

# Montana Association of School Business Officials (MASBO)

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## Comprehensive Duty Statement: Business Manager / District Clerk



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## Montana Association of School Business Officials (MASBO)

### Comprehensive Duty Statement: Business Manager / District Clerk

**“Every safeguard in public education rests on the integrity of its managers and leaders. It is time for communities, the state, and school districts to safeguard their integrity and well-being in return.”** — Montana Association of School Business Officials (MASBO)

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#### Preface

The Montana Association of School Business Officials (MASBO) represents the financial and operational leaders of Montana’s K–12 schools. Business Managers and District Clerks ensure the fiscal integrity, legal compliance, and operational efficiency of every public school district. This document illustrates the scope, depth, and complexity of the position—demonstrating that each duty performed reflects both statutory compliance and professional expertise essential to Montana’s education system.

This document, provided by MASBO, serves as a reference and advocacy tool to highlight the scope and complexity of the Business Manager/District Clerk role in Montana's K–12 schools.

This publication is designed to help policymakers, trustees, and administrators understand the operational, fiscal, and compliance workload often managed within a single position. It is not a legally binding job description, employment contract, or policy directive, and does not supersede local board authority, statute, or administrative rule.

MASBO encourages all districts to maintain appropriate staffing levels, cross-training, and ensure administrative support to promote compliance and sustainability in school business operations.

For more information, visit [www.masbo.com](http://www.masbo.com)

Prepared by Shelley Turner, Executive Director, Montana Association of School Business Officials (MASBO), 2025

# School Business Official Tasks in a K12 Montana School District

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## I. Fiscal Leadership and Financial Management

- **Budget preparation and projections:** Collaborate with district leadership and trustees to develop annual budgets; project revenues and expenditures across general, special revenue, debt service, enterprise, and fiduciary funds. Ensure compliance with state and federal laws (e.g., MCA Title 20, ARM 10.22). Provide levy calculation assistance and present budgets to trustees and communities. Update budgets for amendments, monitor fund balances, coordinate with the county for levy certification, and maintain multi-year financial projections for programs such as transportation, retirement, building reserve, compensated absences, major maintenance, and technology.
- **Fund administration and accounting:** Oversee all accounting activities, including coding revenues and expenditures according to the Uniform Chart of Accounts. Maintain accurate journals, ledgers, and trial balances; prepare monthly financial statements; ensure compliance with GAAP, GASB, and state requirements. Reconcile cash balances by fund, manage interfund transfers, invest funds prudently, oversee tax receipts, and identify discrepancies as they occur.
- **Cash flow and reconciliation:** Manage cash flow forecasting, deposit and record receipts, reconcile bank statements with the district accounting system monthly, and ensure segregation of duties. Prepare treasurer's reports, maintain outstanding check logs, and reconcile payroll clearing and agency accounts.
- **Financial reporting:** Compile and submit the Trustee Financial Summary (TFS), School Funding Payment Report, and Annual Data Collection forms. Provide monthly board reports with revenue and expenditure comparisons, coordinate levy presentations to the public, maintain MAEFAIRS data, prepare the OPI Financial Summary, coordinate transportation and tuition reports, assist the superintendent with budget amendments, and provide financial analysis to support decision-making.
- **Audit preparation and response:** Coordinate external financial audits; prepare work papers, schedules of expenditures of federal awards, and other required documentation. Respond to auditor inquiries, prepare corrective action plans for findings, implement recommendations, ensure compliance with Single Audit requirements, maintain documentation required by 2 CFR 200, ensure board

minutes reflect acceptance of audited financial statements, and coordinate with the county as needed.

- **Internal controls and GASB compliance:** Develop and maintain internal control policies and procedures; ensure segregation of duties across cash receipts, accounts payable, purchasing, and payroll. Monitor compliance with board policies and state law; implement GASB pronouncements; coordinate fixed asset management and depreciation schedules; ensure proper authorization of expenditures; maintain an inventory of capital assets.
  - **Training and supervision of financial processes:** Train staff on accounting software and procedures; supervise financial staff; develop procedure manuals for accounts payable, payroll, and grants management; provide technical assistance to principals and secretaries; evaluate performance and ensure cross-training for continuity of operations.
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## **II. Payroll, Benefits, and Human Resources Administration**

