



charterschoolcapital.org

CHARTER SCHOOL CAPITAL RECEIVABLE SALES

Why Receivable Sales are Beneficial to Charter Schools

We are 100% dedicated to the charter space and to enabling the success of charter schools and the charter school movement.

Our mission is to provide school leaders access to the financial and informational resources they need—whether it’s operational capital, growth funding, or facilities expansion.

Since our founding, we’ve been able to provide over \$1.8 billion in funding to more than 600 charter schools across our nation and most importantly, to serve over 1,000,000 students.

We’re proud to provide the reliability and stability charter leaders require as they embark on their journey to educate more students today—and in the future.

If you have working capital needs or would like help with charter school facilities financing, our team of experts is here to help you with a needs assessment.

Start by completing our [online application](#) or [contact us](#) for more information about our funding types.

877.272.1001

CHARTERSCHOOLCAPITAL.ORG

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Why are Receivable Sales Beneficial to Charter Schools?

Charter schools often have difficulty accessing capital from traditional sources for operations and growth. One method of financing widely used by many industries is receivable sales. This reliable and flexible transactional process, pioneered by Charter School Capital for charter schools, provides access to capital needed to support operations, facilities, programmatic expenses, or other obligations.

What is a receivable sales transaction?

In a receivable sales transaction, Charter School Capital purchases state aid payments due to the charter school from the state and, in exchange, provides funding to the school in advance of the state payment distribution date. The state payment remains with the state until the scheduled distribution date arrives. Charter School Capital assumes the timing risk if the state delays the distribution of the payments due to the school. There are no additional costs to the charter school in the event the state delays payments.

How are the amounts available to the charter school calculated?

Amounts available for a charter school to sell to Charter School Capital are typically established by attendance-based entitlements or eligible grants owed to the charter school. Selling attendance-based entitlements and grants gives the charter school community access to much-needed capital when they need it, so schools are able to focus on educating students.

How does the receivable sales program work?

Charter School Capital and the charter school enter into a receivables purchase agreement and execute a bill of sale. Executing these agreements transfers ownership of the state payment to Charter School Capital and the school receives the agreed-upon funding. When the state distributes the payment to Charter School Capital, the funds are then distributed as outlined in the bill of sale.

What are the costs associated with the sale of receivables?

- The costs are determined by market-related factors including, but not limited to: the type of receivable being sold, the time the receivable is outstanding, the credit-risk profile of the school, and market rate returns for similar investments.

Why choose receivable sales as a financing option?

- Selling attendance-based and other qualified receivables helps accelerate a charter school's ability to grow by allowing schools to access funds more quickly and in greater quantity.
- Our qualification process is streamlined and more than 95 percent of schools that apply qualify.
- Schools often have the ability to adjust funding levels to align with cash flow needs for existing operations or growth.
- The sale of receivables is a reliable and flexible option for raising much-needed capital for charter schools.

WHAT OUR CLIENTS ARE SAYING

Charter School Capital has helped us stay afloat, going beyond just giving us money to making sure we can stay in business. They've come through for us when we needed it the most and have done things that other financial institutions have not been able to do.

**PAUL OKAITEYE, DIRECTOR OF BUSINESS SERVICES,
NEW DESIGNS CHARTER SCHOOLS**

Charter School Capital has unbelievable integrity. Their commitment to the industry of charter schools is unsurpassed.

**FRANK STUCKI, CHAIRMAN OF THE BOARD,
PALADIN ACADEMY**

Charter School Capital has allowed us to work with a product that is flexible in terms of the amount and the timing. They've allowed us to stay focused on our students. Without Charter School Capital, Academia Avance wouldn't exist.

**RICARDO MIRELES, EXECUTIVE DIRECTOR,
ACADAMIA AVANCE**

Charter School Capital came to us as a gift when there were delays in government payments. We've served another 2000 students in the last two years because of the availability of cash flow financing with Charter School Capital.

**SKIP HANSEN, SENIOR VICE PRESIDENT,
LEARN4LIFE**

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