

What Happens in a Business Office...

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December 1, 2023 | **NIU NAPERVILLE**



Introductions

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- *Comptroller, Community Unit School District 300*



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Agenda

- General
- Bookkeeping
- Purchasing
- Accounts Payable
- Payroll
- Questions?



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General Business Office Items

The Role of the Business/Finance Office

- Requires Chief School Business Official (CSBO) oversight
- Depending on the size of the District, duties can include:
 - Payroll
 - Accounts Payable
 - Accounts Receivable
 - Student Fees/Fee Waivers
 - Food Services/Meal Benefits
 - Benefits
- Provide financial support to staff and families of the District as directed by the School Board
- Responsible for many aspects of financial planning for the District including budgeting and financial reporting
 - Tax Levy
 - Annual Budget
 - Grant Administration



General Business Office Items

Confidentiality

- “What happens in the Business Office stays in the Business Office”
- Discussions or disclosures beyond the walls should not occur
- Consider the source, the purpose and the appropriate use or disclosure
- Confidentiality is a professional standard
- Develop a Confidentiality Policy
- Comply with Federal statutes such as these examples:
 - HIPAA - Health Insurance Portability and Accountability Act
 - FERPA - Family Educational Rights and Privacy Act
 - McKinney-Vento Act - Federal Act to provide resources to homeless shelter programs and students.
- Payroll - salary **and** benefit information of employees



General Business Office Items

Internal Controls

- Control Environment
 - the foundation of all other components
- Risk Assessment
 - Identify/analyze internal and external risks including fraud
- Control Activities
 - Policies and procedures
 - Reconciliations, approvals, authorizations
- Information & Communication
 - Effective communication flows across all levels
- Monitoring Activities
 - Perform internal audits



General Business Office Items

- **Fraud Prevention**

- Vendor Impersonation Fraud
 - District receives an unsolicited request to update information for that contractor such as bank account information, remittance address for manual check payments, or change of payment methods (ACH to manual)
- Employee Impersonation Fraud
 - District receives an unsolicited request to update or confirm their payroll information such as bank account information or change in payment method (direct deposit to manual)
- Requests to transfer large amounts of money sent from senior executives
- Contact vendor or employee directly via phone call using phone number on file - not provided in request

This is a huge topic. Receive or request training to recognize, question and independently authenticate requests.



Bookkeeping

What do I need to know?

- Illinois Administrative Code - Title 23 Part 100
- The Illinois State Board of Education (ISBE) requires compliance through the creation of board policies. What are your board policies?
- Revenue - transactions involving the receipt of cash
- Expenditure - transactions involving the disbursement of cash
- Specific chart of accounts as defined in the Illinois Admin Code
 - Districts must use the assigned codes from the State Superintendent of Education, however, can use any number that falls within the relevant classification.
- Accrual versus Cash Basis
- Capital Assets
 - Each school board must adopt a capitalization threshold. What is yours?



Bookkeeping

What do I need to know?

- Student Activity Funds
 - Funds that are raised by students and expended for the benefit of those students
 - Section 100.80 of Illinois Admin Code
- Annual Budget
 - Adopted Budget Calendar
 - Due to ISBE within 30 days after adopting the budget or by October 31, whichever occurs sooner.
- Annual Financial Report
 - Statement of Revenues, expenditures, long/short term debt, capital assets
 - Schedule of vendor contracts - indirect cost data
 - Operating Expense Per Pupil - operating cost divided by 9-month ADA
 - Per Capita Tuition Charge - amount charged as tuition for nonresident students
 - Limitation of Administrative Costs - must be less than 5%
 - Annual Comprehensive Financial Report



Bookkeeping

Annual Audit

- Performed by external audit team
- Review of financial operations to ensure compliance of generally accepted accounting principles (GAAP) and Governmental Accounting Standards Board (GASB) requirements
- Reviews all financial statements to form an opinion and document the financial position of the District
- Internal Audit
- The audit includes:
 - Reviewing documents in the Business Office and schools
 - Revenues
 - Accounts Receivable
 - Accounts Payable
 - Payroll
 - Cash and investments
 - Capital assets
 - Student Activity
 - Single Audit - Grants



Bookkeeping

State and Federal reporting

The following are reports that could require your assistance:

- Transportation Claim
- Annual Statement of Affairs
- Administrative Outreach Medicaid Reporting
- Monthly/Quarterly Expenditure Reports
- Special Education - Maintenance of Effort (MOE) and Excess Cost
- Site-Based Expenditure Reporting

