



# Options Charter Schools

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Jacob Brandau - Principal

Mike Gustin  
President

Michelle Walden  
Director of Schools

## President's Report

Board Meeting: May 20, 2018

## Finance

The Treasurer's Report included in the May 2017 folder will give a more in-depth perspective on our finances. Options maintains strong bank balances while continuing to provide high quality educational programming for students.

Sherrie Bly did redeem the credit card points as requested by the board. The check arrived and was placed in the Options Carmel bank account.

A meeting was held with employees of First Merchants Bank. Jeff Pangburn, Vice President- Relationship Manager, and Michelle Martin, Vice President- Treasury Management Officer met with Mike Gustin and Sherrie Bly to discuss our current bank accounts with fees; investment opportunities, including sweep accounts; and purchasing options for property located at 733 E. Main St Westfield, Indiana. The property represents the future location of Options- Carmel.

The Options Board of Directors annual election of new officers and reelection of board members will occur in May. If Hannah Heuser vacates her role at Board Treasurer, the new board treasurer will need to establish protocols to assume the role.

## Options Charter News

The Options Board of Directors 2018-19 Annual Meeting Calendar is posted in the May Board Meeting folder. Please review these calendar dates place into your personal calendars.

Brian Anderson is transitioning away from Options Charter Schools to start a separate 501(c)(3) focusing specifically on the financial needs of Indiana charter schools. He served Options in a dual role during 2017-18. His first role was that of chief financial officer. Among other things, Brian helped write school budgets and worked with the board treasurer preparing monthly treasurer reports. The second role was managing contracts with other charter schools through the Options in Education Foundation. The work Brian did helped the foundation grow its' financial stability. The news of Brian's departure will act at the Foundation Report for May.

Options Charter Schools- Carmel hosted two representatives from the American Family Youth Forum (AYPF) and twenty-three Kentucky educators on April 24th. The group visit went very well! All participants were impressed with the facility, staff, and program.

Mike Gustin and Michelle Walden continue to work with the Ball State Office of Charter Schools on aligning the timing of each school's 5-year and mid-cycle review with AdvancEd. The site visits are part of the schools' charter renewal process. It is likely that BSU will allow us to align these site visits to reduce interruptions to the academic process.

Mike Gustin and Kim Sams continue to work on the Options Charter Schools' Board bylaws and policies to ensure they are compliant with sponsor, state, and federal and on school administrative guidelines to ensure appropriate internal controls.

Policy Governance

## **Policy Governance**

### **Policy 1:1A: Organizational Values (Monitored Semiannually in November and May)**

#### **End Statements:**

1. An environment will be created in which the Vision of Option Charter Schools is exemplified and the Core Values are demonstrated.

#### **President Interpretation:**

All programs, processes, and practices will align with the vision and core values of Options charter schools established by the Options Board of Directors.

#### **Report:**

The current programs, processes, and practices align with the Options' vision and core values. The leadership team ensures that the vision and core values are considered when developing new programs, processes, and practices.

**Policy 1:1B: Organizational Growth**  
**(Monitored Semiannually in November and May)**

**End Statements:**

1. Options Charter Schools will experience positive growth.

**President Interpretation:**

The vision and core values of Options Charter Schools exemplified in programs, processes, and practices should target positive student and staff growth.

**Report:**

Options Charter Schools continues to serve a larger student population each year. In the past five-years the number of students targeted by Options' programs have gone from approximately 330 to 530 students. The staff that serves these growing number of students continues to grow proportionately. The staff receives regular professional development with alignment to our vision and core values.

2. Options Charter Schools will benefit from the advantage that sustained and positive growth has on an organization.

**President Interpretation:**

Options Charter Schools will benefit financially and organizationally from increased growth in the student and staff population.

**Report:**

Options Charter Schools has experienced positive financial and organizational growth each of the past six years. This year, Options is educating approximately 530 students and has about \$2 million in cash asset and equity. The goal is to sustain growth during the next five-years while continuing to provide for financial stability.

**Policy 1:1C: Student Achievement**  
**(Monitored Semiannually in November and May)**

**End Statements:**

1. Students will graduate and be prepared for the next phase of their life.

**President Interpretation:**

It is the responsibility of every employee of Options Charter Schools to develop and implement programming that best supports students' credit attainment to graduation; social, emotional, and academic maturity; and a focus on the connection between high school and the next phase of their life.

**Report:**

The academic program for Options Charter Schools includes: morning, afternoon, and evening brick-and-mortar programs; credit recovery; vocational training (career training);

dual enrollment (college readiness); and internships/community service projects. All classes are taught by highly qualified teachers. These program and personnel choices are offered to all students to better provide for a high quality of life after graduation.

2. Options Charter Schools will be able to demonstrate academic success.

**President Interpretation:**

The leadership team of Options Charter Schools will develop metrics, in cooperation with regulatory agencies, that demonstrate academic success.

**Report:**

Metrics were developed in conjunction with our Ball State authorizer that highlight the high quality programming of Options Charter Schools and the success of Options' students working toward a high school diploma. The metrics are used to show our state accountability officials at the Department of Education and State Board of Education the good work of Options Charter Schools. We continue to work with state officials to embed an alternative accountability model into the state accountability metric.