- **Recruitment, onboarding, and fingerprinting:** Support or provide the HR processes by developing vacancy postings and ensuring compliance with equal opportunity requirements; manage applications and screening, coordinate interviews, support interview committee on hiring compliance matters, process new-hire paperwork, perform fingerprinting and background checks pursuant to MCA 20-4-110, verify certification and licensure, and maintain confidential personnel files.
- **Contracts and personnel records:** Prepare contracts for certified and classified staff, ensure proper board approval, track assignments and FTE, maintain salary schedules, issue letters of appointment, manage extracurricular and stipend contracts, track evaluation schedules, handle records requests, and archive records in accordance with retention schedules.
- **Payroll processing and deductions:** Calculate wages and salaries, manage timesheets, ensure accurate calculation of overtime and supplemental pay, process salary advancements, generate paychecks and direct deposits, maintain payroll records, manage deductions (TRS, PERS, FICA, federal and state taxes, health insurance, deferred compensation, HSAs, flex), file quarterly reports (Form 941, Unemployment Insurance, Form MW-1), and reconcile payroll liability accounts.
- **Leave, FMLA, COBRA, and Section 125 management:** Track sick, vacation, and personal leave balances; administer Family and Medical Leave Act (FMLA) eligibility and documentation; manage COBRA notices for terminated employees; administer Section 125 cafeteria plans and ensure compliance with IRS regulations.

- **Benefits administration and audits:** Coordinate enrollment in health, dental, vision, and life insurance; manage open enrollment; communicate benefit changes; reconcile monthly premiums; coordinate wellness programs; process claims and reimbursements; conduct annual benefits audits; and manage voluntary insurance products and plan documents.
- **Collective bargaining support and implementation:** Provide financial analysis for negotiations, prepare cost projections for salary and benefit proposals, attend bargaining sessions, implement negotiated agreements, update salary schedules, monitor compliance with contract provisions, respond to grievances, and maintain bargaining records.
- **Compliance reporting and audit response:** Prepare and submit Workers' Compensation payroll audits; coordinate Unemployment Insurance audits; respond to Department of Labor Wage and Hour investigations; maintain I-9 compliance; file Affordable Care Act (ACA) 1095-C forms; and respond to state and federal surveys such as EEO-5 and the Civil Rights Data Collection (CRDC).
- **Infinite Campus employee data reporting (SEID, licensure, compensation codes):** Enter employee data into the State Educator Information Database; verify licensure status and endorsements; assign compensation codes; submit staff personnel reports; reconcile with the payroll system; and ensure accurate data for OPI Educator Licensure and Title II reporting.
- **Staff Relations and Training:** Assist the superintendent or other administrative staff in ensuring that all staff have obtained annual training required either by law or by liability insurance compliance. Assist the superintendent or other administrative staff in assisting with staff disputes, the uniform complaint policy or collective bargaining agreement grievance procedure. May serve as a safety compliance officer.

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### III. Governance, Records, and Legal Compliance

- **Board clerk duties (agendas, minutes, recordings, resolutions):** Prepare meeting agendas in collaboration with the superintendent; compile board packets; post agendas and notices in compliance with open meeting laws; attend board meetings; record proceedings; prepare minutes; index attachments; maintain audio or video recordings; prepare resolutions; manage board policies; track trustee trainings for background checks, etc.; administer oaths of office; manage election of board officers; maintain board policy; prepare board calendars; and coordinate special or emergency meetings. Serves as a liaison between the Board and the community.
- **Policy management and updates (MCA, ARM, MTSBA coordination):** Monitor changes to statutes and administrative rules; coordinate policy updates with the

Montana School Boards Association (MTSBA); present policy revisions to the board; update policy manuals; distribute policies to staff; integrate policies into handbooks; maintain policy acknowledgement forms; implement new policies; and coordinate policy-related training.

- **Custodianship of official records and retention schedules:** Maintain official district records—including board minutes, contracts, deeds, easements, insurance policies, and student records. Ensure compliance with records retention schedules; coordinate destruction of records with the state archivist; maintain digital archives; manage secure storage; ensure confidentiality; and coordinate access to public records.
- **Public records requests and confidentiality compliance (FERPA/HIPAA):** Process requests for documents; redact confidential information; consult legal counsel; maintain a log of requests; ensure compliance with the Family Educational Rights and Privacy Act (FERPA) and Health Insurance Portability and Accountability Act (HIPAA); protect student and employee data; and manage subpoenas.
- **Legal postings, notices, and publication records:** Publish required notices for elections, budgets, meetings, and employment; coordinate with newspapers and county offices; maintain sworn statements of publication; file proof of posting; ensure accessibility of notices online; and track statutory deadlines.
- **Policy acknowledgement tracking and handbook updates:** Manage distribution and acknowledgement of staff handbooks; update handbook content; coordinate training on legal compliance; maintain signed acknowledgement forms; update codes of conduct; and ensure cross-references to board policies.

