

# Orienting Board Members to the School Business Office

*There are six aspects of school business that SBOs should share with the school board.*

By Jeff Feyerer



**W**hen new school board members take their seat at the table, they may have developed a basic understanding of the inner workings of the district before their election to the board, but they rarely are fully prepared for the vast array of responsibilities thrust upon them in their new position.

For example, almost overnight, they are tasked with upholding fiscal responsibility and integrity and with overseeing and directing the allocation of district resources to ensure the highest quality of education for the students. They can meet that responsibility with much greater success if they have a school business official by their

side who is willing and able to share the essential elements of school finance.

When I started in my position as a school business manager just over four years ago, I was lucky to begin at the same time as two new board members who had little knowledge of school finance. Through that first year, I answered their questions and

discussed with them the elements of the school business office.

## Six Aspects of School Business

The following are the aspects of school business that I believe school business officials should share with school board members:

**1. Structure, role, and responsibilities of the school business office.** Before delving into the nitty-gritty of budgeting, levying, and projections, describe how your particular business office works. Every business office is unique with varying levels of personnel, responsibilities, and delegation.

Use an organization chart to walk through the scope and detail of jobs and responsibilities. Who does payroll? Who handles purchasing? How long has each person been with the district? Answering those questions not only will shed light on the hard-working people within your business office, but also should give new board members the confidence that everything on the financial side is covered by the school business official.

**2. Fund accounting and account structure.** Unless new board members are coming from a profession that uses fund accounting, the reporting and recording of district finances using this method will likely be foreign to them. They need to know that the district funds aren't thrown into one big pot but are instead segmented to create order. I added tools to our budget document that fully describe each fund and the other elements of the accounting structure.

Knowing what monies go into each fund and what monies can be expended in each fund is vital to understanding the methodology of budgeting. In addition, go deeper and walk board members through account code structure to understand types (i.e., revenues, expenditures), functions (i.e., regular education, special education), objects (i.e., salaries, benefits), and sources of monies.

**3. Board documents.** In our monthly board packets, we have a standard set of financial reports that we distribute to the entire group along with the agenda and minutes. Our report consists of (a) a fund balance summary report, (b) a year-to-date status of our revenue and expenditure accounts versus the budget, (c) a check listing, and (d) a procurement card listing. Those reports are not necessarily standard for every school district, but it is important to give new board members an overview of what they will be seeing on a monthly basis and what information they can expect to receive from the business office.

Other points to touch on may be vendors that appear on bill lists regularly, important contractual obligations, and the rationale for anomalies that may appear in budget reports. Having this information will make

the task of reviewing the documents less daunting each month.

**4. The budgetary process.** Earlier, I touched on the importance of explaining fund accounting and the structure of the budget, but new board members may not fully grasp that developing the budget is a yearlong process. As soon as one year's budget is approved and submitted, work starts on the next year's budget and beyond.

It's also important for board members to know that one person is not solely responsible for budget development. Proper budget development incorporates information derived from many sources: school administrators, operations directors, technology directors, transportation directors, and countless others. Understanding the method behind the entire process helps board members better convey to the community the rationale behind the budget and better highlight their commitment to their fiduciary duty to safeguard taxpayers' money.

**5. The levy process.** In my experience, the most complicated activity for board members to get a handle on is the levy process. Since levies are a major source of district funds, they are something all board members need to understand. Taking them through a timeline of the levy process, explaining the accompanying terminology and how property is valued, and then describing how the district approaches the levy on the basis of past trends and future projections (including future revenues and expenditures) can help simplify a difficult concept.

**6. Long-term plans.** Whether it pertains to financial and enrollment projections or long-term facility and technology plans, a long-range viewpoint can provide context to the present while showing that there is always a focus on the future. Providing board members with the rationale for why plans are developed and how the business office carries out each step of the plan will tie together many of the concepts already explained, such as budgeting and levying.

## Working Together

Knowledge about these six aspects of school business can create a strong foundation for new board members. But even after school business officials have addressed each area, a need may arise for additional professional development.

Always have an honest and open dialogue with new board members; they are a direct connection to your entire community. Give them the appropriate tools so they can be knowledgeable participants in the process and can effectively communicate with the community about the issues facing your school business office.

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