

Managing the School Business Manager Role
ALASBO School Business Academy
December 3, 2017

Overview of the Business Office – tying it all together with a goal of sanity targeting work-family balance ☺

Instruction – mostly SEP

Instructional Support – the business side of school districts = the business manager

Annual Calendar

Importance of the role of business manager – district and community

Blunders & pitfalls for the new business manager & how to avoid them – bottom line is communication

Everything you do is based on a standard of some sort that you can always refer back to:

Code of Ethics – ASBO document attached

Professional Standards – ASBO document available at www.asbointl.org (information included)

Generally Accepted Accounting Principles – Document included

Chart of Accounts – to be covered later today

Board Policy – be sure to read it all and know the sections that pertain to you: the business section is the responsibility of the business manager

Strategic Plan – should be basis for district operations and budget (stabilizes the budget process from wants to identified and planned needs)

Standard Operating Procedures – outlines enforceable processes

Internal Controls – protect public, district, **and you**

Politics Internal and External – what you do in public matters, even what you do on a personal level

Board Relations

Two (2) year learning curve

Paperless – saves you time.....but you have to decide you are going to do this

Website – keeper of all things pertaining to the school district: business manager is responsible for business office section content

Electronic Filing – grants, payroll, etc.

Manuals – electronically maintained

Forms Folder – electronic forms

No more copying files for the auditors ☺

Revisit your software(s)...probably using at minimal levels

Time Management

Electronic Calendar

2 monitors or 1 large monitor – split screen

Close your door and put your phone on record

5 minute planning tool

It is ok to say ‘No’

Triage your email and turn off the ‘dinger’

Try not to multi-task; working on one thing at a time results in you being calmer, more productive, and strangely enough you’ll will get more done in less time.....really!

Making changes

Research

Implementation Plan

Communication Plan

Training

Retraining and training for new hires

Remember a sense of humor often saves the day. 😊

Resources

ALASBO Mentor

ALASBO Website – www.alasbo.org

ASBO Website – www.asbointl.org

PASBO Website – www.pasbo.org

Resource Center – RFPs for audit, banking, etc.

US Communities – www.uscommunities.org

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Here are some time management suggestions compiled by Claire Hertz, CFO, Beaverton School District:

- Create a to do list and review daily - keeping important items on the top of the list - these will help you reach your goals for the year
- Remember urgent is not always important - if all I worked on was urgent, I would never get to the more strategic work of the financial leader of the district
- Ignore email for blocks of time to get high level thinking work done - it's easy to be distracted
- Email and urgent tasks - touch it only once - delegate or get it done as received
- Save everything you do electronically - most likely you will do it again in the future
- Document with notes for tasks to be repeated in the future (use cell notes in Excel)
- Schedule weekly meetings with direct reports - give quality time, so they can get their work done
- Empower staff with the ability to make decisions - ask staff what they think we should do when they bring an issue to your attention, most times they already know the answer
- Be consistent - staff appreciate knowing how you're going to respond to an issue based on previous actions
- Block out time on your calendar to complete a project
- Use the end of the day or the end of the day as your quiet time to clear large projects
- Set your office clock 5-10 minutes fast so are on time to meetings

- When financial projections change significantly for the good or bad, verify your numbers are correct AND tell your superintendent right away. Be ready to explain why the numbers have changed. Superintendents do not like surprises when it comes to fund balance. Neither do board members.
- Remember the 80/20 rule

Source: ASBO Digest

Here are some time management suggestions compiled by David Janek, Business Manager for the Rapid City Area Schools, South Dakota

Managing priorities is not unique to the School Business Official. Every executive in either the private or public sector at some time in their career will be challenged by more work to do than hours in the day. I think there are some keys to successful planning that I have used over my 30 years in the private and public sectors.

1. No matter what system you use make it your system; it can be paper, electronic, off the shelf or a formal planning product. There is no one size fits all, use what you are confident and comfortable with or it won't get used and your day will become more frustrating not less.

2. Use the touch once theory. When going through paperwork, or mail or the volume of paper that has to cross our desks daily make a habit to touch it once. Either solve

it, file it, delegate it, throw it, or set it to follow up at a later date. Not constantly reviewing the same material makes the piles manageable.

3. Use timelines, a crisis is a crisis and has to be dealt with now, but those are rare. Most tasks can and should be scheduled out on a realistic, yet aggressive timeline for completion or follow-up. Remember we have 5 days in a week not everything will or should get done today.