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## IV. Elections Administration

- **Annual training (6 hours) and calendar monitoring:** Complete mandatory six hours of elections training; monitor legislative changes; maintain an election calendar; and plan for school election day in coordination with county officials.
- **Election planning, notices, ballots, judges, and canvass:** Prepare resolutions calling for elections; publish notices; prepare candidate filing forms; manage voter registration lists; order and proof ballots; recruit and train election judges; prepare polling places; conduct elections; secure ballots; tally votes; present canvass results to the board; issue certificates of election; and manage recounts.
- **ADA and NVRA compliance for polling and mail ballots:** Ensure polling places meet accessibility standards; implement federal election accessibility guidelines; process absentee ballot requests; maintain logs; ensure compliance with the National Voter Registration Act (NVRA); and provide voter registration forms.

- **Filing of oaths, certifications, and election results:** Administer and file oaths of office for elected trustees; certify election results to the county superintendent and the Office of Public Instruction (OPI); prepare certificates of canvass; and maintain election files.
- **Retention of election materials and coordination with county officials:** Secure ballots for the statutory period; maintain poll books, tally sheets, and absentee envelopes; coordinate with the county clerk; destroy materials after the retention period; report election costs to the county; and manage reimbursements.

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## V. Grants, Federal Programs, and Reporting

- **Application, monitoring, and fiscal management:** Research grant opportunities; prepare applications; coordinate with administrators on program development; enter budgets in E-Grants; track expenditures; submit amendments; ensure compliance with Uniform Guidance (2 CFR 200); and maintain comprehensive grant files.
- **Time and effort documentation:** Maintain semi-annual certification or personnel activity reports; collect time sheets; ensure correct distribution of salaries; review for accuracy; maintain documentation for audits; and ensure comparability and supplement-not-supplant compliance.
- **Reimbursement and drawdown procedures:** Request reimbursements through E-Grants; track cash requests; monitor drawdown schedules; ensure timely reimbursement; and coordinate with the county treasurer on deposits of funds.
- **Programmatic reporting (Impact Aid, CRDC, SPED, Perkins, etc.):** Compile student counts and data; submit Impact Aid forms; prepare Civil Rights Data Collection reports; compile and submit Special Education (IDEA) reports; coordinate Carl Perkins reports; ensure accuracy; and maintain documentation.
- **SAM registration and maintenance of tax-exempt status:** Maintain System for Award Management registration; update entity registration; manage DUNS/UEI numbers; ensure compliance; maintain tax-exempt certification; and provide documentation to vendors as required.

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## VI. Student Data and Compliance Reporting

- **AIM/Infinite Campus data entry and accuracy:** Ensure accurate entry of student demographics; track program participation; coordinate with schools to update data; monitor enrollment and exit dates; update IEP eligibility; manage Title I and migrant student data; maintain Free and Reduced Lunch eligibility; and run error-checking reports.



- **ANB certification (Fall/Spring):** Compile Average Number Belonging (ANB) counts; verify enrollment; prepare supporting documentation; certify counts in MAEFAIRS; and coordinate with the county.
- **Graduate/dropout, personnel, and teacher-class file submissions:** Prepare and submit graduate outcomes; track dropouts; prepare staff FTE and role assignments; submit the teacher-class file; ensure data aligns with schedules; and resolve errors.
- **Coordination with OPI for student information validation:** Respond to OPI data validations; correct errors; maintain communication; train staff on data entry; and ensure compliance with submission timelines.

