

Introduction to.... SCHOOL BUSINESS

September 21, 2016



Neil R. Cassabon
Deputy Superintendent
Warren Woods Public Schools



Reeths-Puffer Schools
A GREAT PLACE TO LEARN, CONTRIBUTE AND COMPETE

Jason Helsen
Director of Finance
Reeths-Puffer Public Schools



Michigan School Business Officials

Who we are.....

NC/JH

"MSBO Leaders Shaping the Future"

2

Introduction to...
SCHOOL BUSINESS



School Business Official?



Areas of Responsibility



Financing Schools



Communications

NC

3



Michigan School Business Officials

What is a School Business Official?

NC

"MSBO Leaders Shaping the Future"

4

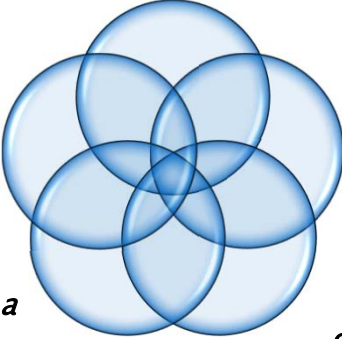
*Introduction to....
SCHOOL BUSINESS*

SCHOOL BUSINESS OFFICIAL?

*Who are School
Business
Officials?*

*Does
certification
matter?*

*How do you
become a
SBO?*



*What makes a
good SBO?*

*How are
SBO's related?*

NC
5

*Introduction to....
SCHOOL BUSINESS*

SCHOOL BUSINESS OFFICIAL?

*Who are School
Business Officials?*



- Business Office
- Chief Finance Officer
- Business Manager
- Accountant
- Accounts Payable/Receivable
- Payroll
- Human Resources/Benefits
- Pupil Accounting

NC
6

*Introduction to....
SCHOOL BUSINESS*

SCHOOL BUSINESS OFFICIAL?



Who are School Business Officials?

- Support Services
 - Facilities / Maintenance
 - Transportation
 - Food Services
 - Technology
 - Human Resources
 - Benefits

NC

7

*Introduction to....
SCHOOL BUSINESS*

SCHOOL BUSINESS OFFICIAL?



How do you become a SBO?

- Specialize in "public" finance/operations
- Work in a School District/ISD/Charter/Cyber
- Training and Local SBO Involvement
- Non-traditional route



How are SBO's related?

- Finance impacts all areas of school business because the budget is based on the districts strategic/operational plan
- Provide support for the educational process
- Must work together for success

NC

8

Introduction to...
SCHOOL BUSINESS

SCHOOL BUSINESS OFFICIAL?



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
- Gives you credibility with Board/Staff/Community
- Keeps you well balanced and current on industry
- Leadership Development
- Continuing Education Opportunity

NC

9



Michigan School Business Officials

What are School Business Officials responsible for?

JH

"MSBO Leaders Shaping the Future"

10

*Introduction to....
SCHOOL BUSINESS*

AREAS OF RESPONSIBILITY



FINANCIAL MANAGEMENT

- Accounting
- Basis for Accounting
- Internal Controls
- Fraud Prevention
- Financial Statement Preparation

JH

11

*Introduction to....
SCHOOL BUSINESS*

AREAS OF RESPONSIBILITY



FINANCIAL MANAGEMENT

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

JH

12

Introduction to...
SCHOOL BUSINESS

AREAS OF RESPONSIBILITY



FINANCIAL MANAGEMENT

- **Accounts Receivable**
 - Track Revenues not yet received by the District
 - Provide method for accruing revenues
 - Consistency is critical for comparative analysis from year to year
- **Accounts Payable**
 - Payment of District bills
 - Vendor relations
 - Districts reputation

JH

13

Introduction to...
SCHOOL BUSINESS

AREAS OF RESPONSIBILITY



FINANCIAL MANAGEMENT

- **Purchasing**
 - Board Policy
 - Purchase Orders
 - Contracts
 - National Purchasing Cooperatives
 - Purchasing Cards
 - Public Accountability
 - Bidding / Request for Proposals