4. Get away from your desk for at least 30 minutes each day. You may ask ‘how this will help me manage my day’. The answer is simple; we all need a break go to lunch, or walk around the building, but get away from your desk for some time. The brief break allows your mind to regroup and gain some perspective about what has been accomplished so far. When you get back you can reassess and reprioritize the remainder of your day to maximize what can get done.

5. Eat the frog first. We all have things we like to do and things we don't enjoy so much. When those things that we find less enjoyable or more challenging appear on the ‘to do list’, take them on first when you are fresh and rested. Putting them off till the last when you are tired only makes the work more challenging; consequently, the quality of our results are not as good.

Source: ASBO Digest

**Leadership suggestions compiled by Clair Hertz, CFO,
Beaverton School District:**

- Communication is the most important work we do.
- Staff and community members remember every interaction they have with you even if it's ten years later. While you may work with hundreds (or thousands) of staff members, there is only one business administrator. So make sure each interaction is a good one.
- Follow through. If you say you are going to do something, than do it. Figure out a system for yourself - I have to write something down for it to get done. You will know what works best for you.
- Hiring is the most important work we do. Every hire must be the best hire. If you don't find the best, repost the position and try again. When we compromise on hiring, the compromise could have a negative affect for 30 years. Are you really willing to leave this as a legacy?
- Safe environment - making the work place a safe environment through trust and respect will lead to innovation.
- It's the little things. I have 22 people in our business office. I walk through every day and do a quick check in. It may take time out of my day, and I reap the benefit of smiling staff who know I'm there if they need me.

- Go visit a classroom. Remind ourselves what teachers do for our kids every day.

Source: ASBO Digest

**Alaska Association of School Business Officials
Business Officials Master Calendar**

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|-----------|--|
| July | <ul style="list-style-type: none">• Close prior fiscal years - final reconciliations, journal entries• Quarterly grant reimbursement billings - close grants or use 5th quarter• Current year budget report due to DEED - July 15• Payroll quarterly reports - 941, ESC, etc. |
| August | <ul style="list-style-type: none">• Annual audit conducted by independent auditors |
| September | <ul style="list-style-type: none">• Finalize annual financial report• CIP six year plan due to DEED - requires Board action (due dates and forms on DEED website)• 70/30 waiver request |
| October | <ul style="list-style-type: none">• Prior year audited annual financial report due to DEED• Quarterly grant reimbursement billings• Payroll quarterly reports
• OASIS 20 day count period ends the 4th Friday in October• Review current year's budget for validity - adjust for actual hires - requires Board action• ASBO Annual Conference |
| November | <ul style="list-style-type: none">• OASIS is due 10 days after the close of the 20 day count period• Subsequent year's enrollment projection is due with the OASIS report <p>Note: DEED is required to withhold funds if prior year audited financial report hasn't been received by DEED</p> |
| December | <ul style="list-style-type: none">• Respond to OASIS findings• Develop subsequent year's budget• Indirect cost rate report• ALASBO Annual Conference |
| January | <ul style="list-style-type: none">• Quarterly grant reimbursement billings• Payroll quarterly reports• Reconcile mail w-2's• Alaska Legislature convenes• Reconcile and mail 1099's Impact Aid report |
| February | <ul style="list-style-type: none">• Develop subsequent year's budget - requires Board action• W3• 1096 (?) report |

March	<ul style="list-style-type: none"> • Take a vacation
April	<ul style="list-style-type: none"> • Quarterly grant reimbursement billings • Payroll quarterly reports • ALASBO Legislative Fly-In
May	<ul style="list-style-type: none"> • Alaska Legislature adjourns (usually)
June	<ul style="list-style-type: none"> • Update subsequent year's budget for any funding changes resulting from Legislative action
Monthly	<ul style="list-style-type: none"> • Review all bank reconciliations • Review all general ledger accounts • Food service reports due to DEED • Pupil Transportation Student Accident Report to DEED
Other	<ul style="list-style-type: none"> • Book mark the DEED website as a favorite on your computer • Monitor State Board of Education Meetings - Agendas and minutes available on line at DEED website • Monitor PERS/TRS Retirement Board Meetings - Agendas and minutes available on line - Division of Retirement and Benefits • Monitor all legislation pertinent to education • Become a member of Alaska Association of School Business Officials • Become a member of Association of School Business Officials www.asbointl.org • E-Rate - November and January deadlines usually • Insurance renewals, etc. • Gaming Report • Lobbyist Report • Review prior year files to get a 'lay of the land'

ASBO International's Code of Ethics

Basic Beliefs

Members and associate members of the Association of School Business Officials International, including its affiliates, are committed to conducting themselves within the highest standards of professional and personal ethics, to continuing ongoing professional growth and development, and to developing these beliefs in others with whom they work.