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## VII. Procurement, Contract, and Vendor Management

- **Bidding, purchasing, and RFP administration:** Develop procurement policies; publish requests for bids and proposals; evaluate bids; ensure competitive purchasing; maintain purchasing thresholds; use state cooperative contracts where beneficial; ensure compliance with Buy American provisions; and maintain comprehensive procurement records.
- **Vendor vetting, W9s, ICEC's, and insurance certificates:** Collect vendor W9 forms; verify taxpayer identification numbers; ensure independent contractor exemption certificates (ICECs); collect insurance certificates; monitor vendor debarment status; and maintain vendor files.
- **Independent contractor compliance and background checks:** Ensure proper classification of employees versus independent contractors; conduct fingerprinting and background checks for contractors; maintain background check documentation; ensure board approval; and require proof of licensure and insurance.
- **Payment processing, warrants, P-cards, and reimbursement controls:** Review purchase requests; issue purchase orders; verify goods received; process invoices; prepare warrants; reconcile procurement cards; ensure receipts and approvals; track sales tax exemptions; manage travel reimbursements; and enforce per diem policies.
- **Contract management (leases, MOUs, service agreements):** Review and draft contracts; consult legal counsel; ensure board approval; maintain a contract database; track expiration and renewals; ensure compliance with contract terms; manage insurance requirements; and coordinate with the chief financial officer or superintendent.
- **Internal control and segregation of duties:** Maintain separation between requesting, approving, and paying functions; review transactions for

appropriateness; monitor for fraud; implement approval workflows; and train staff on procurement policies.

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## VIII. Transportation and Operations Compliance

- **OPI transportation forms and reporting (TR-1 through TR-35):** Prepare and submit bus route approvals; maintain daily trip logs; compile TR-4 and TR-6 reimbursements; update bus ridership counts; track bus depreciation schedules; prepare bus replacement schedules; and submit TR-1, TR-4, TR-5, TR-6, and TR-7 reports as required.
- **Bus route approvals, reimbursements, and budgeting:** Analyze route efficiency; propose route changes; prepare budgets for the transportation fund; track reimbursements from state and county; maintain bus driver training records; and ensure safe stops and routes.
- **CDL and driver training compliance:** Ensure bus drivers have current Commercial Driver's Licenses (CDLs) with appropriate endorsements; coordinate training for first aid, CPR, and driver education; maintain driver medical exam records; monitor random drug and alcohol testing; maintain OPI driver certification; and ensure compliance with Federal Motor Carrier Safety Administration (FMCSA) regulations.
- **Vehicle registration, insurance, and inspections:** Maintain registration and license plates; coordinate annual inspections; maintain proof of insurance; file accident reports; track claims; and schedule regular maintenance.
- **Facility inspections and compliance (fire, boiler, playground, water):** Coordinate annual facility inspections; maintain records; correct deficiencies; coordinate asbestos management plans; maintain lead-in-water testing; ensure monthly playground inspections; maintain safe water systems; coordinate safety drills; and ensure compliance with building codes and environmental regulations.
- **Building Reserve and Major Maintenance Aid tracking:** Develop facilities plans; budget for projects; track expenditures; apply for state major maintenance aid; coordinate with architects and contractors; maintain project files; and manage the opening and closing of buildings. Apply for grant or rebate reimbursement when available for energy savings or other facility related initiatives.
- **Supervise Summer Operations:** Some school business officials ensure that maintenance and cleaning projects in buildings are completed on time and within budget during the summer months. Managing building access and delivery of materials.

- **Department of Labor & Industry audit coordination:** Prepare for DLI audits; provide payroll and safety records; respond to safety citations; implement corrective actions; maintain OSHA logs; and coordinate with inspectors.
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## **IX. Nutrition, Student Activities, and School-Based Funds**

- **School Nutrition Program (NSLP/SBP/SFSP) claims and verification:** Oversee the food service program; ensure compliance with USDA regulations including the civil rights compliance requirements; complete applications and agreements; submit monthly claims; monitor Free and Reduced applications; conduct verification of meal benefits; coordinate audits; maintain meal pattern compliance; track meal counts; and ensure financial sustainability of the nutrition program.
  - **Food safety inspections and training documentation:** Ensure kitchen inspections occur twice per year; maintain Hazard Analysis & Critical Control Points (HACCP) plans; maintain ServSafe certifications; provide staff training; address inspection report findings; and maintain records.
  - **Activity account administration and reconciliation:** Oversee student activity funds; ensure adherence to board policy and MASBO guidelines; review fundraising requests; monitor receipts; maintain separate bank accounts; reconcile monthly; ensure proper approvals; prepare annual financial statements; and include activity funds in the Trustee Financial Summary (TFS).
  - **Booster/PTA coordination and cash-handling training:** Provide training to club advisors and support organizations on cash-handling procedures; coordinate with booster and parent groups; review outside fundraising activities; ensure compliance with Title IX; maintain separation of funds; and provide oversight.
  - **Annual TFS inclusion for all activity funds:** Reconcile activity accounts to the general ledger; record revenue and expenditures properly; include in the TFS; and maintain supporting documentation for auditors and board review.
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## **X. Safety, Insurance, and Risk Management**

