

FCIS Finance Institute: *Demystifying Independent School Finance*

• *Independent School Finance (or Why Independent Schools are Bad Business Models)*

This overview of independent school finance will address budgets, financial aid, net tuition revenue, general financial and miscellaneous information, tips and recommendations, benchmarking, and more. We will try to avoid getting too much in the weeds in order to focus on the big picture of schools and explain all the things you haven't understood or have wondered why it was done that way!

• *Changing Admissions and Financial Aid Focus from Student Headcount to Net Tuition Revenue (NTR)*

As financial aid is becoming a larger and larger portion of school budgets, and thus a larger component of student recruitment and retention, schools need to change their budget focus and admissions goal setting from student headcount to Net Tuition Revenue (NTR). Participants will receive and review templates that allow a school to annually monitor and track their NTR, NTR per student, and NTR per grade. This session will also identify important financial aid metrics schools that should be tracking and monitoring year by year, with recommendations on how to identify and slow down or turn around negative trends.

• *Financial Planning Tools Each School Should Have*

Accreditation and strategic planning are important processes (some might say necessary evils!) that require the school's leadership to focus on the long term future and financial equilibrium of the school. In this session, we will identify questions school leaders should ask, and the corresponding data each school should have, in relation to the school's financial health, its recent history, and its future projections. Participants will review tools and sample presentation formats and will receive templates they can implement at their school, including net tuition revenue analysis, cost effectiveness by division, 5-year NAIS DASL stats comparison, 5-year DASL stats comparison with benchmark schools, faculty salary analysis with public schools and benchmark schools, 1-page financial dashboard, and more. Participants will leave with tools in hand that will assist their schools in obtaining the necessary data to make informed decisions as well as analyze, project, and present the future impact of those decisions to the leadership of the school.

• *Cost Effectiveness by Division*

The Cost Effectiveness by Division template, prepared in conjunction with NAIS, uses several assumptions to allocate the revenue and expenses of the school between divisions. With this information, the school understands the operating loss (or surplus) of each division, the loss (or surplus) per student, and the tuition gap (if any) that needs to be covered through donations or investment earnings. Additionally, a supplemental spreadsheet calculates the costs per Lower School class section, and thus the breakeven number of students needed to cover the direct operating costs of each class section.

Palmer Ball, Palmer Ball Consulting, LLC

Palmer formed Palmer Ball Consulting, LLC (www.palmerballconsulting.com), in January, 2016, as she embarked on a new career as a consultant specializing in project work for independent school financial operations. In addition to her consulting work, during Winter / Spring, 2016, along with NBOA, she was an adjunct faculty member of the independent school finance graduate class at the Klingenstein Institute at Columbia University in New York City. Before starting her consulting career, Palmer served as Business Manager at Spartanburg Day School (Spartanburg, SC) for 21 years, from 1995 to 2016. Prior to that, she was Vice President for Business and Finance at Converse College, her alma mater, for four years, following three years in the College's Development Office. Before joining Converse, she was in the tax department at Price Waterhouse for two years.

Palmer was the recipient of NBOA's prestigious Ken White Award in 2015, served two terms on the NBOA Board of Directors, and was elected to the Association of Business Officers of Independent Schools (ABOIS) in 2008. She served on the faculty of the NBOA Business Officer Institute (BOI) multiple times. She has presented NBOA's long range financial model via deep dives, online classes, webinars, and presentations at a number of national and regional conferences, as well as presentations on data management and long range financial tools and data trustees and heads should have in preparation for strategic plan or accreditation visits, etc.

Additional Information

Participants will earn 5 CPE credits.

Field of Study: Finance

Prerequisites: Basic knowledge of independent school finances Advanced Preparation: None

Program Level: Update

Delivery Method: Group Live