Members assume the responsibility for providing professional leadership in their schools, communities, and organizations. This responsibility requires members to maintain standards of exemplary personal and professional conduct. To these ends, members subscribe to the following standards.

Ethical Standards

In all activities, members and associate members in good standing of ASBO International and its accredited affiliates shall:

1. Make the well-being of all students, staff, and fellow members a fundamental value in all decision making and actions
2. Fulfill professional responsibilities with honesty and integrity
3. Support the principle of due process and protect the civil and human rights of all individuals
4. Obey all local, state, and national laws
5. Implement the policies and administrative rules and regulations of the employing organization (school district, private school and/or associated organization)
6. Pursue appropriate measures to correct those laws, policies, and regulations that are not consistent with this code of ethics
7. Not tolerate the failure of others to act in an ethical manner and will pursue appropriate measures to correct such failures
8. Never use their positions for personal gain through political, social, religious, economic, or other influence
9. Honor all contracts until fulfillment or release.

Ethical Conduct

In all activities, members and associate members in good standing of ASBO International and its accredited affiliates shall demonstrate their adherence to the standards set forth above by:

1. Actively supporting the goals and objectives of the educational institution with which they work
2. Interpreting the policies and practices of their employer to the staff and to the community fairly and objectively
3. Implementing, to the best of their ability, the policies and administrative regulations of their employer
4. Assisting fellow members, as appropriate, in fulfilling their obligations
5. Supporting a positive image of the educational institution with which they work

6. Not publicly criticizing board members, superiors, administrators, or other employees.
7. Helping subordinates achieve their maximum potential through fair and just treatment
8. Maintaining confidentiality of data and information
9. Accurately and objectively reporting data, in a timely fashion, to authorized agencies.

Expectations of Personal and Professional Integrity

In the conduct of business and the discharge of responsibilities, each member will:

1. Conduct business honestly, openly, and with integrity
2. Avoid conflict of interest situations by not conducting business with a company or firm in which the official or any member of the official's family has a vested interest
3. Avoid preferential treatment of one outside interest group, company or individual over another
4. Uphold the dignity and decorum of their office in every way
5. Never use their position for personal gain
6. Never accept or offer illegal payment for services rendered
7. Not accept gifts, free services, or anything of value for or because of any act performed or withheld
8. Support the actions of colleagues whenever possible
9. Actively support appropriate professional associations aimed at improving school business management, and encourage colleagues to do likewise
10. Accept leadership roles and responsibilities when appropriate.

Failure of an ASBO member to subscribe to and implement the above Ethical Standards and Conduct may result in loss of "member in good standing" status, as set forth in the ASBO International Policies and Procedures.

Notice of Disclaimer: The Association of School Business Officials International (ASBO) assumes no liability, in part or in whole, for results or outcomes stemming from actions, including performance or non-performance, as well as misuse or misinterpretation of these professional standards or code of ethics.

See also: ASBO's International School Business Management Professional Standards

Generally Accepted Accounting Principles

Accountants use **generally accepted accounting principles (GAAP)** to guide them in recording and reporting financial information. GAAP comprises a broad set of principles that have been developed by the accounting profession and the Securities and Exchange Commission (SEC). Two laws, the Securities Act of 1933 and the Securities Exchange Act of 1934, give the SEC authority to establish reporting and disclosure requirements. However, the SEC usually operates in an oversight capacity, allowing the FASB and the Governmental Accounting Standards Board (GASB) to establish these requirements. The GASB develops accounting standards for state and local governments.

The current set of principles that accountants use rests upon some underlying assumptions. The basic assumptions and principles presented on the next several pages are considered GAAP and apply to most financial statements. In addition to these concepts, there are other, more technical standards accountants must follow when preparing financial statements. Some of these are discussed later in this book, but other are left for more advanced study.

Economic entity assumption. Financial records must be separately maintained for each economic entity. Economic entities include businesses, governments, school districts, churches, and other social organizations. Although accounting information from many different entities may be combined for financial reporting purposes, every economic event must be associated with and recorded by a specific entity. In addition, business records must not include the personal assets or liabilities of the owners.

Monetary unit assumption. An economic entity's accounting records include only quantifiable transactions. Certain economic events that affect a company, such as hiring a new chief executive officer or introducing a new product, cannot be easily quantified in monetary units and, therefore, do not appear in the company's accounting records. Furthermore, accounting records must be recorded using a stable currency. Businesses in the United States usually use U.S. dollars for this purpose.

