

**NEASBO 2014 Leadership Academy**  
**July 24-25, 2014**  
**The Publick House Sturbridge, MA**

**Certified Administrator of School and Finance Operations**  
**(SFO)**

**Presented by Brenda R. Burkett, CPA, SFO, CSBA**  
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**Chief Financial Officer**  
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**T/F or Multiple Choice:**

\_\_\_1. The financial statement that reports the revenues and expenses for a period of time such as a year or a month is the:

- a. Balance sheet
- b. Income statement
- c. Statement of cash flows

\_\_\_2. Under the accrual basis of accounting, revenues are reported in the accounting period when the cash is received.

\_\_\_3. Under the accrual basis of accounting, expenses are reported in the accounting period when the liability is incurred.

\_\_\_4. The legal authorization the district needs to spend money is called:

- a. Arbitrage
- b. Arbonne
- c. Appropriation
- d. Articulation

\_\_\_5. What accounts appear on a balance sheet?

- a. Income, assets, and liabilities
- b. Assets, liabilities, and equity
- c. Income, expenses, and equity
- d. Assets, expenses, and equity

\_\_\_6. What primary factor should be considered when disposing of fixed assets?

- a. The item is of no further use in its current location
- b. There is an updated version of the item from the current vendor
- c. The item has exceeded its useful life and is of no further use to the school district
- d. A similar version of the item is available from another vendor

\_\_\_7. Obligations (amounts owed) are reported on the balance sheet and are referred to as Liabilities.

\_\_\_8. Liabilities often have the word \_\_\_\_\_ in their account title.

\_\_\_9. Unearned Revenues is what type of account:

- a. Asset
- b. Liability
- c. Fund Balance

\_\_\_10. Accounting entries involve a minimum of how many accounts:

- a. One
- b. Two
- c. Three

\_\_\_11. The listing of all of the accounts available for use in a district's accounting system is known as the chart of accounts.

\_\_\_12. What will usually cause the liability account Accounts Payable to increase?

- a. Debit
- b. Credit

\_\_\_13. The District agrees to lease one of its facilities to a business for their May 25<sup>th</sup> event. The district bills the business May 1 for the agreed upon amount of \$500. The invoice shows that the amount will be due in June. In May, the district records the transaction with a debit to Accounts Receivable, and a Credit to Lease Revenue. What is the effect of this transaction upon the accounting equation?

Assets: increase, decrease, or no effect?

Liabilities: increase, decrease, or no effect?

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\_\_\_14. In June, the District receives the \$500. What is the effect on the accounting equation and which accounts are affected?

Assets: increase, decrease or no effect?

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Fund Balance: increase, decrease, or no effect?

\_\_\_15. If a district purchases inventory in Year 1, but charges it to expense, which of the following is the result:

- a. The first year shows less fund balance than it should
- b. Both the first and second year are misstated
- c. Neither answer is correct
- d. Both answers are correct

\_\_\_16. 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

\_\_\_17. What is an important consideration when developing a data recovery backup plan?

- a. The backup information will be securely stored on a separate server in the same location with the capability to run the software
- b. The backup information will be securely stored in an offsite location with the capability to run the software at an alternate location
- c. The backup information will be securely stored and accessible only to individuals who have the technical knowledge to run the software
- d. The backup information will be securely stored and accessible to a third-party vendor who has the technical knowledge to run the software

\_\_\_18. What strong internal control assures that only authorized employees are paid on a payroll?

- a. Review of the payroll register by the supervisor of the payroll processing clerk
- b. Written documentation from an authorized person other than the person processing the payroll
- c. Approval of the payroll register after comparing it to the established staff list
- d. Review of the payroll register by the school board chair

\_\_\_19. 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

\_\_\_20. What is the purpose of a requisition system?

- a. To acquire goods and services by purchase order and verify budget authority
- b. To purchase goods and services through a formal bid (tendering) process and follow legal compliance regulations
- c. To manage the compliance of purchasing goods and services for the different departments within the school district
- d. To verify all purchases are completed within the parameters of the budget and meet the bid (tender) process laws

\_\_\_21. 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

\_\_\_22. What represents the strongest control for processing payments?

- a. An accounting employee pays from original invoices only, not from copies of invoices
- b. Transactions are handled by the same employee from initiation to authorization
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\_\_\_23. 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

\_\_\_24. Request for Proposals (RFP) must include which of the following items?

- a. Payment terms
- b. Project budget
- c. Proposal due date
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\_\_\_25. What is necessary to ensure that a public bid (tendering) process is successful and provides the desired goods or services?

- a. Ensure that appropriate vendors receive notice of the bid (tender) request
- b. Require an independent legal review of the bid specification documents prior to the bid (tender) release
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\_\_\_26. In an organization with no central purchasing function, who should be responsible for general ledger coding of purchase requisitions?

