

March 4, 2008

Dear Colleague:

We hope that you are looking forward to ACI School Business Management. The weekend format is very fast-paced. One of our expectations is that you will have all of your materials with you and be ready to discuss them. The materials which you need to have when you come to class are:

1. A copy of your school district budget for FY 2008 (the year ending on June 30) on the official state form, as adopted/amended by your local district.
2. A copy of your latest line item "board report" showing how the budget is doing, compared to how it was originally adopted.
3. A copy of the Illinois accounting manual, which I would suggest you borrow. Otherwise, they are available **FREE** from the Illinois State Board of Education. (do not need for class sessions but may need access to it during course)
4. A copy of "State, Local and Federal Financing of Illinois Schools." Your superintendent should have an old copy. If not, they are online at ISBE.net.
5. The information requested in the Budget Development Exercise enclosed with the syllabus.
6. Copies of the audit reports for the last three years. (FY 2005, 2006, 2007). If the FY2007 audit is not available, please bring the unaudited figures.
7. A copy of each month's board report for the Education Fund showing income and expenses for the twelve month period from July 1, 2006 - June 30, 2007. Also be sure to include the beginning balance and ending balance for the year.
8. A copy of the school district's goals, investment policy and long-range plans.
9. A calculator

You will also need to be able to use a spreadsheet program such as EXCEL. If you are not proficient at the present time, I suggest that you gain a working knowledge before class starts.

The evaluation methods will emphasize planning, and hands-on exercises. This course is a fast-paced course, which I hope you will find enjoyable and challenging. The first two classes will meet March 28.

Sincerely,

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Professor

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Western Illinois University  
ACI School Business Management  
Spring 2008**

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CATALOG DESCRIPTION: School district business administration policies and procedures essential to the conservation and effective utilization of funds, facilities, equipment and personnel.

Required Text: Fritts, J.B. (2007). *Essentials of school finance*, Illinois Association of School Boards. Springfield, IL Available from IASB. 217-528-9688

<u>DATE</u>	<u>TOPIC</u>
March 28	Introduction Accounting and Reporting Auditing Budgeting/Cash Flow Financial Planning
May 4	Insurance Internal Control Transportation/Food Service Purchasing
June 13/14	Food Service Cash Flow Analysis Due Critique of Local Audit Due Technology Requirement Reports District Analyses

COURSE OUTCOMES:	METHODS OF EVALUATION:
1. The student <u>understands</u> the principles of local funding for public schools.	Each student will complete a financial analysis of their local district including property tax levy and extension for the operating funds.
2. The student <u>understands</u> the principles of federal and state public school funding.	Each student will review the local, state and federal sources of funds for their district as part of the financial analysis of their local district.
3. The student <u>understands</u> fiscal management practices.	Each student will complete a cash flow analysis project and a budget reduction project.
4. The student <u>understands</u> an audit and reporting fiscal matters to the board.	Each student will review their local district's latest audit and prepare a report for the local board that summarizes the findings of the auditor as part of the financial analysis of the district. *
5. The student <u>understands</u> the budget development, adoption and evaluation process.	Each student will develop a budget for a reorganized school district and participate in mock budget presentation and adoption meetings.
6. The student <u>understands</u> the aspects of financial planning for a school district.	See Outcome #3.
7. The student <u>demonstrates</u> the ability to develop cash flow projections and long range financial planning including investing (long and short term) and the use of various borrowing mechanisms.	See Outcome #3. Additionally, the student will develop specifications for issuing tax anticipation warrants and working cash and health/life/safety bonds.
8. The student <u>identifies</u> insurance requirements and procedures for school districts.	Each student will review the current insurance program in their local district and develop specifications for bidding the district's insurance program.*
9. The student <u>understands</u> how to budget for a school district's maintenance and custodial programs and how to bid and contract for services.	Each student will review the maintenance program of their local district, propose changes in the program and develop a budget to support their suggestions.*
10. The student <u>understands</u> purchasing, inventory control and distribution procedures.	Each student will review the purchasing program of their local district and develop suggestions for improving the current practices.*
11. The student <u>analyzes</u> factors involved in planning and operating school transportation and food service budgets and funding.	Each student review the pupil transportation and food service programs for their local district, propose changes in the program and develop a budget to support their recommendations.*

12. The student <u>reviews and assesses</u> current technologies for school management and business procedures.	Each student will review the current use of technology in the business office of their local district and propose changes to improve current practice.*
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### Techniques of Instruction

1. Structured group activities
2. Paper and pencil activities
3. Lecture/discussion
4. Guest speakers

### Source Materials

1. Activities and simulations
2. Handouts
3. Library/materials from active school leaders
4. Local district financial reports

### Knowledge Base:

Burrup, P.E., Brimley, V. & Garfield, R.R. Financing education in a climate of change. Allyn and Bacon, Boston, MA. 2004.

Candoli, I.C., Hack, W.G., Ray, J.R., & Stollar, D.H., School Business Management: A Planning Approach. Allyn and Bacon, Boston, MA. .