- **Employee safety training (SafeSchools/Vector compliance):** Coordinate training for occupational safety, harassment, bloodborne pathogens, and other mandatory topics; maintain training records; ensure new employees' complete orientation; track completion; and update training modules as regulations change.
- **Safety committee participation and reporting:** Convene a safety committee; review accidents and near misses; conduct facility walkthroughs; recommend improvements; maintain meeting minutes; and report safety issues and recommendations to the board.

- **Workers' compensation claims, loss prevention, and liability tracking:** Administer the workers' compensation program; report claims; manage return-to-work programs; coordinate with the insurer; track claim status; monitor the experience modification factor; implement loss-prevention strategies; maintain OSHA logs; coordinate property, liability, and auto claims; and maintain accident logs.
  - **Property, liability, auto, and umbrella insurance management:** Evaluate insurance coverage; obtain quotes; prepare requests for proposals; present recommendations to the board; monitor premiums; ensure coverage for buildings, vehicles, and equipment; maintain a schedule of insured assets; coordinate claim filings; and maintain claim records.
  - **Coordination of renewals and claim documentation:** Track policy expirations; compile renewal applications; update property values; ensure timely premium payments; maintain claim files; and coordinate with adjusters and insurers.
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## **XI. Facilities, Technology, and Asset Management**

- **Inventory of land, buildings, vehicles, and equipment:** Maintain a fixed asset inventory; update records as assets are acquired or disposed; assign asset tags; conduct annual physical inventories; record location and condition; reconcile the inventory to financial records; and ensure control of assets.
- **Fixed asset tagging and depreciation:** Assign asset numbers; record cost, acquisition date, and useful life; calculate depreciation; update the general ledger; prepare schedules for audit; implement GASB 34 requirements; and maintain capital asset policies.
- **Federal equipment tracking (2 CFR 200):** Track equipment purchased with federal funds; maintain inventory records; label items as property of the federal program; ensure equipment is used for its intended purpose; maintain disposition records; and coordinate with program directors.
- **Long-range facility planning, grants, and incentive programs:** Participate in facility planning; identify funding sources; prepare grant applications (e.g., Quality Schools, energy rebates); monitor project budgets; track compliance; coordinate with engineers and architects; present plans to the board; and maintain a comprehensive long-range facility plan.
- **SDS/MSDS record maintenance and compliance:** Maintain Safety Data Sheets (SDS) for chemicals; ensure accessibility for staff; conduct hazard communication training; update SDS annually; coordinate disposal of hazardous materials; and ensure compliance with OSHA and environmental regulations.

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## **XII. Front Office & Community Relations**

- **Frontline operations (enrollment, attendance, visitor management):** Manage the front office; ensure enrollment forms are completed accurately; verify residency; track attendance; monitor daily absence calls; maintain visitor sign-in logs; coordinate substitute teacher check-in; ensure security protocols are followed; and maintain key control.
- **Clerical and receptionist training (FERPA/HIPAA confidentiality):** Provide training on confidentiality and records handling; ensure proper management of student and employee records; respond to records requests; maintain HIPAA compliance for health records; handle custody documentation; and ensure front office staff adhere to confidentiality policies.
- **Customer service, de-escalation, and safety procedures:** Train staff on positive communication and de-escalation techniques; handle upset parents and community members; implement front office safety procedures; coordinate crisis response; maintain first aid supplies; and serve as a mandated reporter when required.
- **Public transparency (posting budgets, policies, levy information):** Maintain the district website; post budgets, audits, policies, and board minutes; update meeting agendas; ensure ADA compliance; respond to website accessibility complaints; maintain community information; and prepare community newsletters.
- **Community communication (newsletters, social media, factual outreach):** Design and distribute newsletters; manage social media presence; share financial information; prepare press releases; respond to media inquiries; present at community meetings; support bond and levy campaigns with factual information; and maintain relationships with local government and civic organizations.

