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and International Schools Worldwide

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FINANCIAL MANAGEMENT

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Effective financial management in schools is a function of balancing income and expense. Like pressure on a waterbed, pressing down on one source of income or stream of expense affects all other areas.

Most schools do not focus enough on "profit centers" such as after-school and summer programs, bussing, food service and school stores to name a few examples. If they are managed well, it is possible to generate much more income than expense from these sources.

The "sacred cows" are: tuition and fee income; gift income (of all kinds); class size; program costs; plant costs; total enrollment; staff compensation; and financial aid. The "sacred cows" refers to the desire of most schools to have a well-paid faculty and staff, outstanding plant, a strong endowment, high financial aid, moderate tuition and fees, strong fund raising, low class size, adequate total enrollment, enriched program, and profit centers to generate additional income. It is prioritizing and balancing these competing forces that challenge most schools. If this process is handled badly, it can alienate important groups within the school and undermine the school's objectives.

Littleford & Associates helps schools build effective financial plans to meet the schools' mission and strategic goals. For more information on this, see the article:

[The Nine Sacred Cows Of Financial Management: How To Get A Handle On Controlling Expenses And Increasing Income In Difficult Economic Times.](#)