- a. The individual who is responsible for paying the invoice
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\_\_\_27. Retirement parties and wedding/baby shower gifts can be paid from Student Activity Funds when:

- a. The staff are sooo glad to see the teacher finally go
- b. er, I mean, the staff are happy for the teacher
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\_\_\_28. Retirement plaques are deemed appropriate gifts to buy from Activity Funds, but a corsage or a gift card to a restaurant is not.

\_\_\_29. What is an example of an accounts receivable for a school district using modified accrual basis accounting?

- a. Student activity receipts
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- c. An unpaid invoice
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\_\_\_30. 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
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- 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

\_\_\_31. 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
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\_\_\_32. What activities affect cash flow?

- a. Investing and timing of receipts
- b. Budgeting and timing of receipts
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\_\_\_33. How should a budget be monitored throughout the fiscal year?

- a. By ensuring that the balance sheet accounts are in balance
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- c. By comparing current year activity to prior year activity
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- \_\_\_34. What information does the Management's Discussion and Analysis (MD&A) provide?
- a. A statement that compares current-year revenues received with expenditures for the same time period on a fund-by-fund basis
  - b. A management report including all financial transactions on an accrual basis accounting
  - c. A narrative introduction and overview to the annual financial statements prepared by school district personnel
  - d. An opinion of the auditor as to the viability of the school district

- \_\_\_35. What fund is used when providing goods or services to other funds, departments, or agencies of the district on a cost-reimbursement basis?
- a. Enterprise Fund
  - b. Internal Service Fund
  - c. Debt Service Fund
  - d. Capital Project Fund

- \_\_\_36. New construction, personal income, and retail sales are indicators in which kind of forecast?
- a. Economic
  - b. Enrollment
  - c. Educational programming
  - d. Environmental impact

\_\_\_37. Which is the leading indicator of the financial health of a school district?

- a. Property tax levy
- b. Property tax valuations within the local district
- c. Undesignated fund balance
- d. Total assets

\_\_\_38. Why are long-term forecasts generally less accurate than short-term forecasts?

- a. Because the assumptions used in the long-term projections do not average out over time
- b. Because long-term forecasts are less dependent on variables
- c. Because there are fewer assumptions in long-term forecasts
- d. Because there are more assumptions in long-term projections

\_\_\_39. 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

\_\_\_40. Which grant activity should be performed on at least a quarterly basis?

- Calculation of expenditures of budgeted funds
- The submittal of an application for additional funds
- A budget revision for all grants
- The preparation and submittal of reimbursement claims to date

\_\_\_41. At a minimum, how often should the fixed asset inventory for the local education agency (authority) be updated?

- On an annual basis
- On a semi-annual basis
- Once a month
- Every two years

\_\_\_42. How is per-student instructional program cost determined?

- Add specific program costs, including staff salary, books, and materials, and divide by the number of participants in the individual program
- Add all direct costs of the instructional program and divide by the number of participants in the individual program
- Add all direct and indirect costs of the instructional program and divide by the number of participants in the individual program
- Add specific program costs and fixed costs and divide by the number of participants in the individual program

\_\_\_43. How does the level of a deductible relate to managing risk for a local education agency (authority)?

- a. When the deductible is lower then the risk is lower
- b. When the deductible is higher then the risk is higher
- c. When the deductible is higher then the risk is lower
- d. When the deductible is lower then the risk is higher

\_\_\_44. 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

\_\_\_45. Who is the most important person(s) to be involved in developing an employee safety program?

- a. Facility manager
- b. School board members
- c. Superintendent
- d. Employee group representatives

\_\_\_46. How soon should work-related injuries be reported to the insurance entity?

- a. As soon as the school district officials are aware of the accident
- b. When it is determined to be severe enough
- c. As soon as it is determined that the employee needs medical attention
- d. After the medical service provider has examined the employee

- \_\_\_47. Preventive maintenance planning refers to which service area?
- Facilities
  - Food services
  - School administration
  - Transportation system
- \_\_\_48. Which should be included in the building construction estimates for a replacement school building?
- The increased cost of building insurance
  - The cost associated with the transportation of students to the interim building
  - A contingency for the cost of unexpected site conditions
  - The cost of moving furniture from the existing building
- \_\_\_49. What is the best way to find an advisor for financing a capital improvement program?
- Through a Request for Proposal (RFP) process
  - Request that the architect recommend a financial advisor
  - Through referrals from the school board
  - Request that the local bank recommend a financial advisor
- \_\_\_50. What conditions would trigger the liquidated damages clause in a contract?
- The vendor files for bankruptcy
  - The vendor does not perform in the time required
  - A bonding company takes over the project from the vendor
  - The vendor files suit against the school district

\_\_\_\_51. Construction manager at risk contracts involve which of the following?

