



Montana Certified School Business Official Certification Exam Training

TEST #2



Test 2 Topics

- School Finance
- Personnel Management
- Student Activity Accounting
- Purchasing & Supplies Management
- Food Service

School Finance

Basics

- Law Book
 - Read it, Live it, Love it!
 - The best resource for legal guidance
- School Accounting [Manual](#)
 - OPI website; best resource for help with accounting guidance and coding
- MASBO [website](#)
 - Many resources in the training material for budget basics to help explain budgets

Budgets

- General Fund Base Funding Components
 - ANB Formula
 - BASE Funding Formula
 - GTB Funding
 - How does a school qualify for it
- What is Fund Balance, Reserves & Reappropriation?
 - Fund Balance is cash + receivables - payables at year end
 - Reserves is year end balances kept for cash flow
 - Reappropriation is used in place of new revenue to fund the ensuing year's expenditure budget to reduce taxes
- What is fund(s) have Reserve limits?
 - General - greater of \$10k or 10% of ensuing year budget
 - Transportation - 20%
 - Retirement - 20%
 - Adult Ed - 35%
 - Debt Service - approx amt of payments due between July 1 - Nov 30 of 2nd ensuing year
- What is excess reserve?
 - Only applies to the general fund, not to exceed 15%

Day To Day

- Types of Funds
 - Governmental
 - General, Special Revenue, Capital Projects, Debt Service & Permanent
 - Proprietary
 - Enterprise & Internal Service
 - Fiduciary
 - Trust & Agency
- Budgeted Fund vs. Non-Budgeted Funds
- Cash Management
 - Balance with the Treasurer monthly
 - Investment of cash
 - Purchasing
- Audits (2-7-5xx & 20-9-213 MCA)
 - Internal controls
 - Done atleast once every 2 years
 - Audit report sent to local newspaper
- Financial Reporting (monthly/annually)
 - Superintendent
 - School Board
 - County Superintendent & Treasurer
 - OPI

Timelines

Everything has a due date!

Best resource is OPI for budget timelines.

This is the first page of the timeline and can be found [here](#).

Budget Timeline

Current Law	Description	MCA Statute(s)
June 30, 2021	Close of the fiscal year.	20-1-301
Between July 1 and August 10, 2021	District clerk publishes one notice of date, time and place of budget meeting.	20-9-115
By 3rd Friday in July (July 16, 2021)	OPI allocates annual statutory appropriation for technology fund.	20-9-534(2)
By July 20, 2021	County treasurer provides bond, endowment fund and cash balances information for school trustees' financial summary (TFS) and cash balances for county school funds supported by countywide levies.	20-9-121(1), (2),(3) 20-9-604(5)
By 1st Monday in August (August 2, 2021)	Department of Revenue delivers taxable valuation information to county superintendent.	20-9-122
Not later than August 15, 2021	Trustees report annual financial activities of each fund maintained by the district to the county superintendent.	20-9-213(6)
Not later than August 15, 2021	Annual fiscal reports for joint school districts must be submitted to the county superintendent of each county in which part of the joint district is situated.	20-9-213(6)
August 15, 2021 (OPI form FP-8a due date)	Located and non-located counties exchange information between August 10 and August 15 in order to determine what percentage of the joint district their county supports.	20-9-151
Before the 2nd Monday in August (August 9, 2021)	County superintendent computes revenue available to finance the transportation budget.	20-10-144
On or before August 20, 2021	Trustees meet to consider all budget information and any attachments required by law.	20-9-131(1)
Not later than August 25, 2021 and before the computation of the general fund net levy requirement by the county superintendent	Trustees adopt final budget. Trustees of a joint district shall adopt a budget according to school budgeting laws and send a copy to the county superintendent of each county in which a part of the joint district is located.	20-9-131(2) 20-9-151(1)

Questions

1. **True or False:** An example of a Special Revenue Fund is a Daycare fund.
2. **True or False:** Notice of the budget meeting must be done between July 1 and August 15 in the local newspaper.
3. **True or False:** Tuition Fund rates set by each school district before the next school year and can be used to pay for students tuition who attend school outside the student's district of residence.
4. **True or False:** An example of a budgeted fund is the Flex Fund.
5. **True or False:** Fund balance reappropriation is mandatory after reserves are maximized.

Answers

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Personnel Management



The Alphabet Soup

Where do all the rules & regulations come?

DOL, EEOC, OPM, USCS, DLI, MCA, MTSTA, ARM, WHD, FSLA, FMLA, CRA, EPA, WC, UI,



Rules, Regulations & Resources

HR & Personnel Management is regulated by a wide variety of staff, organizations and laws.

