Introduction to....
SCHOOL BUSINESS

September 24, 2019

Who we are.....
What is a School Business Official?
Who are SBOs?

Does certification matter?

How do you become a SBO?

What makes a good SBO?

How are SBO’s related?

SCHOOL BUSINESS OFFICIALS

Who are SBOs?

- Business Office
- Chief Financial Officer
- Business Manager
- Accountant
- Accounts Payable
- Accounts Receivable
- Payroll
- Human Resources
- Employee Benefits
- Pupil Accounting
Who are SBOs?
- Support Services
- Facilities
- Maintenance
- Transportation
- Food Service
- Technology

How do you become a SBO?
- Specialize in finance/operations
- Work in a School District (or ISD, Charter, Cyber School)
- Training, Local Involvement
- Non-traditional route

How are SBO’s related?
- Finance impacts all areas of business. Budget is based on the strategic/operational plan
- Provide support for the educational process
- Must work together for success
What makes a good SBO?
- Skilled in Evaluating Technical Information
- Detail Oriented and Multi-Tasking
- Computer/Technology Literate
- Excellent Communicator
- Ability to work with others
- MUST be able to handle stressful situations

Does certification matter?
- YES! Not required, but highly recommended
- Many employers looking for certification
- Credibility with Board, Staff, Community
- Keeps you well balanced and current on industry
- Leadership Development
- Continuing Education Opportunity

What are School Business Officials’ responsibilities?
AREAS OF RESPONSIBILITY

FINANCIAL MANAGEMENT

- Accounting
- Basis for Accounting
- Internal Controls
- District Procedure Manual
- Fraud Prevention
- Financial Statement Preparation

AREAS OF RESPONSIBILITY

FINANCIAL MANAGEMENT

- Payroll
  - Approx. 80% of most school budgets
- Contract Interpretation
- Data Input
- Deductions
- Salary Payment Options
AREAS OF RESPONSIBILITY

FINANCIAL MANAGEMENT

• Accounts Receivable
  • Track Receipt of Revenues
  • Method for revenue accruals
  • Consistency is critical for comparative analysis

• Accounts Payable
  • Payment of District bills
  • Vendor relations
  • District’s reputation

AREAS OF RESPONSIBILITY

FINANCIAL MANAGEMENT

• Purchasing
  • Board Policy
  • Purchase Orders
  • Contracts
  • National Purchasing Cooperatives
  • Purchasing Cards
  • Public Accountability
  • Bidding / Request for Proposals
**Areas of Responsibility**

**Financial Management**
- Budgeting
  - Multiple Funds
  - Philosophies
  - Transparency/Accountability
  - Assumptions
    - Enrollment
    - Funding
    - Staff Size
    - Course Offerings
    - Status of Negotiations
    - Multi-year Forecasting

**Financial Reports**
- PowerPoint
- Executive Summary
- Detailed Spreadsheets
- Performance Reporting
- Environment of Trust
- Telling Your Story
- Cash Flow Management
- Tax Collections
- State Aid Payments
- Debt Management
AREAS OF RESPONSIBILITY

FINANCIAL MANAGEMENT

• Negotiations & Benefit Design
• Small Changes can = big results
• Be a Part of the Process
• More than just Salary
• Calendar (days, hours)
• Impact on other Groups
• Class Size
• Contract End Date
• ACA
• Benefit Levels
• Fully Insured vs Self Insured

Q & A Time!

Michigan School Business Officials
Quiz Time!

What information is required to process an accounts payable invoice for payment?

A. Verified budget authority for item, accuracy of price, items received, and correct account code
B. Accuracy with purchase order price, amount ordered, and correct account code
C. Verified receipt of goods, price charged, and correct account code
D. Authorization to pay, goods received, accurate pricing, and correct account code

Quiz Time!

What procedure should be in place for collection of unpaid accounts?

A. Prepare an aging list by customer and send letters, email, or call regarding collection on past due accounts
B. Immediately refuse any future services until the bill is paid
C. Prepare an aging list by customer and publish it in the local newspaper
D. Keep the invoices on the books and wait for payment
Quiz Time!

- To assure proper internal controls when processing timesheets for payment, what information is needed in addition to time worked and rate of pay?
- A. Budget authority, amount approved, and employee signature
- B. Account code, description of work completed, and employee signature
- C. Supervisor approval, employee signature, and account code
- D. Budget authority, source of funds, and account code

AREAS OF RESPONSIBILITY

Facilities & Operations Management
- Are Buildings & Grounds Properly Maintained?
- Knowledge of Planning, Projects, and Technology Necessary for Budgetary Purposes
- Staff Assignments & Training Needs
- Monitoring of Onsite Contractors
- Identify Potential Preventative Maintenance and Replacement Needs
- Online Facility Management System – Schooldude.Com
AREAS OF RESPONSIBILITY

Management of Information Systems
- Technology Infrastructure & Design
- Staff Ratios for Support
- Equipment Replacement
- Standardization
- Disaster Recovery
- Security
- Technology Plan and Integration with School Improvement Plan
- Training Needs
- Capacity

Management of Human Resources
- Hiring of Good Employees
- Qualifications
- References
- Probationary Periods
- Goals
- Compensation Management
- Internal Equity
- External Equity
- Evaluation Process
Transportation Services
- Complex regardless of school district size
- Routing & Bus Stop Management
- Move in’s & Move out’s
- Staff Training & Certification
- Fleet Maintenance
- Fleet Replacement
- Athletic/Activity Needs
- First & last contact of the day

Food Service Programs
- Meal Prices
- Full Pay
- Free & Reduced Applications & Claims
- Food & Labor Costs
- Commodities
- Nutritional Requirements
- Inventory Management
- Universal programs
- Not just lunch – breakfast & even dinner
Preventive maintenance planning refers to which service area?