- a. The contractor provides a guaranteed maximum price and the owner incurs the risk of cost overruns
- b. The contractor provides a guaranteed maximum price and the contractor incurs the risk of cost overruns
- c. The owner has one contract with the architect and the contractor
- d. The owner is responsible for the performance of the construction project, including all trade contractors

\_\_\_\_52. In addition to acquisition, maintenance, and operation costs, what is the most significant cost of a technology purchase?

- a. Software upgrades
- b. Replacement costs
- c. Insurance costs
- d. Shipping costs

\_\_\_\_53. How would a school business official know if a job description for the elementary building secretary needs to be revised?

- a. When the job description no longer resembles a neighboring school district's job description
- b. When it is different from the high school secretary job description
- c. When the secretary's annual evaluation is always reported as excellent
- d. When the job description is no longer relevant to the evaluation process

- \_\_\_54. Which is a best practice for personnel management?
- Praise and discipline in public
  - Praise in public and discipline in private
  - Reward and reprimand in a private setting
  - Praise and reprimand in writing
- \_\_\_55. Which of the following should be covered by the personnel department during a new employee orientation?
- Instructional methods to be used
  - History of the school district
  - Enrollment trends of the school district
  - Explanation of insurance benefits
- \_\_\_56. Which element is a cornerstone in the development of a performance improvement plan?
- The narrative of the plan
  - The timeline
  - The method of monitoring
  - The format of the plan
- \_\_\_57. Which item may be asked for in a job application process?
- Gender
  - Year of birth
  - Education
  - Age of dependents

\_\_\_58. A maintenance director discusses not interviewing an applicant for a custodial position because "everyone on the interview team agrees this person is too old for this job". How should a school business official react to this statement?

- a. Explain to the team that ability is what is important not age
- b. Suggest that the committee interview the person and discuss the impact of his or her age on the job
- c. Remind the maintenance director that people are working longer these days
- d. Establish a maximum age limit for future custodial hiring

\_\_\_59. When is it allowable to ask if a person needs accommodation to perform the essential functions of the job?

- a. In the job advertisement
- b. In the letter of hire
- c. On the application
- d. During the interview

\_\_\_60. A computer technician who does repair and services to computers and reports to the director of technology is a non-exempt employee. What does this mean?

- a. This position must be paid based on a hourly rate and paid the overtime rate for over 40 hours in a week
- b. This position may be paid on a salary basis, avoiding the need to pay overtime
- c. Vacation and sick leave are required as part of federal law
- d. If the employee works on Sunday, double the hourly rate must be paid

- \_\_\_61. A popular five-year business office clerical employee is consistently behind in work assignments and provides incorrect or incomplete results. This individual has been verbally warned and encouraged to improve. What should the school business official do?
- a. Prepare a written analysis of the problem and recommendations for improvement, then meet with the employee and discuss the necessary steps
  - b. Do nothing because further action may result in staff morale problems
  - c. Give the employee a written warning of the consequences that will ensue if his or her performance does not improve
  - d. Allow the employee additional time in which to perform his or her work or divert some of the duties to someone else

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T/F or Multiple Choice:

b 1. The financial statement that reports the revenues and expenses for a period of time such as a year or a month is the:

- a. Balance sheet - reports Assets, Liab, + Equity / Fund Balance
- b. Income statement
- c. Statement of cash flows - explains how a district's cash balance changed during the acctg period

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- revenue has been earned

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b 5. What accounts appear on a balance sheet?

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C 6. What primary factor should be considered when disposing of fixed assets?

- a. The item is of no further use in its current location
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T 7. Obligations (amounts owed) are reported on the balance sheet and are referred to as Liabilities.

8. Liabilities often have the word Payable in their account title.

b 9. Unearned Revenues is what type of account:

- a. Asset
- b. Liability - the district has received the cash in advance and therefore has an obligation (liability) before the revenue is earned
- c. Fund Balance

b 10. Accounting entries involve a minimum of how many accounts:

- a. One
- b. Two - because of double-entry, every transaction will affect at least two accounts
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T 11. The listing of all of the accounts available for use in a district's accounting system is known as the chart of accounts.

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Liabilities are not involved in this transaction

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↳ Revenue already booked last month

one asset Cash increases  
one asset AIR decreases  
= Total assets no change

d 15. If a district purchases inventory in Year 1, but charges it to expense, which of the following is the result:

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- d 16. What is an example of a "proprietary fund"?
- a. A trust fund - fiduciary ... hold assets in trust
  - b. A general fund - for general operations
  - c. A capital projects fund - accounts for construction
  - d. An enterprise fund - entity is self supporting -- on a user charge basis

b 17. What is an important consideration when developing a data recovery backup plan?

