



# **2019 Annual Benefit Report of Charter School Business Management / FOREsight Financial Services for Good**

**under Business Corporation Law section 1708**

Receipt for the Filing should be mailed to:

Charter School Business Management / FOREsight Financial Services for Good

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## Background

In 2006, Raj Thakkar, Founder & CEO, launched Charter School Business Management (CSBM) after serving as the Chief Financial Officer of a charter school in Brooklyn, NY for 4 years. During that time, he learned firsthand the challenges of responsibly managing the finances of charter schools, which are rapidly expanding multi-million dollar nonprofits until they reach maximum enrollment per their charter agreements. He was appalled about the #1 reason for their demise and how of the 1 in 7 that are shutdown, 80% of them are due to financial mismanagement. He believed this was a solvable problem and launched CSBM with the purpose of eradicating financial mismanagement of charter schools.

Our vision is: One day, ALL charter schools will view and value responsible financial management as VITAL. Our mission is: To empower charter schools with VITAL knowledge and services to understand and practice responsible financial management.

In 2013, our Founder & CEO graduated from the Goldman Sachs 10,000 Small Businesses program at LaGuardia Community College, which supports entrepreneurs with developing growth plans to scale their respective companies and create more jobs.

Also in 2013, CSBM became a Certified B Corp after learning about the efforts of B Lab, which created an assessment recognizing for-profit organizations that use the power of business as a force for good through transparency in how fairly and responsibly they operate their companies to impact all stakeholders, not only their shareholders.

In 2014, we launched a second brand (as a DBA) called FOREsight Financial Services for Good (FOREsight) to serve other types of nonprofits beyond charter schools. Both CSBM and FOREsight provide bookkeeping, accounting, payroll, budgeting, financial reporting, forecasting and audit preparation services. We also provide professional development on our financial best practices, which help schools and nonprofits avoid repeating common mistakes made by their leaders and Boards of Trustees. Our revised purpose is to eradicate financial mismanagement of charter schools and nonprofits.

Starting in 2016 as an Adjunct Professor at NYU's Wagner School of Public Service, our Founder & CEO taught *Understanding Social Enterprise: How to Use Business as a Force for Good* to undergraduate and graduate students to inspire and share how to launch and scale their own nonprofits and social enterprises, using CSBM/FOREsight as the running case study, including transparency about our growth related challenges and engaging students to solve real-life problems.

In 2017, CSBM/FOREsight became a New York State Certified Minority Business Enterprise (MBE).

In 2018, our Founder & CEO was recognized as the Small Business Person of the Year for New York State by the U.S. Small Business Administration.

In 2019, CSBM/FOREsight converted from an S Corporation to a Benefit Corporation and has scaled the organization to a team of 55 full-time employees and 136 clients without any outside investments. Throughout our 14 year history, CSBM/FOREsight has been recognized multiple times (for each of the following awards) as Best for the World and Best for NYC based on our workers' impact on the numerous under-resourced communities we serve, Small Business of the Year for the Eastern Region of the U.S. by the U.S. Chamber of Commerce and as one of the Best Places to Work in NYC by Crain's NY Business.

### 1(a) Process and Rationale for Selecting the Third Party Standard to Prepare the Benefit Report

We selected the B Impact Assessment because it is what we've used as a Certified B Corp since 2013. Out of curiosity, we also requested NYU Law School students supervised by pro bono lawyers from NYU's Legal Clinic to research other third party standards. Upon completion of their research, they also recommended the B Impact Assessment based on CSBM/FOREsight being a company that provides services and professional development on responsible financial management.

### 1(b) Ways in which CSBM/FOREsight Pursued General Public Benefit

These are the following ways we've pursued the general public benefit and impacted society in positive ways:

<b>Impact/General Public Benefit</b>	<b>CSBM</b> (Approximate)	<b>FOREsight</b> (Approximate)	<b>Total</b>
<b># of Clients Served &amp; Impacted</b>	108	28	<b>136</b>
<b># of Clients Shutdown due to Financial Mismanagement</b>	0	0	<b>0</b>
<b># of Clients' Staff Members Paid via Payroll</b>	5,500	1,000	<b>6,500</b>
<b># of Charter School Students (CSBM) &amp; Nonprofit Individuals (FOREsight) Impacted</b>	42,000	27,000	<b>69,000</b>
<b>Responsible Financial Management of Clients' Budgets (\$ Accounted For)</b>	\$880 Million	\$580 Million	<b>\$1.46 Billion</b>
<b># of Employees (FTE)</b>	55	N/A because FOREsight is a DBA of CSBM	<b>55</b>
<b>New Jobs (FTE) Created at our Company Since prior Fiscal Year</b>	4	N/A because FOREsight is a DBA of CSBM	<b>4</b>

### 1(c) Ways in which CSBM/FOREsight Pursued Specific Public Benefit

Per BCL §1702(e), the Specific Public Benefit purposes that are most applicable to CSBM/FOREsight include:

- providing low-income or underserved individuals or communities with beneficial products or services;
- promoting economic opportunity for individuals or communities beyond the creation of jobs in the normal course of business;
- promoting the arts, sciences or advancement of knowledge;
- increasing the flow of capital to entities with a public benefit purpose; and
- the accomplishment of any other particular benefit for society or the environment.