JH

14

*Introduction to....
SCHOOL BUSINESS*

AREAS OF RESPONSIBILITY



FINANCIAL MANAGEMENT

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

JH

15

*Introduction to....
SCHOOL BUSINESS*

AREAS OF RESPONSIBILITY



FINANCIAL MANAGEMENT

- **Financial Reports**
 - Power-Point
 - Executive Summary
 - Detailed Spreadsheets
 - Performance Reporting
 - Environment of Trust
 - Telling your Story
 - Cash Flow Management
 - Tax Collections
 - State Aid Payments
 - Debt Management

JH

16

Introduction to...
SCHOOL BUSINESS

AREAS OF RESPONSIBILITY



FINANCIAL MANAGEMENT

- Negotiations and Benefit Design
- Small Changes can have big results
- Be a Part of the Process
- More than just Salary
 - Minutes/Hours
 - Days of Instruction
 - Impact on other Groups
 - Class Size
- Contract End Date
- ACA
- Benefit Levels
- Fully Insured vs Self Insured

JH

17

Introduction to...
SCHOOL BUSINESS

AREAS OF RESPONSIBILITY



Facilities and Operations Management

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

NC

18

*Introduction to...
SCHOOL BUSINESS*

AREAS OF RESPONSIBILITY



Management of Information Systems

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

NC
19

*Introduction to...
SCHOOL BUSINESS*

AREAS OF RESPONSIBILITY



Management of Human Resources

- Hiring of Good Employees
- Qualifications
- References
- Probationary Periods
- Goals
- Compensation Management
- Internal Equity
- External Equity
- Evaluation Process

NC
20

*Introduction to....
SCHOOL BUSINESS*

AREAS OF RESPONSIBILITY



Transportation Services

- Large and Complex regardless of school district size
- Routing and Bus Stop Management
 - Move in's and Move out's
- Staff Training and Certification
- Fleet Maintenance
- Fleet Replacement
- Athletic/Student Activity Needs
- Often the first and last school contact of the day

NC
21

*Introduction to....
SCHOOL BUSINESS*

AREAS OF RESPONSIBILITY



Food Service Programs

- Meal Prices
 - Full Pay
 - Free and Reduced Lunch
 - Application Mgmt.
 - Claims Mgmt.
- Food and Labor Costs
- Commodities
- Nutritional Requirements
- Inventory Management

NC
22



Michigan School Business Officials

The year from a Business Office Perspective

NC

"MSBO Leaders Shaping the Future"

23

*Introduction to....
SCHOOL BUSINESS*

MONITORING THE BOOKS

**MAIN RESPONSIBILITY:
ACCURACY OF DISTRICT
FINANCIAL DATA**

NC

24

Introduction to...
SCHOOL BUSINESS

DUE DATES!

TASK CALENDAR

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

NC
25

Introduction to...
SCHOOL BUSINESS

DUE DATES!

The screenshot shows the MSBO website interface. At the top, there is a navigation menu with items: EVENTS, FINANCE, BUSINESS SOLUTIONS, SUPPORT SERVICES, CERTIFICATION, COMMUNICATIONS, and ABOUT. Below the menu, the page title is "LIBRARY - SCHOOL FINANCE". The main content area is divided into several sections:

- MEMBER LOGIN:** Includes a text input field with "12858", a password field, and a "LOG IN" button.
- QUICK LINKS:** A vertical list of buttons for "EVENT REGISTRATION", "MEMBERSHIP INFO", "SCHOOL PURCHASING PAGES", "MEMBERSHIP DIRECTORY", "COMMITTEES", "REGIONAL GROUPS", and "LIBRARY".
- ACTIVITY FUNDS:** A list of links including "Activity Fund Procedures I", "Activity Fund Procedures II", "Activity Fund Procedures III", "Activity Fund Procedures IV", "Activity Ledger Form", "Athletic Ticket Procedures", "Athletic Ticket Sales I", "Athletic Ticket Sales II", "Athletic Ticket Sales III", and "Student Fund Raising Activity Form".
- AUDIT PREPARATION PROCEDURES:** A list containing "Sample District Audit Preparation Schedule".
- BANKING:** A list containing "ACH Policy" and "ACH Resolution".
- RELATED PAGES:** A list of links including "Education", "Facilities", "Food Service", "Human Resources", "Job Descriptions", "Job Evaluations", "Media/Public Relations", "Presentations", "Public Safety", "Purchasing", "School Finance", "Sinking Fund", "Technology", "Transportation", and "Annual Conference Handouts".

