

The Role of the Board

I. The Role of the Board

- A. District Mission, Vision, and Goals
- B. Hire and evaluate the superintendent
- C. Engage and communicate with the community
- D. Delegate authority through policy

II. The Role of the Board related to school finance

- A. Establish clear expectations regarding the district's financial standing
 - 1. Fund balances
 - 2. Approve proposed debt
 - 3. Monitor cash flow levels
 - 4. Review and monitor financial reports and audits
- B. Establish outcomes and priorities to be reflected in the budget (The board is the voice of the community and the budget should reflect the expectations for the school district including identifying and allocating resources to support improvement.)
- C. Establish expectations for the development of the budget
 - 1. Assess revenue and expense projections
 - 2. Assess budget ramifications as a result of new legislation (i.e., adjustments to the state aid formula, etc.)
 - 3. Identify expectations for a budget surplus and/or possible deficit
 - 4. Consider district priorities and objectives as determined in the School Improvement Plan, District Goals, etc.
- D. Establish policies governing business procedures
 - 1. Review, revise, and establish board policies to govern school district financial and business management procedures. This ensures compliance with the law, ethical behavior, guide for decision-making, and a method of communicating with administration and staff

Policies may include, but not be limited to:

- A. Board Member Conflict of Interest
- B. Ethics and Gifts
- C. Board Member Expenses
- D. Fund Balances
- E. Revenue/Investments
- F. Incurring Debt
- G. Insufficient Fund Checks
- H. Payment Procedures
- I. Credit Cards

- J. Purchases and Contracts
- K. Accounting and Audits
- L. Activity Funds
- M. Insurance
- N. Transportation
- O. Food Services
- P. Free and Reduced – Price Food Services
- Q. Waiver of Student Fees – Student Fees
- R. Expenses
- S. Ethics

- 2. Monitor compliance with board policies and procedures
- 3. Sustain continuous decision-making to support the mission, vision and goals of both short and long range financial planning

E. Monitor financial performance (income and expenses) in relation to the adopted budget

- 1. Review a summary of income and expenses comparing with historical financial data to ensure appropriate management and expenditures
- 2. Review updated balance sheets monthly to reflect the district's financial standing
- 3. Assess appropriate evidence to ensure cash flow is adequate and the district is meeting obligations and in a timely fashion

F. Monitor the district's financial standing, current and long-term

- 1. Annually, the business manager/superintendent will provide information reflecting the district's financial standing including cash flow trends, accumulation of deficits or surplus, and long-term projections of income and expenditures

G. Monitor other financial issues which may result in positive or negative changes to the district's financial standing

- 1. Monitor current and projected student enrollment numbers and trends to assess the impact to the district's budget
- 2. Monitor option enrollment numbers
- 3. Monitor tax increment financing both current and proposed
- 4. Monitor state mandates and changes to the state aid formula
- 5. Monitor equalized and non-equalization status

III. School District Budget—Board Members should be exposed to:

- A. Budget Timeline/Activities
- B. TEEOSA (Tax Equity and Educational Opportunities Support Act)
- C. State Aid Calculation Factors

- 1. Students – students educated by the district and students for which tuition is paid.
- 2. State Aid calculated based upon

- A. Fall enrollment figures/Average Daily Membership
- B. Qualified Early Childhood Fall Membership
- C. Contracted Students

D. Classification of Funds

1. Fund
2. General Fund
3. Depreciation Fund
4. Employee Benefit Fund
5. Contingency Fund
6. Activities Fund
7. School Lunch Fund
8. Bond Fund
9. Special Building Fund
10. Qualified Capital Purpose Undertaking Fund
11. Cooperative Fund
12. Student Fee Fund

E. Revenue Sources

1. Certified Valuation
2. Estimated Tax Levy

IV. Board Role in Audit

A. Questions for the Auditor

1. What are the fund balances?
2. What are fund balance trends?
3. What is the percent of debt-to-debt limitation?
4. Is there an appropriate separation of duties?
5. What items are on the management letter?
6. Findings?