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## **XIII. Substitution Duties**

### **Substitution Duties**

In addition to regular assigned duties, the School Business Manager/District Clerk may be required to temporarily assume substitute responsibilities to ensure the continuous and effective operation of the district. These duties may include, but are not limited to, serving as a substitute for:

- **School or district administrators**, performing limited administrative functions when administrators are offsite or unavailable.
- **Teachers or classroom aides**, providing instructional support and supervision in the absence of regular staff.

- **Technology administrators**, assisting with the management of technology systems, troubleshooting, or coordination of technology resources.
- **Coaches or activity sponsors**, supervising student activities or athletic programs as needed.
- **Athletic directors**, coordinating athletic events, schedules, or logistics in the absence of the assigned director.
- **Bus or vehicle drivers**, providing transportation support if properly licensed and qualified.

Such substitution duties are performed as needed and may extend for indeterminate lengths of time, often while the individual simultaneously maintains their own position responsibilities. Often, SBOs or District Clerks learn their duties on the job without prior training.

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#### **XIV. Ethics, Professional Standards, and Continuous Learning**

- **MASBO Code of Ethics adherence:** Maintain integrity, objectivity, confidentiality, and impartiality; avoid conflicts of interest; provide honest reporting; maintain independence; and adhere to professional ethical standards.
- **Confidentiality, integrity, and impartiality in all matters:** Protect confidential information; treat all stakeholders fairly; avoid nepotism; enforce procurement fairness; maintain professional boundaries; recuse from decisions when necessary; and adhere to board policies.
- **Professional development (MASBO, OPI, federal training):** Pursue continuing education; attend MASBO conferences; maintain certification; complete training through the Office of Public Instruction (OPI) and federal programs; participate in webinars; monitor legislative changes; network with peers; and share expertise with colleagues.
- **Awareness of cybersecurity, cultural competency, and conflict resolution:** Maintain awareness of phishing frauds and cyber-security threats; implement security training; respect diversity; engage in cultural competency training; practice conflict resolution strategies; and lead by example in the workplace.

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#### **XV. Core Competencies & Professional Skills**

- **Financial accuracy and recordkeeping:** Maintain meticulous financial records; conduct double-checks; ensure timely entries; and maintain supporting documentation for all transactions.

- **Technical proficiency (Infinite Campus, accounting software, Excel):** Master multiple software platforms; adapt to updates; provide training to staff; analyze data; create spreadsheets, pivot tables, and macros; and integrate systems to improve efficiency.
- **Communication and presentation skills:** Prepare written and oral reports; present complex financial information to the board and community; write meeting minutes and correspondence; respond to inquiries; maintain diplomacy; and prepare training materials for staff.
- **Policy literacy and legal understanding:** Read and interpret the Montana Code Annotated (MCA), Administrative Rules of Montana (ARM), and board policies; apply legal requirements to daily operations; research legal questions; consult attorneys when necessary; ensure compliance with laws and regulations; and communicate legal requirements to staff and the board.
- **Time management and prioritization:** Juggle multiple deadlines; create calendars and task lists; prioritize tasks based on urgency and importance; manage crises effectively; adapt to new requirements; and maintain accurate timelines for annual cycles (budgets, audits, elections, reports, payroll, grants).
- **Adaptability, critical thinking, and teamwork:** Respond to legislative changes and evolving regulations; analyze complex problems; propose and implement solutions; collaborate with administrators, staff, and the board; lead projects; mentor colleagues; and maintain composure under pressure.

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## **XVI. Distribution of Duties, Staffing Sustainability, and Ethical Risk**

In many Montana school districts, especially Class 2 and rural systems, the Business Manager/District Clerk is often the sole administrative professional responsible for finance, human resources, compliance, elections, and reporting. While consolidation of duties may appear efficient, it often creates conditions that are ethically unsustainable, operationally risky, and personally exhausting.

- **Auditor Expectations and Delegation of Duties**

Auditors consistently emphasize that the segregation and delegation of key financial and compliance duties is essential for maintaining strong internal controls and protecting district assets. When high-risk functions—such as purchasing, payroll approval, and reconciliation—are concentrated in a single individual, districts are more likely to receive audit findings and face increased risk of errors, fraud, and diminished public trust.

Boards and superintendents should proactively review auditor recommendations and ensure that duties are assigned to separate personnel whenever possible. This

not only aligns with best practices and professional standards, but also fulfills audit requirements and strengthens the district’s ethical and operational integrity. Regularly updating internal control plans and documenting the delegation of responsibilities in accordance with auditor guidance will help safeguard fiscal integrity and promote sustainable operations.