Full disclosure principle. Financial statements normally provide information about a company's past performance. However, pending lawsuits, incomplete transactions, or other conditions may have imminent and significant effects on the company's financial status. The full disclosure principle requires that financial statements include disclosure of such information. Footnotes supplement financial statements to convey this information and to describe the policies the company uses to record and report business transactions.

Time period assumption. Most businesses exist for long periods of time, so artificial time periods must be used to report the results of business activity. Depending on the type of report, the time period may be a day, a month, a year, or another arbitrary period. Using artificial time periods leads to questions about when certain transactions should be recorded. For example, how should an accountant report the cost of equipment expected to last five years? Reporting the entire expense during the year of purchase might make the company seem unprofitable that year and unreasonably profitable in subsequent years. Once the time period has been established, accountants use GAAP to record and report that accounting period's transactions.

Accrual basis accounting. In most cases, GAAP requires the use of accrual basis accounting rather than cash basis accounting. **Accrual basis accounting**, which adheres to the revenue recognition, matching, and cost principles discussed below, captures the financial aspects of each economic event in the accounting period in which it occurs, regardless of when the cash changes hands. Under cash basis accounting, revenues are recognized only when the company receives cash

or its equivalent, and expenses are recognized only when the company pays with cash or its equivalent.

Revenue recognition principle. Revenue is earned and recognized upon product delivery or service completion, without regard to the timing of cash flow. Suppose a store orders five hundred compact discs from a wholesaler in March, receives them in April, and pays for them in May. The wholesaler recognizes the sales revenue in April when delivery occurs, not in March when the deal is struck or in May when the cash is received. Similarly, if an attorney receives a \$100 retainer from a client, the attorney doesn't recognize the money as revenue until he or she actually performs \$100 in services for the client.

Matching principle. The costs of doing business are recorded in the same period as the revenue they help to generate. Examples of such costs include the cost of goods sold, salaries and commissions earned, insurance premiums, supplies used, and estimates for potential warranty work on the merchandise sold. Consider the wholesaler who delivered five hundred CDs to a store in April. These CDs change from an asset (inventory) to an expense (cost of goods sold) when the revenue is recognized so that the profit from the sale can be determined.

Cost principle. Assets are recorded at cost, which equals the value exchanged at the time of their acquisition. In the United States, even if assets such as land or buildings appreciate in value over time, they are not revalued for financial reporting purposes.

Going concern principle. Unless otherwise noted, financial statements are prepared under the assumption that the company will remain in business indefinitely. Therefore, assets do not need to be sold at fire-sale values, and debt does not need to be paid off before maturity. This principle results in the classification of assets and liabilities as short-term (current) and long-term. **Long-term assets** are expected to be held for more than one year. **Long-term liabilities** are not due for more than one year.

Relevance, reliability, and consistency. To be useful, financial information must be relevant, reliable, and prepared in a consistent manner. **Relevant information helps** a decision maker understand a company's past performance, present condition, and future outlook so that informed decisions can be made in a timely manner. Of course, the information needs of individual users may differ, requiring that the information be presented in different formats. Internal users often need more detailed information than external users, who may need to know only the company's value or its ability to repay loans. **Reliable information** is verifiable and objective. **Consistent information** is prepared using the same methods each accounting period, which allows meaningful comparisons to be made between different accounting periods and between the financial statements of different companies that use the same methods.

Principle of conservatism. Accountants must use their judgment to record transactions that require estimation. The number of years that equipment will remain productive and the portion of accounts receivable that will never be paid are examples of items that require estimation. In reporting financial data, accountants follow the **principle of conservatism**, which requires that the less optimistic estimate be chosen when two estimates are judged to be equally likely. For example, suppose a manufacturing company's Warranty Repair Department has documented a three-percent return rate for product X during the past two years, but the company's Engineering Department insists this return rate is just a statistical anomaly and less than one percent of product X will require service during the coming year. Unless the Engineering Department provides compelling evidence to support its estimate, the company's accountant must follow the principle of

conservatism and plan for a three-percent return rate. Losses and costs—such as warranty repairs—are recorded when they are probable and reasonably estimated. Gains are recorded when realized.

Materiality principle. Accountants follow the **materiality principle**, which states that the requirements of any accounting principle may be ignored when there is no effect on the users of financial information. Certainly, tracking individual paper clips or pieces of paper is immaterial and excessively burdensome to any company's accounting department. Although there is no definitive measure of materiality, the accountant's judgment on such matters must be sound. Several thousand dollars may not be material to an entity such as General Motors, but that same figure is quite material to a small, family-owned business.

