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THE REPORT CARD

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BRINGING A UNIQUE UNDERSTANDING OF KEY ISSUES FACING THE PRIVATE SCHOOL SECTOR

FROM THE EDITOR - KEN CERINI, CPA, CFP, FABFA



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elcome to the Fall/Winter 2023 edition of the Report Card.

As we approach the midpoint of the school year, it is getting close to the time to evaluate your school's report card for the first half of the year. Some of the areas you should be considering are:

1. *How has the school implemented effective strategies in shaping the school into a leading educational institution... aligning vision with action and adapting to the changing educational landscape?*
2. *What has the school done in exploring and implementing new technology and software solutions that can enhance learning outcomes and strategies for deeper integration of technology into the classroom?*
3. *How has the school leadership stayed on top of regulatory changes in education, evaluated their impact on the school, and how are school leaders helping to shape the future of education through advocacy, policy change, and communication with federal, state, and local decision makers to benefit the school?*
4. *What has the school done to foster a positive and inclusive school culture, emphasizing the importance of collaboration, communication, and student-centered approaches?*
5. *With the staff shortages within the education sector, what strategies has the school implemented to attract, develop, and retain high-quality teachers and staff creating a supportive and growth-oriented work environment?*
6. *Since communication and parent engagement is critical to enrollment, how has the school engaged parents and the local community, building strong relationships, and involving stakeholders in the educational process?*

7. *As the tuition at many schools is not adequate to cover operating expenses, what has the school done to ensure the long-term financial sustainability of the school, including financial and capital budgeting and forecasting, building endowments, and enhancing fundraising results, especially given the large level of wealth transference that is anticipated to happen over the next 10 to 20 years?*
8. *What is the school doing to improve overall admissions and enrollment management, including strategies to attract students, improve retention, and maintain a diverse student body?*
9. *How is the school promoting diversity, equity, and inclusion within the school community, including strategies to create an inclusive curriculum and support diverse student populations?*
10. *Has the school implemented plans and procedures to effectively manage crisis, both internal and external, and develop crisis preparedness plans and related communication?*

Having a forward-looking strategy that includes clearly defined goals, responsibilities, and responsible parties is instrumental in pushing your schools forward. So is having a partner that you can bounce things off of. We are here for you... **Let's connect!**

RETOOLING LEADERSHIP IN PRIVATE SCHOOLS

The workplace landscape is continually evolving, and with each new generation that enters the workforce, leadership styles and strategies must adapt to meet its unique needs and expectations. Private Schools, known for their commitment to academic excellence and well-rounded education, must face the challenge of adapting to the new wave of the next generation in the workplace. Generation Z, born between 1997 and 2012, is now entering the professional world and bringing a new set of values, perspective, and preferences to the table. Understanding distinct perspectives of Generation Z, who will make up 27% of the workforce by 2025, will help leaders to retool their old approaches to effectively motivate, mentor, and lead this new generation.

What changes do you need to make and how do you need to adjust existing leadership techniques to adapt to Generation Z?

EMBRACE EDTECH

Generation Z is the first generation to grow up in the digital age. They are highly comfortable with technology, often using multiple devices simultaneously. Schools must embrace digital tools for learning and administrative purposes to engage this generation fully. To engage Generation Z, leaders must be proficient with digital tools and platforms. Encourage the use of collaboration software, provide online training resources, and use technology to facilitate communication and feedback. Leaders need to develop a balanced approach to education that incorporates both traditional classroom experiences and digital learning tools.

FOSTER INDEPENDENCE

Unlike their predecessors, Generation Z tends to lean towards individualism. They value personal autonomy and independence in their academic pursuits and prefer working alone at times. Leaders should respect this individualism while fostering teamwork when necessary. School leaders should provide opportunities for self-directed learning and exploration and allow Generation Z employees to take ownership of their projects and decisions, providing guidance and support as needed and trust their ability to work autonomously. Generation Z values work-life balance and flexibility. Consider offering flexible work arrangements, such as hybrid work options or flexible hours, to accommodate their needs and preferences.