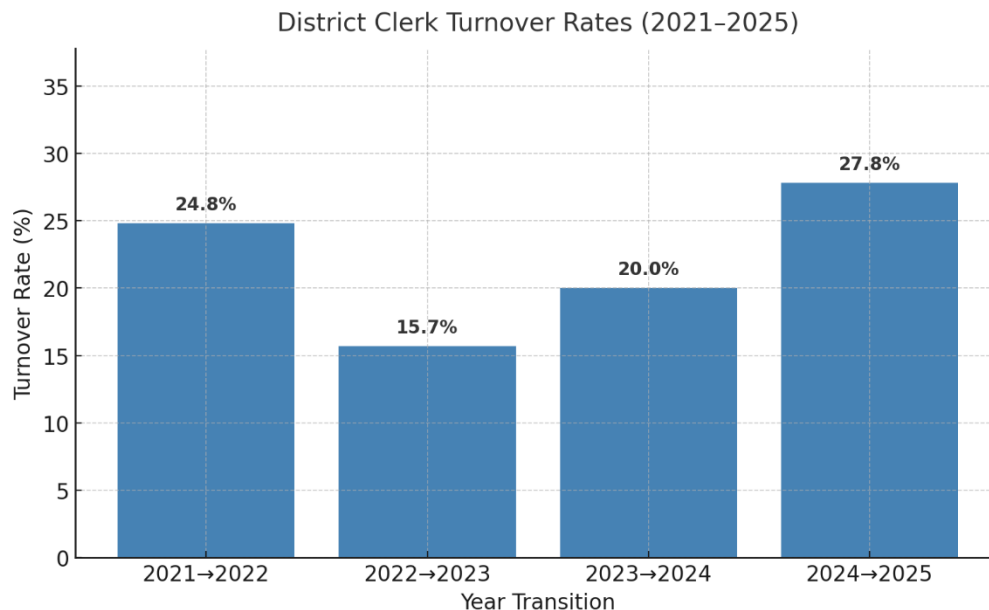
MASBO’s *Code of Ethics and Duties Manual* notes that frustration and turnover frequently arise from “a lack of adequate personnel” to manage today’s complex business operations. It recommends that boards and superintendents map all administrative duties and evaluate whether it is reasonable for one individual to perform them.

When a single role expands beyond manageable capacity, both fiscal integrity and staff well-being are jeopardized.

### Considerations:

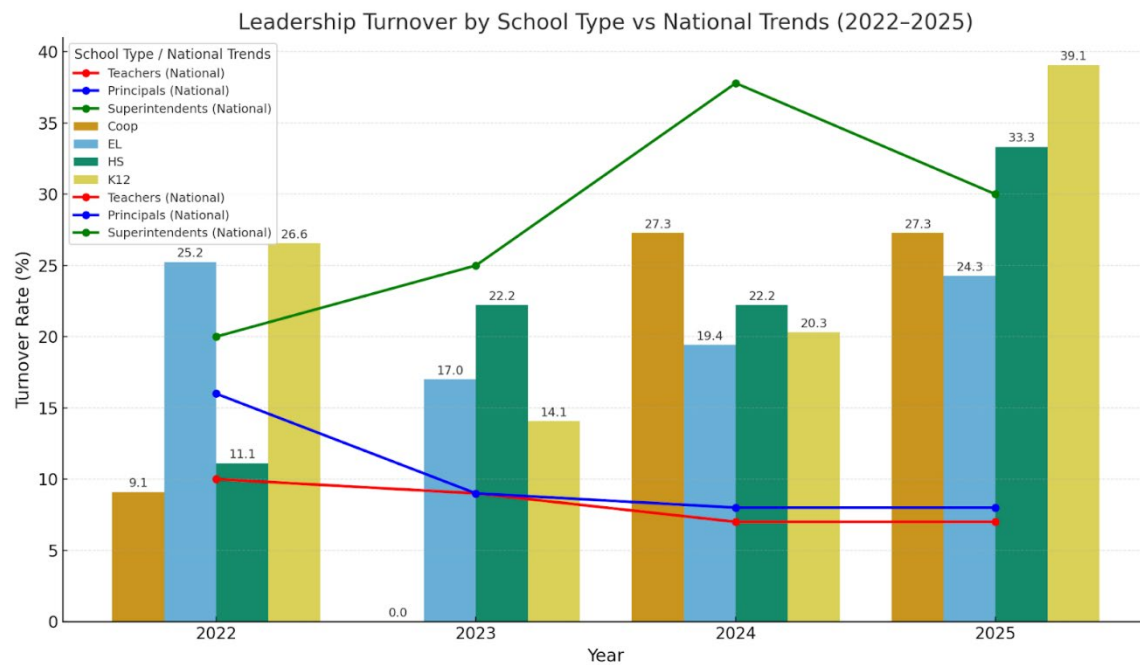
**Turnover and Sustainability:** While national turnover rates are declining, Montana has experienced a marked increase in turnover among school business officials. This shift has resulted in the significant loss of valuable institutional knowledge accumulated over the years.