Guide to Auditing and Reporting for Illinois Public Local Education Agencies, Illinois State Board of Education, Springfield, IL, 1997.

Guide to Long and Short Term Borrowing for Illinois Public School Districts, Illinois Financial Accounting Committee, Illinois State Board of Education, Springfield, IL, 1997.

Guthrie, J.W., Garms, W.I., & Pierce, L.C. School finance and education policy: Enhancing educational efficiency, equality and choice. Prentice Hall. Englewood Cliffs, N.J. 1988.

Handbook for School Business Officials, Illinois Association of School Business Officials, DeKalb, IL, 1996.

Illinois Program Accounting Manual for Local Education Agencies, Illinois State Board of Education, Springfield, IL, 1997.

Odden, A.R. & Picus, L.O. School finance: A policy perspective. McGraw Hill. New York, NY. 1992.

Preparing for Your Local Education Agency Audits, Illinois Financial Accounting Committee, Illinois State Board of Education, 1997.

State, Local and Federal Financing for Illinois Schools, Illinois State Board of Education, Springfield, IL, 2003.

Thompson, D.C., Wood, R.C. & Honeyman, D.S. Fiscal leadership for schools: Concepts and practice. Longman. New York, NY. 1994.

You and Your Taxes, League of Women Voters of Illinois, 1996.

**ACI  
BUDGET DEVELOPMENT EXERCISE**

1. Introduction

- A. Narrative description of the District
- B. Mission statement of the District
- C. School District Goals

2. Tables

- A. District Equalized Assessed Valuation (most recent 10 years)
- B. District Enrollment by Grade (most recent 10 years)
- C. General State Aid (most recent 10 years)
- D. Categorical State Aid (most recent 10 years)
- E. Personal Property Replacement Tax (most recent 10 years)
- F. Tax Extensions by Fund (most recent 10 years)
- G. Tax Receipts by Fund (most recent 10 years)
- H. Bond and Interest Pay Down Schedule
- I. Percentage of Budget by Major Category within each Fund
  - 1) Education
  - 2) Operations and Maintenance
  - 3) Bond and Interest Fund
  - 4) Transportation Fund
  - 5) Municipal Retirement/Social Security Fund
  - 6) Site and Construction/Capital Improvement Fund
  - 7) Working Cash
  - 8) Rent Fund
  - 9) Fire Prevention and Safety Fund

3. Budget

<u>Line Number</u>	<u>Descriptor</u>	<u>FY07 Budget</u>	<u>FY 06</u>	<u>Actual</u>
<u>Year to Date</u>				
1.111.410	Elementary Instructional Supplies	\$1,500	\$1,222	\$1,154

**ACI SCHOOL BUSINESS MANAGEMENT  
SELF-EVALUATION OF DISTRICT BUSINESS SYSTEMS**

Directions: Each student is asked to examine the pertinent records and to interview appropriate staff in evaluating their school district's business functions using the following scale:

5 – Superior      4 – Very Good      3 – Adequate      2 – Inadequate      1- Unacceptable

**I. ACCOUNTING & REPORTING**

1. A budget status report showing comparison of budget to actual expenditures and revenue on a year-to-date basis is made available monthly to all concerned persons.

5	4	3	2	1

- 2. Reports to the public on financial matters are clear and concise.
- 3. Activity funds are maintained in accordance with state guidelines.
- 4. Effective internal control systems are used.


**II. AUDITING**

- 5. The district has a good CPA auditing firm conduct the annual audit promptly after the end of each fiscal year.
- 6. The board of education changes the auditing firm every 3 to 5 years.
- 7. The board receives a management letter from the auditing firm each year.


**III. BUDGETING**

- 8. The Board of Education has adopted budget policies.
- 9. The district has a printed Annual Budget Calendar.
- 10. The budget is planned and developed with appropriate input.
- 11. The budget document is prepared in an understandable format.
- 12. Copies of the adopted budget are available for all interested persons.


**IV. FINANCIAL PLANNING**

- 13. The Board of Education has adopted policies outlining the scope of the financial planning function.







66. The district transportation software will provide routing information, along with pick up and delivery times for each pickup point/student.
67. The district food service software provides for inventory control, cash control, student lunch accounting and integrated ordering capabilities.
68. The district hardware is sufficient to run the above software.

After the self-evaluation has been completed, compute and report the mean score by function and total.

Do these scores accurately reflect the relative strengths and weaknesses of your district's business function? Why or why not?

Prepare a brief description of the adequacy with which each function is performed. Defend and/or support your conclusion.

Finally, prepare a list, in order of importance, of ten (10) recommendations you would make to improve your school district's business functions.

## **ACI Assignments**

Budget Development Exercise

EAV History and Projections

Enrollment Projections

Financial Projections 3yrs using FY06 as a base

Cash Flow projection for FY07 using FY06 as a base

10% budget reduction

Board Presentation on Finance

Salary Schedule projections - scattergram, cost to maintain, cost to add \$100 to base

Evaluation of business services