- a. The backup information will be securely stored on a separate server in the same location with the capability to run the software
- b. The backup information will be securely stored in an offsite location with the capability to run the software at an alternate location
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Act Funds s1B for public purpose and benefit students

T 28. Retirement plaques are deemed appropriate gifts to buy from Activity Funds, but a corsage or a gift card to a restaurant is not.

T in Norman (gifts are allowed per State law)

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- c. An unpaid invoice = liability
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Revenues: both measurable and available

Expenses: liab is incurred

b 30. 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
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- a. When the deductible is lower then the risk is lower
- b. When the deductible is higher then the risk is higher
- c. When the deductible is higher then the risk is lower
- d. When the deductible is lower then the risk is higher

d 44. 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

d 45. Who is the most important person(s) to be involved in developing an employee safety program?

- a. Facility manager
- b. School board members
- c. Superintendent
- d. Employee group representatives

a 46. How soon should work-related injuries be reported to the insurance entity?

- a. As soon as the school district officials are aware of the accident
- b. When it is determined to be severe enough
- c. As soon as it is determined that the employee needs medical attention
- d. After the medical service provider has examined the employee

a 47. Preventive maintenance planning refers to which service area?

- a. Facilities
- b. Food services
- c. School administration
- d. Transportation system

c 48. 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

a 49. What is the best way to find an advisor for financing a capital improvement program?

- a. Through a Request for Proposal (RFP) process
- b. Request that the architect recommend a financial advisor
- c. Through referrals from the school board
- d. Request that the local bank recommend a financial advisor

b 50. What conditions would trigger the liquidated damages clause in a contract?

- a. The vendor files for bankruptcy
- b. The vendor does not perform in the time required
- c. A bonding company takes over the project from the vendor
- d. The vendor files suit against the school district

b 51. Construction manager at risk contracts involve which of the following?

- a. The contractor provides a guaranteed maximum price and the owner incurs the risk of cost overruns
- b. The contractor provides a guaranteed maximum price and ✓ the contractor incurs the risk of cost overruns
- c. The owner has one contract with the architect and the contractor  
two contracts ← one with contractor  
one with architect or engineer
- d. The owner is responsible for the performance of the construction project, including all trade contractors

b 52. In addition to acquisition, maintenance, and operation costs, what is the most significant cost of a technology purchase?

- a. Software upgrades
- b. Replacement costs
- c. Insurance costs
- d. Shipping costs

d 53. How would a school business official know if a job description for the elementary building secretary needs to be revised?

- a. When the job description no longer resembles a neighboring school district's job description
- b. When it is different from the high school secretary job description
- c. When the secretary's annual evaluation is always reported as excellent
- d. When the job description is no longer relevant to the evaluation process

- b 54. Which is a best practice for personnel management?
- a. Praise and discipline in public
  - b. Praise in public and discipline in private
  - c. Reward and reprimand in a private setting
  - d. Praise and reprimand in writing

- d 55. Which of the following should be covered by the personnel department during a new employee orientation?
- a. Instructional methods to be used
  - b. History of the school district
  - c. Enrollment trends of the school district
  - d. Explanation of insurance benefits

- b 56. Which element is a cornerstone in the development of a performance improvement plan?
- a. The narrative of the plan
  - b. The timeline
  - c. The method of monitoring
  - d. The format of the plan

- C 57. Which item may be asked for in a job application process?
- a. Gender
  - b. Year of birth
  - c. Education
  - d. Age of dependents

a 58. A maintenance director discusses not interviewing an applicant for a custodial position because "everyone on the interview team agrees this person is too old for this job". How should a school business official react to this statement?

- a. Explain to the team that ability is what is important not age
- b. Suggest that the committee interview the person and discuss the impact of his or her age on the job
- c. Remind the maintenance director that people are working longer these days
- d. Establish a maximum age limit for future custodial hiring

b 59. When is it allowable to ask if a person needs accommodation to perform the essential functions of the job?

- a. In the job advertisement
- b. In the letter of hire
- c. On the application
- d. During the interview

a 60. A computer technician who does repair and services to computers and reports to the director of technology is a non-exempt employee. What does this mean?

- a. This position must be paid based on a hourly rate and paid the overtime rate for over 40 hours in a week
- b. This position may be paid on a salary basis, avoiding the need to pay overtime
- c. Vacation and sick leave are required as part of federal law
- d. If the employee works on Sunday, double the hourly rate must be paid

a 61. A popular five-year business office clerical employee is consistently behind in work assignments and provides incorrect or incomplete results. This individual has been verbally warned and encouraged to improve. What should the school business official do?

- a. Prepare a written analysis of the problem and recommendations for improvement, then meet with the employee and discuss the necessary steps
- b. Do nothing because further action may result in staff morale problems
- c. Give the employee a written warning of the consequences that will ensue if his or her performance does not improve
- d. Allow the employee additional time in which to perform his or her work or divert some of the duties to someone else