School:

- HR Department
- Business Managers/Clerks
- Payroll Clerks
- Supervisors, Principals, Administrators and the Board of Trustees

Rules, Regulations & Resources

Along with following all the State and Federal laws - schools are bound to their own policies, handbooks, bargaining agreements and procedures.

Resources to help:

- WCRRP, MTSUIP, PERS, TRS, MASBO, MCA/ARM

MTSBA:

- Policy Manual updates & Forms
- Handbook examples
- Contract examples

State Rules, Regulations & Resources

- Department of Labor & Industry: (DLI)
 - Workforce Services Division (WSD)
 - Business Standards Division (BSD)
 - Unemployment Division (UID)
 - Employment Related Division (ERD)
- Employment Relations Division: (ERD)
 - Human Rights Commission (Discrimination)
 - Labor Standards Bureau (Wage laws)
 - Safety & Health Bureau (worker safety)
 - Workers Compensation
- Labor Standards Bureau
 - Wage & Hour
 - Collective Bargaining unit

References: <https://dli.mt.gov>

Federal Rules, Regulations & Resources

- Department of Labor (DOL)
- Wage & Hour Division (WHD): Fair labor Standards Act (FLSA) Family Medical Leave Act (FMLA)
- Equal Employment Opportunity Commission (EEOC): Civil Rights Act (CRA); Equal Pay Act (EPA)
- Office of Personnel Management (OPM)
- US Citizenship & Immigration Services (USCIS): I-9

References: [https:// www.dol.gov](https://www.dol.gov), <https://www.eeoc.gov>,
<https://www.opm.gov>, <https://www.uscis.gov>

Questions

1. **True or False:** Non-exempt classified employees must be paid overtime if their workweek is Sunday - Saturday.
2. Which of the following are required Labor Law Posters that need to be displayed in the school:
 - a. EEOC b. FMLA c. FSLA d. OSHA e. EPPA
 - f. USERRA g. Federal Minimum Wage h. Montana Minimum Wage
3. **True or False:** A classified employee who has a contract with a specific beginning and end date can be non-renewed without cause at the end of their contract?

Answers

1. **True or False:** Non-exempt classified employees must be paid overtime if their workweek is Sunday - Saturday. *Non-exempt classified employees are entitled to overtime pay at 1 ½ the rate of their normal pay, if their work week as **defined by the district** is longer than 40 hours.*
2. Which of the following are required Labor Law Posters that need to be displayed in the school:
a. EEOC b. FMLA c. FSLA d. OSHA e. EPPA
f. USERRA g. Federal Minimum Wage h. Montana Minimum Wage
3. **True or False:** A classified employee who has a contract with a specific beginning and end date can be non-renewed without cause at the end of their contract? *As long as the employment contract has a beginning and ending date, states there is no expectation of continued employment and they are not covered by any additional collective bargaining agreement, and employee can be non-renewed without cause at the end of their contract period.*

Student Activity Accounting

Activity Account Management

- Administrative Policy
- Purpose of an Extracurricular Fund
- Administrative Responsibilities
- Board of Trustees Duties & Authorities

Reference Materials: Student Activity Accounting Manual

Activity Account Money Management

- Activity account banking
- Allowable receipts & expenditures
- Receipting procedures & requirements
- Payment methods
- Account transfers
- NSF or uncollectible fees

Reference Materials: Student Activity Accounting Manual

Activity Account Sub Funds

- Adding new sub funds
- Removing old sub funds
- Allowable funds
- Transfers between funds

Reference Materials: Student Activity Accounting Manual

Questions:

1. **True or False:** Student activity funds are sub funds located within the regular district funds and are run by the students.
2. **True or False:** The purpose of student activity funds shall be to account for revenues & disbursements of those funds raised by students.
3. **True or False:** The student activity funds may include a petty cash fund.
4. **True or False:** If a club or group would like to be added to the activity account, they must get approval from the athletic director and student council.
5. Stale and/or outstanding warrants may be cancelled after _____ by the _____.

Answers:

1. **True or False:** Student activity funds are sub funds located within the regular district funds and are run by the students.
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4. **True or False:** If a club or group would like to be added to the activity account, they must get approval from the athletic director and student council.
5. Stale and/or outstanding warrants may be cancelled after 1 year by the Board.



Purchasing & Supplies Management



Purchasing & Supply Management

- Whenever any building furnishing, repairing, or other work for the benefit of the District or purchasing of supplies for the District is necessary, the work done or the purchase made must be by contract if the sum exceeds Eighty Thousand Dollars (\$80,000).
- The District will call for formal bids by issuing public notice as specified in statute. Specifications will be prepared and made available to all vendors interested in submitting a bid. The contract shall be awarded to the lowest responsible bidder, except that the trustees may reject any or all bids

Purchasing & Supply Management

- The District must also require the bidder to provide a form of bid security, which could be specified by the District or a minimum of 2% of principal amount of project or up to 10% of the principal amount of project.
- Advertisement for bid must be made once each week for two (2) consecutive weeks, and a second (2nd) publication must be made not less than five (5) nor more than twelve (12) days before consideration of bids, and published in the largest circulated newspaper in the area.
- All bids submitted for the project to the District is considered a public document and is available to the public.

