

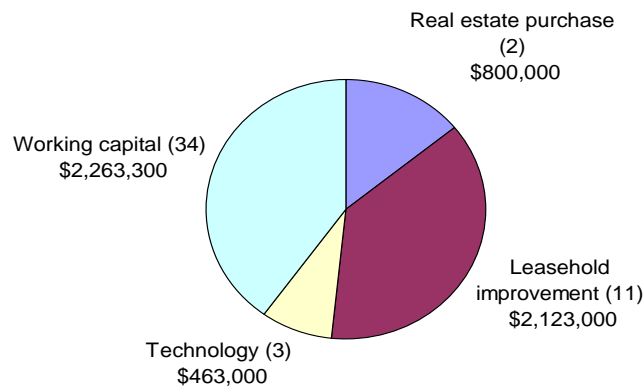


NONPROFITS ASSISTANCE FUND

Helping Nonprofits Thrive

Lending to Minnesota Charter Schools

Nonprofits Assistance Fund has originated 50 loans totaling \$5.7 million to charter schools in Minnesota since 1997. Loans have been made to 32 schools, including both startup and established schools, ranging from \$20,000 to \$400,000. No principal has been written off.



Key questions for charter school lending

- ✓ Understand student-based revenue sources – general education aid, supplemental revenue, lease aid, and special education.
- ✓ Understand grant revenue sources – state and federal startup grants, foundation grants, special project grants.
- ✓ Focus on the importance of student enrollment projections, recruitment, and retention.
- ✓ Acknowledge that facility costs are high but must be affordable.
- ✓ Understand cash flow – projections must reflect state payment schedules for regular aid, realistic timing for grants and special education funds. For most charter schools, cash is lean in the spring and early summer and best in early fall.
- ✓ Understand the roles of the director, administrative staff, and board of directors.
- ✓ Understand financial management roles and responsibilities.
- ✓ Insist on regular, quality financial reporting.
- ✓ Understand the regulatory requirements of the state – student reports, detailed financial reports, annual audit (GASB/FASB).

Contact Nonprofits Assistance Fund for other questions – phone 612.278.7180

www.nonprofitsassistancefund.org

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