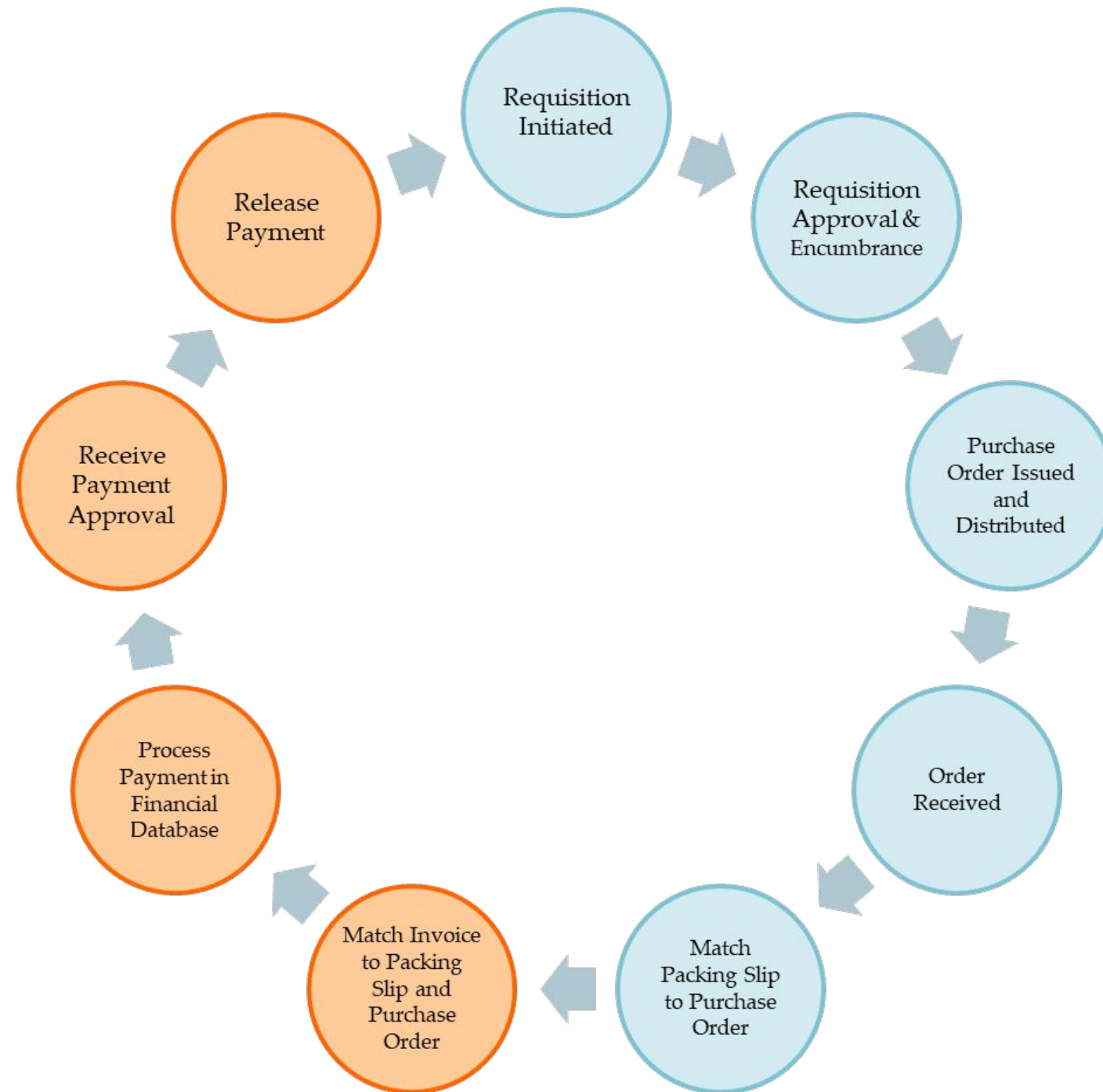


Purchasing

- What is Purchasing? What does the Accounts Payable position do?
- Step 1: Purchasing
 - Purchase Orders
 - P-Card
- Purchasing/Requisition cut-off date
- Obtaining correct documentation (W9) for new vendors
- Supplies vs Small Equipment vs Capitalized Equipment
 - Each district has a threshold in Board Policy