A. Facilities
B. Food services
C. School administration
D. Transportation system
Quiz Time!

Which should be included in the building construction estimates for a replacement school building?

A. The increased cost of building insurance
B. The cost associated with the transportation of students to the interim building
C. A contingency for the cost of unexpected site conditions
D. The cost of moving furniture from the existing building

Quiz Time!

What is the first thing a school business official should do when notified by the police of a significant school bus accident?

A. Call the students' parents
B. Call the insurance carrier
C. Call the school board president
D. Call the superintendent
The year from a Business Office Perspective

MONITORING THE BOOKS

MAIN RESPONSIBILITY: ACCURACY OF DISTRICT FINANCIAL DATA
DUE DATES!

TASK CALENDAR

- District Calendar
- Daily/Weekly/Monthly/Annual
- See MSBO website for good sample
- Other resources

DUE DATES!

LIBRARY - SCHOOL FINANCE

The documents found on this page have been provided from a number of sources. MSBO is providing them as a service to its members. If you have a school business document that you feel would be useful to other districts and do not see it listed, please let us know. Any document can easily be customized for your district.

ACTIVITY FORMS:
- Activity Fund Procedures I
- Activity Fund Procedures II
- Activity Fund Procedures III
- Activity Fund Procedures IV
- Activity Log Form
- Athletics Ticket Procedures
- Athletics Ticket Sales
- Athletics Ticket Sales II
- Student Fund Raising Activity Form

AUDIT PREPARATION PROCEDURES:
- Sample District Audit Preparation Schedule

FINANCING:
- ACH Policy
- ACH Resolution

RELATED PAGES:
- Evaluation
- Facilities
- Food Service
- Human Resources
- Job Descriptions
- Job Evaluations
- Media/Public Relations
- Preparations
- Public Safety
- Purchasing
- School Finance
- Spending fund
- Technology
- Transfers
- Annual Conference Standards
MONITORING THE BOOKS

DAILY & WEEKLY RESPONSIBILITIES

- Review & Approve Accounts Payable
- Review & Approve Payroll
- Banking & Cash Flow Needs

MONTHLY RESPONSIBILITIES

- Reconciliation of Balance Sheet Accounts
- Federal & State Grants
- Budget-To-Actual Reports
- Banking & Cash Flow Needs
MONITORING THE BOOKS

QUARTERLY & ANNUAL RESPONSIBILITIES

• GRANT BUDGETS
• BOARD OF EDUCATION UPDATES & BUDGET AMENDMENTS
• BUDGET PLANNING WORK SESSIONS
• AUDIT
• TRANSPARENCY REPORTING
• PUPIL ACCOUNTING
• TAX LEVIES & DEBT SERVICE

ONGOING, ON-DEMAND RESPONSIBILITIES

• SUPERVISING & TRAINING STAFF
• WORKING WITH SUPERINTENDENT
• BOARD OF EDUCATION UPDATES
• PROVIDING FINANCIAL INFORMATION
• CONSISTENT REPORTS & GRAPHICS
• WORK WITH ALL AREAS OF DISTRICT
• SPECIAL EDUCATION, TRANSPORTATION, MAINTENANCE, TECHNOLOGY, FOOD SERVICE
Quiz Time!

- When managing a program, what information should be on the report that allows you to determine whether the program is within budget?
  - A. Budget, expenditures, and encumbrances
  - B. Prior year budget, current year budget, expenditures, and encumbrances
  - C. Revenues, expenditures and encumbrances
  - D. Current month revenues and expenditures and encumbrances
Quiz Time!

- What is an example of a "proprietary fund"?
  - A. A trust fund
  - B. A general fund
  - C. A capital projects fund
  - D. An enterprise fund

How are Schools financed in Michigan?
How are schools financed?

What is School Aid Fund?

Why is enrollment important?

Doesn’t Lottery pay for Schools?

STATE AID...

...AND EVERYTHING ELSE
State Aid Calculation

Number of Pupils X Foundation Allowance

Less

18 mills X District Non-Homestead TV

Equals

Amount State pays the district
Mill = $1.00 per every $1,000 of taxable value

Taxable value / 1000 X # of Mills = Tax Bill

**EXAMPLE**

**Taxable Value of Home:** $100,000

**Total Mills assessed:** 22 mills

$100,000 / 1,000 = 100

100 X 22 mills = $2,200 Tax bill

Note: Don’t confuse assessed value or SEV with Taxable Value! Many times all three numbers show on your County statements, so be careful.
Local Budget Process

Budget as a roadmap to...
State Requirements
- Adopted annually, no later than June 30 for next fiscal year
- Cannot show fund in deficit
- May be amended as needed
- Requires Board action for adoption & amendment

Local Requirements
- Understand Board Policy
- Work with Superintendent
- Each District handles things differently
Quiz Time!

- What factors should be considered in managing the budget for the year?
  - A. Compare current year's revenues and expenditures to a 10-year average for consistency
  - B. Compare estimated revenues and expenditures to projected actual revenue and expenditures for the year
  - C. Compare current year's revenues and expenditures to last year's to determine if the budget is on track
  - D. Compare current year's budget to other school district budgets in the state [province] to check for consistency

Quiz Time!

- What information should be provided in a financial report so the governing body can determine the local education agency's [authority's] financial position?
  - A. A comparison of budget to actual revenues and expenditures and fund balance
  - B. A comparison of current year budget to prior year budget
  - C. A comparison of expenditures that have been approved by the school board
  - D. A comprehensive comparison of revenues and expenditures for the current year
Intro to ASBO SFO Certification program

Questions and Comments
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