The following graphs illustrate the turnover rates among Montana school business officials over the past five years, highlighting the growing challenge of retaining experienced staff and the impact of excessive workload on sustainability.



*Figure 1. Turnover rates among Montana school business officials, 2020–2025. Persistent turnover highlights the urgent need for distributed duties, cross-training, and adequate support in school business offices.*





*Figure 2. Turnover rates by type among Montana school business officials, 2020–2025 in comparison to national turnover rates of other school positions. Frequent staff changes result in diminished expertise and continuity, further increasing operational risk and the need for distributed duties.*

- **Singularity in this position results in excessive hours:** compliance fatigue, and diminished capacity to maintain segregation of duties—fundamental to ethical financial governance.
- **The outcome is predictable:** increased audit findings, higher turnover, and compromised institutional knowledge.
- **Segregation of Duties and Ethical Risk:** The **Montana Society of CPAs** calls segregation of duties “the most essential element of internal control.” When one individual initiates, approves, and records financial transactions, risk multiplies—including errors, conflicts of interest, and potential fraud. The “Rule of Three” remains the benchmark of integrity:
  - one person authorizes or approves expenditures,
  - a second executes or processes them, and,
  - a third reconciles and reviews the results.
- **K-12 internal control studies confirm that fewer staff reduce segregation of duties:** forcing districts to revise approval processes and weaken checks and balances. Each point of overlap in duties—especially where fiscal, HR, and purchasing authority intersect—creates vulnerability. Fraud prevention specialists warn that the absence of segregation “erodes transparency, endangers public trust, and increases ethical risk.”

### Recommendations for Boards and Superintendents:

- **Evaluate Staffing Models:** Conduct an annual assessment of all assigned duties within the business office to determine if workload exceeds a reasonable FTE capacity.
- **Distribute Responsibilities:** Assign or share high-risk functions (such as purchasing, payroll approval, and reconciliation) among multiple personnel, neighboring districts, or county offices where feasible.
- **Implement Cross-Training:** Train additional staff or contracted professionals to ensure continuity, backup, and internal control coverage during absences.
- **Document Segregation Procedures:** Keep a detailed internal control plan that specifies the person responsible for each stage of important financial tasks and explains how those responsibilities are divided.
- **Prioritize Ethical Capacity:** Recognize that safeguarding ethical operations requires **safeguarding the people** who perform them. Workload equity, professional support, and mental health sustainability are integral to fiscal integrity.

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### Closing Reflection

**“Behind every safe, solvent, and lawful school district is a dedicated professional or team of professionals, whose unseen work keeps our schools running. It’s time for Montana to recognize, respect, and support these individuals—before the system itself reaches a breaking point.” —**

Montana Association of School Business Officials (MASBO)

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## Acknowledgment

*With appreciation to Montana’s Business Managers and District Clerks for their continued dedication, professionalism, and integrity in service to public education.*

This duty statement draws from:

- Montana Code Annotated (MCA)
- Administrative Rules of Montana (ARM)
- School Accounting Manual (Office of Public Instruction-OPI)
- Montana Office of Public Instruction Election, Transportation, Nutrition, and other Resources (Office of Public Instruction-OPI)
- Montana Association of School Business Officials (MASBO)
- Montana School Board Association (MTSBA)
- Various State and Federal Agencies including the Department of Labor and Industry, the Department of Revenue (IRS), Department of Justice (DOJ), the U.S. Department of Education, the Department of Health and Human Services, and Department of Environmental Quality, and more.

## Disclaimer

This document has been created and provided by the Montana Association of School Business Officials (MASBO) as a professional reference and advocacy resource. It is intended to illustrate the comprehensive scope and complexity of the Business Manager/District Clerk position in Montana’s K–12 education system.

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