Purchasing & Supply Management

- Purchasing records are subject to the Retention Schedule and must be maintained according to that schedule
- All expenditures of the District are subject to Procurement law and procedures designed by the Business office to adhere to GAAP requirements and the methods in accounting for supply inventory maintenance.
- The Board has the power to dispose of all District property, only when the qualified electors of the District approve of such action at an election called for such approval or when the trustees adopt a resolution stating their intention to dispose of the property.

Purchasing & Supply Management

- When the trustees adopt such a resolution, they shall schedule a meeting to consider a resolution to authorize the sale of the real property.
- The money realized from the sale or disposal of real or personal property of the district must be credited to the debt service fund, building fund, general fund, or other appropriate fund, at the discretion of the trustees.
- The Board of Trustees as the governing body of the District must not have a pecuniary interest, directly or indirectly, in any contract made by the Board,

Purchasing & Supply Management

- or be employed in any capacity by the District, with the exception of officiating at athletic competitions under the auspices of the Montana Officials Association.
- The Board may not appoint to a position of trust or emolument any person related or connected by consanguinity within the fourth (4th) degree or by affinity within the second (2nd) degree.
- Engage in a substantial financial transaction for the trustee's private business purpose, with a person whom the trustee inspects or supervises in the course of official duties.

Questions

1. **True or False:** A School Board member may vote on a bid proposal submitted by a local contractor who is also their brother.
2. **True or False:** The Principal at the middle school is purchasing curriculum consumable materials which will cost \$50,000, due to the dollar amount of he wasn't required to seek Board approval.
3. **True or False:** The Board is building a new gym, they decided to post the requirements for the project at the local post office and their schools. Does this meet the posting requirements?
4. **True or False:** Purchasing records of the School district are confidential.

Answers

1. **True or False:** A School Board member may vote on a bid proposal submitted by a local contractor who is also their brother. *The Board may accept the landscaping but the Board member who is related to the contractor, would have to recuse themselves from the vote.*
2. **True or False:** The Principal at the Middle school is purchasing curriculum consumable materials which will cost \$50,000, due to the dollar amount of he wasn't required to seek Board approval. *As long as the Principal followed Board purchasing procedures and procurement law, the dollar amount does NOT require Board approval.*
3. **True or False:** The Board is building a new gym, they decided to post the requirements for the project at the local Post office and their schools. Does this meet the posting requirements? *The Request for bids must be advertised in a newspaper with the highest circulation in their area.*
4. **True or False:** Purchasing records of the School district are confidential. *All purchasing or procurement documentation is public.*



Food Service



Professional Standards

- Positions
- Training hours, what qualifies as training
- 4 key areas of training
- Hiring Standards for New School Nutrition Program Directors

Reference Materials: OPI School Nutrition Website - Professional Standards Handout

Claims

- Allowable uses for school nutrition funds
- What is a reimbursable meal?
- When are claims due?
- When can I expect payment?

Reference Materials: OPI School Nutrition Website

Administrative Review

- Household verifications
- Records of training hours
- Civil Rights Poster
- Wellness policy
- Meal Charge policy
- Reimbursable meal signage (offer vs serve)
- Sanitation Inspections
- Required Self-reviews

Reference Materials: MAPS/applications/download forms

Questions

1. **True or False:** Teacher meals are considered reimbursable.
2. **True or False:** Free or reduced applications are valid for one year from the date of verification.
3. **True or False:** Paid Lunch Equity Tool is required only for schools who have a negative lunch fund balance as of December 31st.
4. **True or False:** District wellness policy has standards for all foods and beverages provided but snacks sold to students during a school day including classroom parties and snacks brought by parents are not included.
5. **True or False:** Food Service fund is a budgeted fund.

Answers

1. **True or False:** Teacher meals are considered reimbursable. *Teacher/Adult meals are not reimbursable.*
2. **True or False:** Free or reduced applications are valid for one year from the date of verification. *There is a 30 day carryover period at the beginning of the school year. They will be switched to paid after 30 operating school days if a new application has not been received.*
3. **True or False:** Paid Lunch Equity Tool is required only for schools who have a negative lunch fund balance as of December 31st.
4. **True or False:** District wellness policy has standards for all foods and beverages provided but snacks sold to students during a school day including classroom parties and snacks brought by parents are not included.
5. **True or False:** Food Service fund is a budgeted fund. *Food Service is a non-budgeted fund.*



Questions?