The actions by CSBM/FOREsight and our employees that demonstrate the pursuit of these public benefits include:

- Employees of CSBM/FOREsight shared our best practices regarding responsible financial management via 8 workshops/panel discussions (in-person or webinar), 6 of which by CSBM and 2 of which by FOREsight.
- Our Founder & CEO created a draft of our first book on the components of responsible financial management, including our best practices which help charter schools and nonprofits avoid repeating common mistakes.
- Our Founder & CEO meets with dozens of potential and existing entrepreneurs annually to guide them with their respective journeys, facilitate introductions and share available entrepreneurial resources (based on the phase of the journey).
- While scaling CSBM/FOREsight and facing challenges with our complex mobile technology needs, 1 new company was launched and scaled (by another Founder) to manage the information technology needs for dozens of charter schools, after we were their pilot client:
  - Charter Technology Solutions: <https://charterts.com/>
- Through the class our Founder & CEO teaches at NYU's Wagner School of Public Service, at least 2 nonprofits/social enterprises were launched and/or scaled. (He has not kept in touch with all 100+ students to know the actual number of nonprofits/social enterprises impacted.)
  - Resprana: <https://resprana.com/>
  - Solar Responders: <https://www.solarresponders.org/>
- Through our company value of doing what's right called **KARMA** (**K**indness, **A**ccomplishment, **R**espect, **M**otivation and **A**ppreciation), our teammates serve as board members of nonprofits and social enterprises:
  - Our Founder & CEO served as Board Member of Entrepreneurs' Organization (EO) NY Chapter and led their initiative to attract and support more entrepreneurs of color and women entrepreneurs.
  - Our Founder & CEO serves as Board Advisor to BE MORE <https://www.bemoreamerica.org/>, which aims to eradicate unconscious racial and gender bias.
  - Our Founder & CEO serves as Board Treasurer to Camelback Ventures <https://www.camelbackventures.org/>, which supports entrepreneurs of color and women entrepreneurs launch and scale their nonprofits, schools and social enterprises through an education fellowship and attracting capital.
  - Our Founder & CEO also serves as Board Treasurer to Solar Responders <https://www.solarresponders.org/>, which maximizes the capacity of first responders to save lives with renewable energy by installing solar and battery storage systems on first responder stations, starting with fire stations and police department at Puerto Rico, post-Hurricane Maria related devastation.
  - Our President & COO, Karen Daniels serves as Board Treasurer of Literacy Trust <https://www.literacytrust.org/>, which leverages what already exists in school communities to increase educational capacity to create more fluent, motivated, self-confident readers.

### **1(d) Circumstances that have Hindered the Creation by the Benefit Corporation of General or Specific Public Benefit**

We did not identify any circumstances that hindered the creation of general or specific public benefit. We did encounter challenges with quantifying our impact and which metrics to choose. Since our company impacts charter schools and nonprofits indirectly, we did not feel comfortable with demonstrating how our work impacts student achievement levels at our charter school clients, nor with mission achievement at our nonprofit clients, even though responsible financial management enables clients to focus their efforts on implementing their programs to the best of their abilities.

### **2. Assessment of our Performance relative to our General Public Benefit Purposed assessed against the B Impact Assessment**

Our B Impact Assessment (BIA) may be found at <https://bcorporation.net/directory/charter-school-business-management-foresight>. Our overall B Impact Score is 87.4. This is made up of 15.9 for Governance, 26.6 for Workers, 12.9 for Community, 4.1 for Environment and 27.7 for Customers. Our score has evolved over the years, as the BIA continues to become more rigorous over time, especially as the assessment changes substantially, as it should, for companies with more than 50 employees. We are pleased that our score continues to exceed the threshold of 80 and are not surprised by our low score on the environment as our company has very little control over our office and how our company's services do not impact the environment directly. We are pleased that our sub-scores for the impact our Workers create and the Customers we serve remain our two highest and combined represent 62% of our overall score. While the impact our Workers make with our Customers has tremendous impact on the charter school and nonprofit communities we serve, the demand is so high and financial volume/emergencies that arise are very frequent, that it leaves less time than desired to further impact communities with additional community service volunteer projects. We are also proud of being a Minority Business Enterprise that employs 100% diverse individuals, when considering the 8 social identifiers including race, gender, ethnicity, sexual orientation, religion, age, socio-economic status/class and ability.

### **3. Name of Each Person that Owns 5% or More of the Outstanding Shares of the Benefit Corporation**

Snehal (Raj) Thakkar owns 100% of CSBM/FOREsight.