FOSTER INCLUSIVITY

Create an inclusive environment where diversity is celebrated, and where all students and employees feel valued and heard. School leaders should lead by example, promoting respect and tolerance throughout the institution.

COMMUNICATE PURPOSE

Generation Z employees are socially conscious and motivated by a strong sense of purpose. They seek meaning in their work experience and are more likely to align themselves with institutions that share their values and promote social responsibility. Clearly articulate your school's mission, values, and commitment to social responsibility. Engage Generation Z employees by involving them in meaningful projects that align with these values and show how their work contributes to a larger purpose.

PROVIDE LEARNING OPPORTUNITIES

Generation Z has a hunger for knowledge and skills development. They are open to learning new things and adapt quickly to change. Create a culture of continuous learning by offering skill-building programs, mentorship opportunities, and access to online courses. Encourage them to seek out new knowledge and skills to progress in their careers.

ENCOURAGE OPEN COMMUNICATION

Provide frequent, constructive feedback to Generation Z employees. They appreciate transparency and want to know how they are performing. Regular check-ins and performance discussions can help them grow and feel valued. One-on-one weekly meetings are a great tool to achieve the goal of open communication.

Adapting to Generation Z requires leaders to retool their leadership approaches to accommodate the unique characteristics and preferences of this upcoming workforce generation. Embracing technology, fostering independence, communicating purpose, providing learning opportunities, promoting inclusivity, offering flexibility, and providing regular feedback are key strategies for effectively leading and engaging Generation Z in the workplace. By recognizing and accommodating these differences, leaders can build a stronger, more diverse, and highly motivated workforce that is well-equipped for the challenges of the future.

IWONA SORNAT, CPA
MANAGER



PRIVATE SCHOOL BEST PRACTICES

It is getting increasingly more difficult to run a school. Hell, it's getting increasingly more difficult to run any business. Too often the management team finds themselves in crisis mode, focusing on putting out fires instead of strategically thinking about how to move operations forward, build enrollment, and growth. Without proper systems and processes in place, it is hard not to be reactionary in your approach. The goal is not to work harder, but instead to work smarter to achieve operational efficiencies and organizational goals. By implementing best practices to increase access to meaningful information and provide you with the opportunity to plan and monitor your operations, you will be in a better position to take a more proactive approach to running your school. Here are some best practices you should consider:

- ▶ Develop and approve annual budgets and monitor your performance against them. Budgets are one of the most important tools you can use. They provide you with a fiscal roadmap for your school. Budgets, if prepared correctly and compared regularly to actual results, can provide you and your Board with the ability to carefully plan, understand operational concerns, and make appropriate and timely course corrections. A properly prepared budget should include:
 - ▶ Monthly budgets rolling-up to the annual budget, which represent your school's actual operations by month. Too often organizations create an annual budget and divide it by twelve to calculate their monthly budgets. This defeats the purpose of a budget as it doesn't really provide the ability to monitor actual operations against the budget. Consider the nuances of your school – lower or no enrollment over the summer, potentially ramping up of enrollment over the school year, seasonality of utilities, fundraising events during specific times, major field trips, etc. If your budget isn't reflective of the timing of your operations, it is not going to be an effective tool.

