



**A Report to Southeast Missouri State University
Policy and Operational Review of
Lift For Life Academy**



**SOUTHEAST MISSOURI
STATE UNIVERSITY · 1873**



Submitted by LDR AdmServices, LLC
January 30, 2019

**A Report to Southeast Missouri State University
Policy and Operational Review of
Lift For Life Academy**

Submitted by LDR AdmServices, LLC

January 30, 2019

Introduction

It was a privilege to work with and provide a service to Lift for Life Academy (LFLA) and the people who make the school a safe, welcoming place to learn. LFLA is an educational institution that has served students for nearly 20 years while continuing to increase enrollment and expand opportunities for their students.

LDR was able to speak with staff and spend time at LFLA. Through this process it became obvious staff members are dedicated to the academic, social, emotional and physical success of ALL students. One staff member said the following; “If there is a decision that has to be made and the choice involves students, the decision will always be in favor of what students need.”

Everyone who spoke with and provided assistance to LDR during this process was positive, and demonstrated an impressive work ethic. It was observed and will be mentioned later in the report that the department managers carry enormous responsibilities requiring them to make difficult choices about how to spend their valuable time.

The following Policy and Operational Review of Lift For Life Academy was performed by Jeanette Tendai and Steve Chodes of LDR AdmServices, LLC (LDR).

Dr. Tendai worked for thirty years in public education, spending ten years as a teacher followed by twenty years as an educational administrator. She earned her Doctorate in Educational Administration from St. Louis University in 2009.

Dr. Tendai’s ten years of teaching were spent in southwest Missouri and later in the school district of Kirkwood in the St. Louis area. When she transitioned into educational leadership she began as an elementary assistant principal, soon becoming a middle school assistant principal and principal of North Kirkwood Middle School. She spent the last eight years of her career as Assistant Superintendent for Human Resources for the Kirkwood School District.

Dr. Tendai began working as a consultant with LDR after her retirement from Kirkwood in 2016. She has completed administrative work in the following areas: substituting for building administrators, mentoring/coaching school leaders, acting as the Human Resources Director with EducationPlus, performing an extensive policy review and update for the Ladue School District.

Mr. Chodes worked for twenty-five years in accounting and administration in private industry, as external auditor, internal auditor, Controller and Chief Financial Officer (CFO). He has an MBA and was a Certified Internal Auditor. In 2003, Mr. Chodes transitioned to public education, first as Comptroller and subsequently as CFO for Springfield Public School District, the largest school district in Missouri. After eleven successful years in Springfield, he accepted a position as CFO at EducationPlus (formerly CSD), an educational cooperative comprised of sixty-two member school districts in the St. Louis area. Prior to joining LDR, Mr. Chodes served as CFO at Hazelwood

Mr. Chodes began working as a consultant with LDR AdmServices, LLC after his retirement from Hazelwood in 2017. As a consultant he has completed projects for a number of charter schools in the areas of financial analysis, operational review and attendance reporting.

This Policy and Operational Review is based on the extensive knowledge and expertise of the LDR staff, as well as conversations with LFLA staff, the Department of Elementary and Secondary Education (DESE), and reviews of documentation provided by LFLA and Missouri Charter Public School Association.

Policy Review

Missouri Charter Public School Association

MCPSA is a membership organization offering services, resources and partnerships to Missouri Charter School members. One valuable service they provide is the MCPSA Policy Series. This Series provides an annual listing of required policies and templates for each policy so member schools can utilize the resource to help them remain in compliance with state and federal law.

MCPSA organizes the policies into four categories that LDR used in their work:

- a. Board Governance Policies
- b. Human Resources Policies
- c. Financial Policies
- d. Operational Policies

Establishing and maintaining policies and procedures are essential to the governance of public schools and organizations. Policies are intended to provide a structure and road map to direct the operation of school districts. Policies provide protection for students, educators and Board members within the organization because they are a result of state and federal government laws.

Because policies are vital to the success of a school it is important for them to be well communicated, followed and reinforced on a regular basis. System wide procedures are necessary to maintain, communicate and uphold the policies of a district.

The following comments and recommendations are based on a limited review of the LFLA's current policies, procedures and available documents. LDR utilized the Missouri Charter Public School Association listing of required policies to identify required policies.

General Recommendations

1. The scope of this policy review did not allow for a complete and thorough review of individual policies. LDR suggests completing a thorough review, analysis and update of LFLA policies to insure everything is up to date and aligned with state and federal laws and MCPSA requirements.
2. As stated earlier a system for keeping all policies updated and in compliance with the State and Federal laws is essential for compliance with state and federal law. LDR did not inquire about such a system. Does LFLA have policy development, approval and maintenance system in place?

