on their indebtedness.

Other Expense - Each individual school has added expenses that apply to them and should be shown in the budget.

INCOME SECTION

NOTE: Before you figure the amount of tuition that will be income for next year, you should give consideration to at least three ways of charging tuition.

1. Preferred - You can charge a registration fee and 10 monthly payments. This brings in the most income, but it is difficult to collect the registration fee and the first tuition both in the first part of August and keep your accounts due up-to-date. Educate your constituency well ahead of registration.
2. Several schools are now charging 10 equal monthly payments that include the registration fee and tuition for the year. This totals the same amount and makes it easier for parents to pay, rather than having a registration fee and the first month's tuition due all in August. Example: If your registration fee is \$150 and the 10 monthly tuition payments are \$150 each month, you could charge \$165 a month for 10 months and have the same total amount. The problem with this plan is that you do not have the extra money to pay for books, etc., at the beginning of the year. The advantage is that you can collect the full amount for the first month at

the beginning of August (registration time), and collect the first of each month thereafter and have all the tuition collected by the first week in May.

3. You can charge a registration fee and nine (9) monthly tuition payments, but figure nine (9) months of income and 10 months of payments to the Conference.

Tuition - This must be figured on the number of paying students times the number of months you expect to collect. Some schools include Pre-K income in their total financial operation and therefore should include those figures also.

Registration Fee - Appropriate Pre-K fees may be included if they are part of your financial operation. The registration fee should include approximately \$30.00 per student for Achievement Test Scoring; \$150.00 per student for textbooks and workbooks; \$30.00-\$35.00 per student for library; \$12.00-\$50.00 per student for accident insurance; plus instructional supplies, yearbook, activity fees, school pictures, RenWeb, etc.

Pledges for Worthy Students - Some churches have members who wish to sponsor students or pledge a given amount. Base this on the actual pledge amount received last year.

Board Member Contributions - It is customary for board members to have dues or a fee which they submit to show their support of the school program. Some boards accomplish this through an annual project which they organize and follow through to a successful financial conclusion.

Special Projects - The amount here would come from Home and School, citrus, faculty/school projects or a capital campaign, etc., etc. This should reflect the actual amount raised last year.

Other Income - Each school may have a special source of income unique to them which would be listed here (i.e. reserve account, CD account, interest bearing account, grant, loan, etc.)

Church Subsidy - The amount the supporting church gives each month for 12 months which should equal the amount needed to balance your budget. This amount should be approved and officially voted by each church board therefore constituting a firm commitment.

(December 2006)

PRE-K-12 SCHOOL BUDGET
ALLEGHENY EAST CONFERENCE OF SDA

Due: Feb. 1

Due: Feb. 1

School _____ Date _____

Anticipated number of teachers for next year _____

Anticipated enrollment by Classification: Pre-K ____ K ____ 1 ____ 2 ____ 3 ____ 4 ____ 5 ____
 6 ____ 7 ____ 8 ____ 9 ____ 10 ____ 11 ____ 12 ____ **Total K-12** _____

Rate of tuition per month for: Pre-K _____ Grades K-8 _____ Grades 9-12 _____

ANNUAL INCOME:	(Year) Current	(Year) Projection
Tuition:		
Pre-K (SDA) _____ Students x \$ _____ x _____ mos.	\$ _____	\$ _____
Pre-K (Non-SDA) _____ Students x \$ _____ x _____ mos.	\$ _____	\$ _____
Grades K-8 (SDA) _____ Students x \$ _____ x _____ mos.	\$ _____	\$ _____
Grades K-8 (Non-SDA) _____ Students x \$ _____ x _____ mos.	\$ _____	\$ _____
Grades 9-12 (SDA) _____ Students x \$ _____ x _____ mos.	\$ _____	\$ _____
Grades 9-12 (Non-SDA) _____ Students x \$ _____ x _____ mos.	\$ _____	\$ _____
Fees: (Registration Pre-K)	\$ _____	\$ _____
Fees: (Registration to include achievement tests, textbooks workbooks, library, yearbook, student insurance and instructional supplies for grades 1-12)	\$ _____	\$ _____
 Pledges for worthy students	 \$ _____	 \$ _____
 Board Member Contributions	 \$ _____	 \$ _____
Special Projects (citrus program, etc.)	\$ _____	\$ _____
Other Income _____	\$ _____	\$ _____
Other Income _____	\$ _____	\$ _____
Church subsidy \$ _____ per month for <u>12</u> months	\$ _____	\$ _____
 TOTAL INCOME FROM ALL SOURCES	 \$ _____	 \$ _____

EXPENSES:	Current Yr.	Projection Yr.
Teacher Cost, known as Teacher Subsidy Rate (TSR)*	\$ _____	\$ _____
Local Teacher/Teacher's Aide**	\$ _____	\$ _____
Local Teacher/Teacher's Aide (Pre-K)**	\$ _____	\$ _____
Janitor's Salary**	\$ _____	\$ _____
FICA**	\$ _____	\$ _____
Substitute Teacher Salary	\$ _____	\$ _____
Textbooks/Workbooks	\$ _____	\$ _____
Achievement Tests	\$ _____	\$ _____
Library Expense (minimum - \$30 per student) & RenWeb	\$ _____	\$ _____
Insurance - Student	\$ _____	\$ _____
Administration Supplies	\$ _____	\$ _____
Instruction Supplies	\$ _____	\$ _____
Playground Equipment	\$ _____	\$ _____

EXPENSES - Cont'd

	Current	Projection
Equipment	\$ _____	\$ _____
Telephone	\$ _____	\$ _____
Utilities	\$ _____	\$ _____
Janitor's Supplies	\$ _____	\$ _____
Note/Lease Payable	\$ _____	\$ _____
Building Maintenance	\$ _____	\$ _____
Capital Improvement	\$ _____	\$ _____
Insurance - School	\$ _____	\$ _____
Real Estate Taxes	\$ _____	\$ _____
School Bus	\$ _____	\$ _____
Tuition Discounts	\$ _____	\$ _____
Bad and Doubtful Accounts (maximum 10% of tuition)	\$ _____	\$ _____
Bad Debt Payment to Allegheny East Conference	\$ _____	\$ _____
Other Expense: _____	\$ _____	\$ _____
TOTAL EXPENSE:	\$ _____	\$ _____
TOTAL INCOME:	\$ _____	\$ _____
CHURCH SUBSIDY:	\$ _____	\$ _____

*Per month for 10 months

**Calculate FICA expense for each salary category.

Budget approved by: School Board _____ School Board Chair's Signature Date _____	Budget approved by: Church Board (Single church operation) _____ Church Board Chair's Signature Date _____	<p style="text-align: center;"><u>DO NOT WRITE IN THIS SPACE</u></p> Budget approved by the Allegheny East Conference PK-12 Board of Education _____ Superintendent of Schools' Signature Date _____
_____ School Treasurer's Signature Date _____	_____ Pastor's Signature Date _____	_____ Principal's Signature Date _____

Send 2 copies of local board approved budget to AEC Office of Education, P. O. Box 266, Pine Forge, PA 19548
NO LATER THAN FEBRUARY 1