- ▶ Budget-to-actual reporting with analysis and explanation of fluctuations is essential to understand changes in your business and to help develop strategies for course corrections throughout the year.
- ▶ Include programmatic staff in the budget process. Too often we see budgets created by finance without program staff input. The program staff are the ones in the trenches. They understand how your school operates, the make-up of the children you serve, and the resources needed. In many cases, they are the ones initiating the purchasing process. By including the program staff in the budget process, they will better understand the finances of the school, they will have ownership of the process and therefore a better understanding of how they can spend, and your budget will be more reflective of programmatic needs of the school.
- ▶ Consider pre-established contingency budgets. Resources are limited, so you need to be nimble and react quickly. Delays in decision-making could cost your school tens of thousands of dollars or more. When you develop your budget, consider what can go wrong – lower than anticipated enrollment, the need to pay higher salaries to attract qualified staff, increased interest rates, high cost of inflation, poor fundraising results, etc., and then develop secondary and tertiary budgets that work off lower revenue numbers and/or higher cost models. Within these budgets you should identify specific cuts that will need to be made to keep the school's finances on track. This way if there are downturns that require cost containment, such costs have already been pre-identified, and cuts can be made quickly to preserve resources.
- ▶ When considering budgets, you also need to consider cash flow. Most schools have some level of seasonality, so it is important to understand when your cash droughts are going to take place and how deep they will be so you can ascertain if you have the appropriate level of resources, or access to those resources through credit lines, to get you through those fiscal valleys.
- ▶ It is also critical to consider your capital needs. Too often schools develop appropriate budgets and then an unexpected capital expenditure throws everything off-kilter. It is important to have a five-year rolling capital expenditure plan that considers facilities, technology, and other equipment that your school may need. This may require communication with program staff, your IT department, and your facilities staff or an outside engineer.

- ▶ Develop Appropriate Analytics. Information is important, but for it to be meaningful, you need to have a way to timely access and process the information to help in the decision-making process. This can be done using analytics. Each type of business has different analytics that it should track. For a school, some of the key analytics to consider are:
 - ▶ **Days in cash** – looks at your cash position with respect to your daily spend rate. This is key as it will help you to better manage cash flow. By looking at days in cash by month and comparing it to historical trends it will help you to better understand if a cash flow problem is on the horizon so that appropriate actions can be taken.
 - ▶ **Liquidity (current ratio and working capital)** – This is the bankability of your organization. Banks typically want to see a current ratio of 1.35 to 1 or greater. If you're seeing your current ratio dip below that level, you could be putting your cash flow financing in jeopardy.
 - ▶ **Enrollment levels** – for most schools, this is the primary revenue driver, so it is important to understand enrollment levels compared to budgeted levels. This includes understanding how many students are in the pipeline, the level of scholarship funds available to pull students in, etc.
 - ▶ **Gross profit** – What are the available resources available to the school after paying its direct costs to cover the school's fixed costs? This goes together with the school's break-even analysis, understanding how many students are needed to achieve break-even operations.

There are many other statistics that schools can and should be tracking. Focus on the five to ten most important, and then determine the actions that you need to take to drive these indices in the right direction.

- ▶ Use cost centers and have in place appropriate cost allocation methods. Being able to understand the various programs you are running, tracking costs for grant reporting, and tracking the use of restricted funds requires appropriate accounting by program and appropriate cost allocation methodologies. By establishing your accounting records to produce financial reporting that mirrors reporting requirements, you can streamline the process for external financial reporting. In addition, a lack of proper cost allocations can result in a misunderstanding of operations and could lead to faulty decision-making.

- ▶ With the struggle to find quality staff, especially in financial areas, schools need to look for ways to streamline operations. Increasing the use of technology, especially the integration of software so that systems can speak to each other, can help in this area. Schools should look at technology to bridge their payroll system to their general ledger, implementing payable/cash management programs (*Bill.com* and *Expensify*), integrate other in-house/outourced IT to the school's accounting system, and remote payroll attendance and geo-tracking.
- ▶ It is important to understand areas of risk within the organization. Consider establishing a compliance/risk committee to evaluate the various risks and exposures that exist in your school. Subjects to consider include:
 - ▶ *Grant terms and monitoring*
 - ▶ *Changing regulations*
 - ▶ *Cyber security concerns*
 - ▶ *Staffing and HR concerns*
 - ▶ *Student safety*
 - ▶ *Funding sources/levels*
 - ▶ *The economy*
 - ▶ *Reputational damage*
 - ▶ *Insurance*
- ▶ It is anticipated that approximately 75% of school leaders plan to leave their current positions in the next five to ten years. As a result, schools need to put in place a succession plan to ensure leadership continuity. If you are considering an internal solution, you may need to retool your leadership team. Many of today's leaders have learned from the previous leadership team, which were predominantly baby boomers. What worked to motivate and drive baby boomers is quite different from the skills needed to motivate Generation Z, who will make up 27% of the workforce by 2025. If the generational disconnect isn't bridged, it may be difficult to attract and retain the next generation of workers.