3. LFLA policies and procedures are located within a number of documents, handbooks, Google Docs and manuals making access to the information time consuming and complicated. LDR was unable to determine if all policies are in place. Policies that were not located by LDR likely exist in resources that were not reviewed. LDR recommends combining all policies into one manual that is organized by the MCPSA recommended categories (Board Governance, Human Resources, Finance and Operations).
4. As is true in many organizations policies and expectations are only valuable if people are familiar with and understand them. LDR did not determine if there is a communication plan for policies. Does LFLA consistently communicate their policies and procedures in a variety of formats to the students, staff and community? LDR suggests utilizing verbal, written, websites and the internet to inform people of the established policies.
5. LFLA policies and procedures are sometimes comingled with policies. LDR believes that creating a procedure manual for Human Resources, Finance, Operations and Governance will assist in making a clear distinction between policies and procedures. Updating the manuals on an annual basis will keep procedures current and meaningful.
6. It is apparent the Human Resources Manager is a professional, dedicated and hardworking individual who is tasked with an enormous workload. The position is charged with leadership, administrative, management, committee memberships and clerical duties. LDR recommends adding staff to the Human Resources department. If the department had one full time HR Generalist, it would reduce workload, segregate duties and allow for cross-training.

Board Governance

1. Polices related to Board Governance were primarily found in the Board of Directors Handbook. LDR was unable to locate the required Sunshine Law policy. LDR recommends adding or locating his policy for use by LFLA.
2. There were several policies recommended by the MCPSA that were not required but could bring value, organization and protection. LDR recommends the Board of Directors consider adding the following policies:
 - a. Board Meeting Agenda Policy
 - b. Motion to Enter into Closed Session Policy
 - c. Board Orientation Policy
 - d. Governing Board Records

Human Resources

1. Policies in this area were primarily located in the Employee Handbook and Listing of Board Action Dates. LDR points out that language used in Employee Handbooks does not always reflect the full policy or exact legal language. This can lead to misunderstandings or

incomplete information. LDR recommends future handbooks make reference to specific policies so readers can access the policy if needed.

2. LFLA has a Drug and Alcohol Policy and a Smoking policy. LDR recommends combining these policies to create a Drug Free Workplace policy.
3. A draft Hiring and Recruitment policy has been developed by LFLA staff. LDR recommends the Board of Directors review the document and consider adoption.
4. LDR was unable to locate two policies in Human Resources and recommends the use of The MCPSA policy series to create these policies if they are not located by LFLA staff. These policies are:
 - a. Employment Status Policy
 - b. Communicable Diseases Policy

Financial

1. A review of LFLA Accounting Policy and Procedures Manual addressed several areas that are required by the MCPSA. Several documents were written as procedures but referenced as policies. LDR recommends a review of all financial policies to determine specific needs and use the MCPSA policy series as a reference for policy development.

Operations

1. LFLA Operations policies were primarily located in the “Listing of Board Actions”, Google Docs and the Employee Handbook.
2. LDR compared the available documents and was unable to determine the location of several policies. The policies related to students and curriculum were not reviewed. LDR refers to previous recommendations to remedy this situation.

Operational Review

Staffing

The following comments and recommendations are based on a detailed review of LFLA's current staffing.

1. LFLA's desired class sizes are seventeen (17) for middle school classes and nineteen (19) for high school classes. A calculation was performed and the number of classroom teachers is appropriate for these class sizes.
2. As is done in many educational institutions, LFLA has a practice of hiring "permanent" substitutes. These permanent substitutes often are assigned to teach in classes throughout the organization on a regular basis. The benefit to LFLA of hiring permanent subs is that when there is no need for their services, they are not paid. This benefit is somewhat lessened at LFLA where it has been the practice to sometimes pay the permanent subs for holidays and snow days. LDR recommends that this practice be reviewed by LFLA to determine if it is beneficial to the organization to continue to do so.
3. LFLA is a member of the Public School Retirement System of the City of St. Louis (PSRSSTL). A benefit of being a retiree in the PSRSSTL is that retirees "may work as a part-time or temporary employee for up to sixty (60) days in any calendar year without having (their) Pension Benefits suspended and without becoming a contributing Active Member. For purposes of determining a day worked under this provision, any part of a day worked shall count as one day". LDR was informed that no substitutes or other part-time staff are retirees. As a result, LDR did not review this matter any further.
4. Salary tables are only in place for teachers, drivers and daily staff. LDR recommends that salary tables be prepared for food service, maintenance and administrative staff as well.
5. As mentioned above, there is a list, not a table, for employees paid on a daily rate. However, the list does not indicate which level of pay is approved for which position. Nor does the list indicate which level of pay is approved for which length of service. LDR recommends that the daily rate list be expanded to a table identifying years of service and position.
6. Supplemental pay is provided to employees for a variety of additional responsibilities, such as athletic coach, instructional coach, chess club, science chair, etc. There is currently no wage list or table identifying approved supplemental pay for these additional responsibilities. LDR recommends that this be developed by LFLA.
7. It is apparent the Business Manager is a professional, dedicated and hardworking individual who is tasked with an enormous workload. The position is charged with leadership, administration, management, committee memberships and clerical duties. LDR