**Policy 1:1D: Community Relations**

**(Monitored Semiannually in November and May)**

**End Statements:**

1. The organization will interact in the community to promote the mission and core values of the school; advocate for a positive and supportive political agenda; and identify, cultivate and solicit opportunities for financial support.

**President Interpretation:**

The leadership team of Options Charter Schools and the Options in Education Foundation, with the support of the board, will make decisions that allow team members to interact in the community, advocate for a political agenda to advance the needs of the organization, and cultivate relationships that may result in financial support.

**Report:**

Options Charter Schools and the Options in Education Foundation have developed operational goals that align with the mission of community outreach, developing relationship with organizations that align with our charter and alternative missions to advance our political agenda, and identifying individuals or groups where transactional relationships can be established for the financial betterment of Options.

**Policy 1:1E: Fiscal Responsibility**

**(Monitored Semiannually in November and May)**

**End Statements:**

1. The organization will provide a high value to parents and students by spending

money prudently towards the advancement of its mission.

**President Interpretation:**

Options Charter Schools will budget money appropriately to provide the highest value to parents and students spending money to advance the Options' mission.

**Report:**

The annual Options' budget is written by the leadership team and approved by the Board of Directors with a full understanding of the revenue, expenses, and educational vision that drives decision-making. In this way we believe that the highest educational value is offered to parents and students.

**Policy 2.3 – Financial Planning and Budgeting**

**(Monitored Quarterly in August, November, February and May)**

Financial planning for any fiscal year or the remaining part of any fiscal year shall not deviate

materially from board's Ends priorities, risk fiscal jeopardy or fail to be derived from a multiyear

plan.

Further, without limiting the scope of the foregoing by this enumeration, the President shall not:

1. Fail to include credible projection of revenues and expenses, separation of capital and operational items, cash flow and disclosure of planning assumptions.

**President Interpretation:**

The president will offer the board and staff credible projection of revenues and expenses, separation of capital and operational items, cash flow and disclosure of planning assumptions

**Report:**

I have used the annual budget, five-year strategic plan, and other critical documents, reviewed and approved by the Board of Directors, to share a vision for Options Charter Schools that focus on expenses, revenues, separating capital and operational items, cash flow, and planning assumptions.

2. Plan the expenditure in any fiscal year of more funds than are conservatively projected to be received in that period.

**President Interpretation:**

The annual budget will be conservatively projected and board-approved to ensure income exceeds expenses.

**Report:**

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3. Reduce the current assets at any time to less than twice current liabilities.

**President Interpretation:**

**Report:**

4. Provide less for board prerogatives during the year than is set forth in the Cost of Governance policy.

**President Interpretation:**

**Report:**

**Policy 2.4 – Financial Conditions and Activities**

**(Monitored Quarterly in August, November, February and May)**

With respect to the actual, ongoing financial condition and activities, the President shall not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from board priorities established in Ends policies.

Further, without limiting the scope of the foregoing by this enumeration, the President shall not:

1. Expend more funds than have been received in the fiscal year to date unless the debt guideline (below) is met.

**President Interpretation:**

**Report:**

2. Indebt the organization in an amount greater than can be repaid by certain, otherwise unencumbered revenues within 60 days.

**President Interpretation:**

**Report:**

3. Fail to maintain funds for three months of operation, exclusive of funds held in trust or other restricted funds.

**President Interpretation:**

**Report:**

4. Conduct inter-fund shifting from restricted funds.

**President Interpretation:**

**Report:**

5. Place at risk neither funds held in reserve nor funds held in trust by investments that are not liquid in short term, nor by investments that do not guarantee a reasonable rate of return. Suggested investments include Money Market accounts or mutual funds, short-term Certificates of Deposit, U.S. Treasury Bills, short term Notes and short term Bonds.

**President Interpretation:**

**Report:**

6. Allow tax payments or other government ordered payments or filings to be overdue or

inaccurately filed.

**President Interpretation:**

**Report:**

7 Fail to report a single purchase or commitment of greater than \$ 10,000. Splitting orders

to avoid this limit is not acceptable. In conjunction with the fiscal year-end reports, vendor commitments that cumulatively exceeded \$10,000 will be provided. Payments to credit card companies for the sole purpose of financing other purchases shall be exempt from this limitation.

**President Interpretation:**

**Report:**

8 Acquire, encumber or dispose of real property.

**President Interpretation:**

**Report:**

9 Fail to insure that Foundation grant funds are used for educational programs and scholarships consistent with IRS standards.

**President Interpretation:**

**Report:**

10 Fail to adhere to Foundation grant policies and processes.

**President Interpretation:**

**Report:**

11 Make any purchase: (a) wherein normally prudent protection has not been given against conflict of interest; (b) of over \$10,000 without having obtained comparative prices and quality; (c) of over \$10,000 without a stringent method of assuring the balance of long term quality and cost.

**President Interpretation:**

**Report:**

12 Fail to adhere to all financial policies and processes required by the Indiana State Board of Accounts or the Charter Authorizer.

**President Interpretation:**

**Report:**

13 Secure an additional line of credit.

**President Interpretation:**

**Report:**

Thank You,  
Mike Gustin, President

## Options Charter Schools