Purchase Order Cycle



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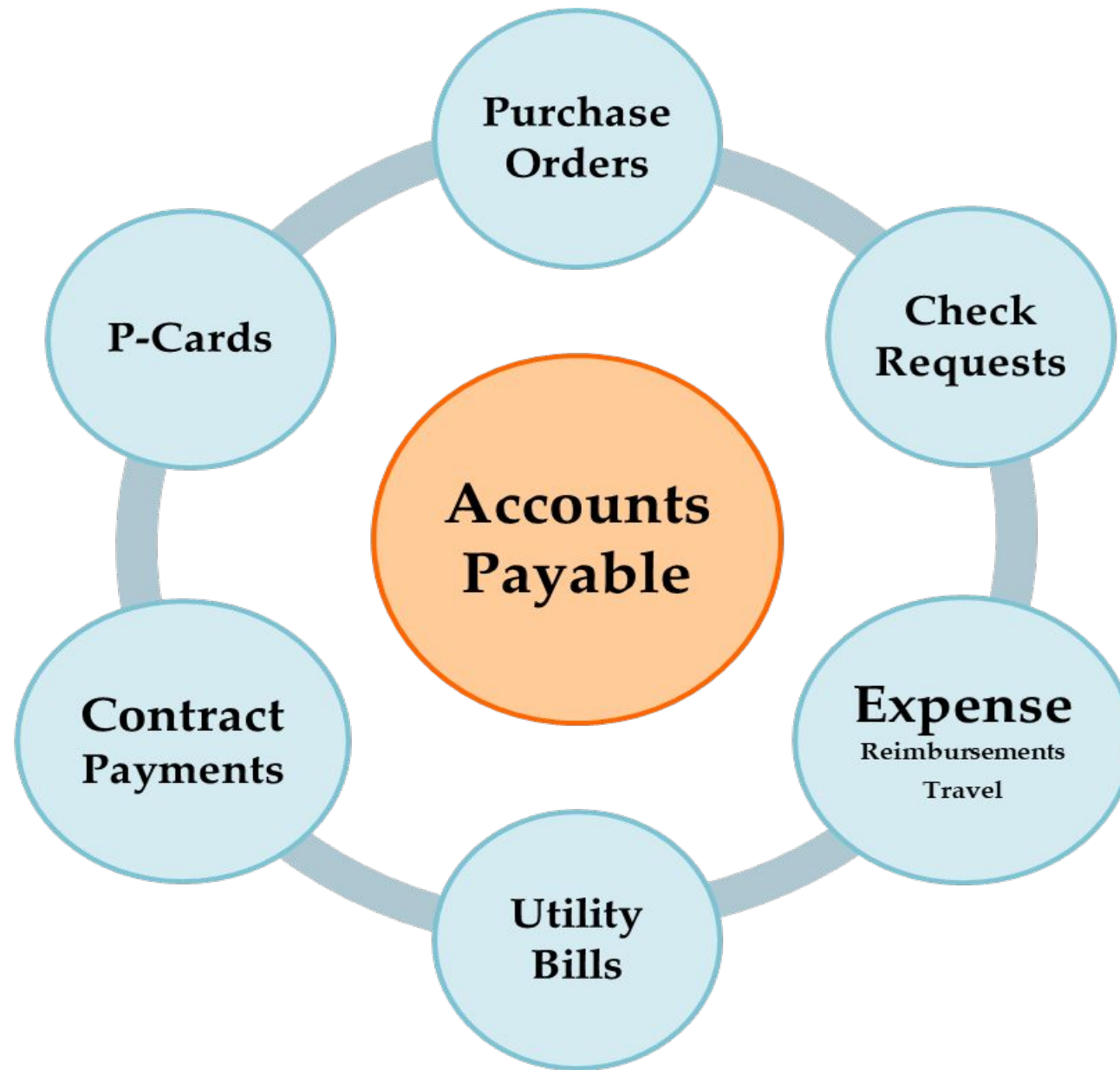


Accounts Payable

- Step 2: Accounts Payable
 - Receive invoice from vendors
 - Confirm from staff that items have been received or services complete
 - Checks
 - Wire Payments
- Board Approval of all payments
- What kinds of invoices does the Business Office pay?
- Year-End Process
 - Send communication to schools/departments with deadline to submit invoices
 - June 30th Check run to capture everything possible
- 1099 Process



Accounts Payable Cycle



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Payroll

- Payroll (salary and benefits) is your District's largest expense!
- Requires high level of time and accuracy
- What to think about at your district:
 - Payroll Dates
 - Work calendars
 - Collective Bargaining Agreements
 - Timekeeping
 - Deadlines
- Mistakes can happen!.. Be honest when they do!
 - Missing timesheets
 - Missing deductions
 - Miscalculation of overtime



Payroll

- Requires working closely with HR and Tech teams
 - New hires
 - FMLA/Leaves/Docks
 - Lane Changes/EAV
- Payroll Liabilities
 - What are they?
 - Do they apply to me?
- W2 Requirements
 - Report work in the correct calendar year
- Requirements from Pensions
 - TRS
 - IMRF



What else is going on in the Business Office?

Additional topics that might be of interest to you:

- Account coding
- Food Services
- Student Activity
- PCards
- Transportation
- Professional Development
- Leadership



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Questions and Answers

We thank you for your time!



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