recommends that a staff accountant be hired to reduce the Business Manager's workload, take on many, if not all, the duties assigned to the "Accounting Consultants" as outlined in the Accounting Manual, be cross-trained on accounts payable, and improve segregation of duties. Additionally, if the staff accountant has enough experience, LFLA might be able to use the money currently paid to Westbrook & Co. (\$30,930 in 2017-18) to help fund the position.

8. While the Educational Committee reviews the salary tables and salary changes, these are not brought to the Board for approval. LDR recommends that the board approve all salary changes.
9. LDR recommends that all job postings, new hires and salary changes be approved by the appropriate director for Human Resources and/or Budget prior to enactment. This can be accomplished by developing a "Request to Post" form, allowing the job to be posted, and a "Request to Fill" form, allowing the hire to take place. Both of these forms would be approved by Budget and HR directors.

Purchasing and Accounts Payable

1. LDR was unable to determine when the last time bids were obtained for accounting, audit and legal services, though it appears to have been at least ten (10) years. LDR recommends that bids for these services be requested at least every three (3) years, and that at least three (3) responses be obtained for each bid.
2. LFLA performs at least two check runs each week. LDR recommends that LFLA perform only one check run each week.
3. Manual checks are issued for athletic officials who are new and are not set up as a vendor in the accounts payable system. LDR recommends that the information necessary to set up an official as a vendor be obtained as soon as possible, and that the official be informed that their check will be distributed after the next check run.

Cash Controls

1. A petty cash fund is maintained in the administrative offices. The cash is used to pay for small miscellaneous purchases. Receipts are not submitted for the purchases. When the cash amount gets low, a check is requested, through accounts payable, to replenish the cash. The check is coded as an asset purchase. LDR recommends that a fixed dollar amount be allocated to the petty cash fund (for example, \$200). Receipts should be obtained for any money disbursed. At least monthly, the fund should be reconciled and a check request submitted to accounts payable. The check request should identify each disbursement and the expense account, not an asset account, to which the disbursement should be coded.

2. This is the first year using the gym for paid athletic events. LDR recommends that LFLA develop formal procedures for athletic ticketing and concession sales, and include the procedures in the Accounting procedures manual.

Budgeting / Financial Software System

1. The current budgeting process is onerous and could be improved with an improved financial software system. Budget amounts are developed through face to face meetings with the individuals in charge of each site, program and department (point persons), which is an excellent approach. However, the amounts have to then be re-entered into the software system. LFLA should consider a software system that provides the ability for the point person to enter their budget amounts directly into the system prior to review, modification and approval.
2. The current system allows expenses in excess of the account's budget. This should not be allowed. If any account or group of accounts must exceed their approved budget, a budget transfer should be required.
3. To reduce the number of transfers that would be required if the preceding recommendation is implemented, a financial software system that would allow "budget roll-up". Budget roll-up occurs when the system totals the budget of multiple accounts and will allow an individual account to exceed budget, as long as the total budget for the group of accounts is not exceeded.
4. If any account or group of accounts must exceed their approved budget, and no other account has excess budget that could be transferred, a budget amendment should be required. All budget amendments should be approved by the Board.
5. Each point person should be provided with a list of their positions and employees to ensure all positions are accounted for and properly allocated.
6. The current software system is unable to track grants and student activity accounts, requiring the Business Department to maintain spreadsheets to keep track of the activity.
7. The current software does not include a requisition or purchase order system. Such a system would enable approval of expenses before they are incurred.

Miscellaneous

1. LFLA's travel expense procedures, as detailed in the Employee Handbook, should be expanded to address such matters as:

- a. One employee paying for other employee meals.
 - b. Meals with no overnight travel.
 - c. Insurance requirements for rental vehicles.
 - d. LDR recommends that LFLA expand the travel expense procedures and include them in the “Accounting Procedures Manual”.
2. Every few years analyses should be performed to determine if it is more cost efficient to outsource operational services (Food Service, Custodial, Maintenance, Transportation). While this has been done in the past for Custodial, Maintenance and Transportation, it has not been done for Food Service.
 1. The LFLA accounting manual is titled “Accounting Policies and Procedures Manual”. Since all policies, by definition, should be approved by the Board, LDR recommends that this document be retitled as “Accounting Practices and Procedures Manual”.
 2. The diversity of the current Board is not reflective of the diversity of the student and parent population. LDR recommends that this be a consideration when electing new Board members.