With all the challenges facing the private school industry, it is important for leadership to be looking at best practices to improve operational effectiveness and identify areas where your school can continue to grow and develop.

KEN CERINI, CPA, CFP, FABFA
MANAGING PARTNER





NAVIGATING SUCCESS: THE CRUCIAL ROLE OF BUS TRACKING SOFTWARE IN PRIVATE SCHOOLS

In today's fast-paced world, ensuring the safety and well-being of students is a top priority for private schools. Beyond providing a quality education, these institutions are responsible for safeguarding their students during their daily commute. This is where bus tracking software steps in, offering a myriad of benefits that go far beyond simple route optimization. We'll delve into the importance of bus tracking software for private schools and how it enhances the overall experience for students, parents, and administrators.

1. SAFETY FIRST:

The paramount concern for any educational institution is the safety of its students. Private schools are no exception. Bus tracking software helps mitigate safety risks by providing real-time updates on the whereabouts of school buses. This not only assures parents that their children are on the right track but also allows schools to monitor and respond to any emergencies promptly. In the event of unexpected delays or incidents, administrators can take immediate action, ensuring the safety of students.

2. PARENTAL PEACE OF MIND:

For parents, entrusting their children to a school's transportation system can be nerve-racking. Bus tracking software eases this anxiety by providing parents with real-time visibility into their child's bus location. With the help of mobile apps and notifications, parents can track their child's journey, estimated time of arrival, and even receive alerts for unexpected delays. This transparency fosters trust between parents and the school, ultimately leading to a more positive school experience.

3. EFFICIENCY AND COST SAVINGS:

Private schools often operate on tight budgets. Bus tracking software helps schools optimize their transportation routes, reducing fuel costs and emissions. By analyzing data on routes, stops, and timings, schools can make informed decisions to streamline their bus operations, saving both time and money. This efficiency extends to maintenance scheduling, ensuring that buses are always in top-notch condition.

4. IMPROVED COMMUNICATION:

Effective communication is the cornerstone of any well-functioning organization. Bus tracking software facilitates seamless communication between school staff, parents, and students. Parents can receive alerts about bus delays, route changes, or important announcements in real-time. Students can also benefit from this communication, knowing precisely when to be at their bus stop, reducing wait times, and avoiding missed buses.

5. ACCOUNTABILITY AND REPORTING:

For school administrators, having a comprehensive record of bus operations is invaluable. Bus tracking software provides detailed reports on routes, schedules, and bus performance. This data can be used to assess the efficiency of the transportation system, make data-driven decisions, and plan for future improvements. It also serves as an accountability tool, ensuring that drivers adhere to safety guidelines and schedules.

6. CUSTOMIZATION AND ADAPTABILITY:

Not all private schools are the same, and their transportation needs can vary widely. Bus tracking software can be tailored to meet the unique requirements of each school. Whether it's accommodating special routes for extracurricular activities or adapting to changes in student populations, the software can be customized to fit the school's evolving needs.

7. ENHANCING THE SCHOOL'S REPUTATION:

Private schools are often chosen for their commitment to excellence. By implementing bus tracking software, schools can enhance their reputation by demonstrating their dedication to student safety, efficiency, and cutting-edge technology. This can be a compelling selling point for prospective students and parents looking for the best possible educational experience.

School Bus tracking software is not just a luxury but a necessity for private schools. It elevates the standard of safety, communication, and efficiency, while also offering a competitive advantage in the education market. As private schools continue to evolve and adapt to the digital age, embracing bus tracking software is a crucial step toward a safer, more efficient, and ultimately more successful educational institution. It's a journey worth taking for the benefit of students, parents, and the academic community.



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