NC
26

MONITORING THE BOOKS

DAILY and WEEKLY RESPONSIBILITIES

- REVIEW/APPROVE ACCOUNTS PAYABLE TRANSACTIONS
- REVIEW/APPROVE PAYROLL TRANSACTIONS
- BANKING AND CASH FLOW NEEDS

NC

27

MONITORING THE BOOKS

MONTHLY RESPONSIBILITIES

- RECONCILIATION OF BALANCE SHEET ACCOUNTS
- FEDERAL AND STATE GRANTS
- BUDGET TO ACTUAL COMPARISON REPORT
- BANKING AND CASH FLOW NEEDS

NC

28

MONITORING THE BOOKS

QUARTERLY and ANNUAL RESPONSIBILITIES

- GRANT BUDGET REVIEW AND UPDATES
- BOARD OF EDUCATION UPDATES
- BUDGET AMENDMENTS
- BUDGET PLANNING WORK SESSIONS
- AUDIT
- TRANSPARENCY REPORTING
- PUPIL ACCOUNTING
- TAX LEVIES AND DEBT SERVICE

NC

29

MONITORING THE BOOKS

ONGOING, ON-DEMAND RESPONSIBILITIES

- SUPERVISING STAFF
- WORKING WITH YOUR SUPERINTENDENT
- BOARD OF EDUCATION UPDATES
- PROVIDING FINANCIAL INFORMATION TO COUNTLESS OTHERS
- TRAINING OF STAFF
- USE OF CONSISTENT REPORTS AND GRAPHICS
- COOPERATIVELY WORK WITH ALL AREAS OF DISTRICT
- SPECIAL EDUCATION, TRANSPORTATION, MAINTENANCE, TECHNOLOGY, FOOD SERVICE

NC

30



Michigan School Business Officials

How are Schools financed in Michigan?

JH

"MSBO Leaders Shaping the Future"

31

*Introduction to....
SCHOOL BUSINESS*

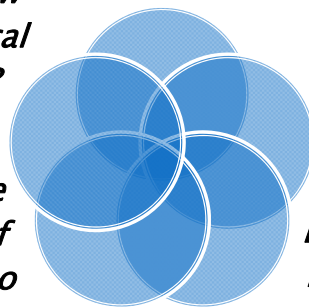
FINANCING SCHOOLS

*How do
property
taxes flow
to my local
school?*

*How are
schools
financed?*

*What is the
School Aid
Fund?*

*Why is the
number of
students so
important?*




*Doesn't the
Lottery pay
for
Schools?*

JH


32

*Introduction to...
SCHOOL BUSINESS*

FINANCING SCHOOLS



STATE AID...



*...AND
EVERYTHING
ELSE*

JH
33

*Introduction to...
SCHOOL BUSINESS*

FINANCING SCHOOLS



STAFFING...



*...AND
EVERYTHING
ELSE*

JH
34

Introduction to...
SCHOOL BUSINESS

State Aid Calculation

Number of Pupils X Foundation Allowance

Less

18 mills X District Non-Homestead TV

Equals

Amount State pays the district

JH

35

Introduction to...
SCHOOL BUSINESS

State Aid Calculation

STATE OF MICHIGAN
2015-2016 State Aid Financial Status Report
Payment Dated: 08/22/2016

District: 61220 ISD: 61
Reeths-Puffer Schools

State Aid Membership	3,789.93
General ED K-12 (23a: 0.01)	3,630.55
Supplemental 2015	3,684.26
Fall 2015	3,624.57
Special ED K-12 Sec 52	159.38
Supplemental 2015	168.78
Fall 2015	158.34
Special ED K-12 Sec 53	0.00
Supplemental 2015	0.00
Fall 2015	0.00

FY 2016 Foundation	7,391.00
FY 1995 Foundation	4,738.34

	Amount	Mills	Revenue
Non-Pre TV	145,387,663	18.000	2,616,978
Comm PP TV	13,901,400	6.000	83,408
Assumed Local Revenue			2,700,386

Local Revenue Per GE	743.80
Local Revenue Per Membership	712.52

Special Ed. Costs	4,870,197.00
Special Ed. Transp. Costs	234,116.00

CURRENT YEAR ALLOWANCES

	Amount	Pct to Date	Previous Amts	Current Amt
22a PROP A OBLIGATION (State PP: \$4,025.82)	15,257,575.99	100.00 %	13,869,825.45	1,387,750.54
51c SPEC ED HEADLEE OBLIGATION	1,558,404.72	100.00 %	1,416,589.89	141,814.83
22b DISCRETIONARY PAYMENT	8,897,346.92	100.00 %	8,088,098.25	809,248.67
31A AT RISK	1,017,339.34	100.00 %	924,761.46	92,577.88
35a(6) EARLY LITERACY TARGETED INSTRUCTIO	44,550.00	100.00 %	40,495.95	4,054.05
102d FINANCIAL ANALYTIC TOOLS	5,504.52	100.00 %	5,504.95	(0.43)
152a HEADLEE OBLIGATION FOR DATA COLLEC	95,425.93	100.00 %	86,747.06	8,678.87
147a MPSERS COST OFFSET	263,760.88	100.00 %	239,758.64	24,002.24
147c MPSERS UAAL RATE STABILIZATION	2,130,329.37	100.00 %	1,936,469.40	193,859.97
25g PUPIL EXCEEDING 1.0 FTE	1,182.56	100.00 %	0.00	1,182.56
26a RENAISSANCE ZONE	13,335.01	100.00 %	12,121.52	1,213.49
31d SCHOOL LUNCH	60,533.23	100.00 %	55,024.71	5,508.52
99s(6) SCIENCE OLYMPIAD AND STEM PROGRAM	750.00	100.00 %	681.75	68.25
	\$29,346,038.47		\$26,676,079.03	\$2,669,959.44

JH

36

Introduction to...
SCHOOL BUSINESS

What is a Mill & What is it Worth?

- ▶ 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
- ▶ $\$100,000 / 1,000 = 100$
- ▶ $100 \times 22 \text{ mills} = \$2,200 \text{ Tax bill}$

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

JH

37



Michigan School Business Officials

Local Budget Process

JH

"MSBO Leaders Shaping the Future"

38

Introduction to...
SCHOOL BUSINESS

Every Year its Gloom and Doom, yet everything seems to turn out ok. What's up with that?



- ▶ A budget is the financial roadmap for the District. If you don't like the destination, you make changes so you end up where you want to be on that map.

JH

39

Introduction to...
SCHOOL BUSINESS

Budget Process – Legal Stuff

- ▶ **State Requirements**
 - Adopted annually, no later than June 30 for the next fiscal year
 - Cannot show fund balance in a deficit
 - May be amended as many times as needed
 - Requires Board action for adoption and amendment
- ▶ **Local Requirements**
 - Understand Board Policy
 - Work with your Superintendent
 - Each District handles things differently

JH

40

Introduction to...
SCHOOL BUSINESS

Questions and Comments

"MSBD Leaders Shaping the Future"

JH
NC

41

Contact Information

Neil R. Cassabon
Deputy Superintendent
Warren Woods Public Schools
ncassabon@mywwps.org
(586) 439-4413

Jason Helsen
Director of Finance
Reeths-Puffer Schools
helsenj@reeths-puffer.org
(231) 719-3110

"MSBD Leaders Shaping the Future"

JH
NC

42