

# Knowing Your School/School District and Understanding Your Role Within School Administration

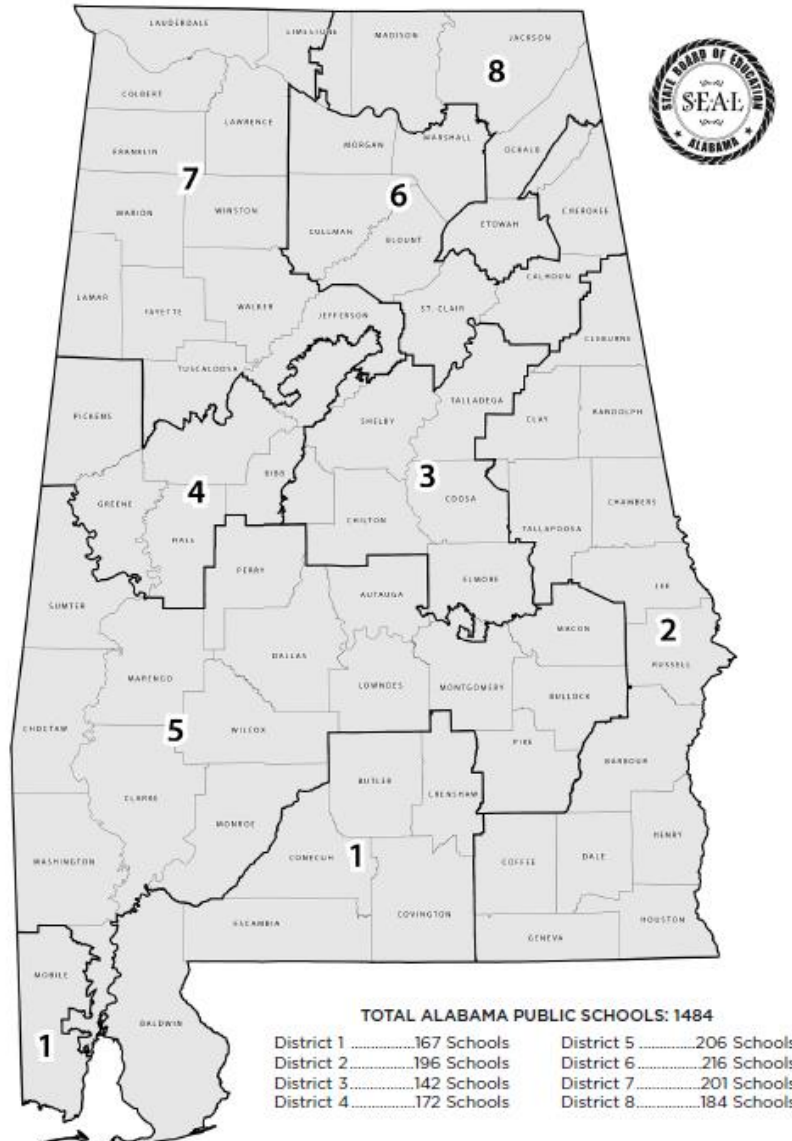
AASBO LSFM Certification Program

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# State Board of Education

- Nine members serve on the State Board, including the Governor who serves as president of the Board.
- Eight members elected by district serve a four-year term.
- Elections for four board member positions are held on alternating two-year cycles.
- The Board appoints the State Superintendent of Education.

**BOARD MEMBERS****Governor Kay Ivey**

President

**Eric Mackey**

Secretary and Executive Officer

**Jackie Zeigler**

District 01

**Tracie West**

District 02 , Vice President

**Stephanie Bell**

District 03

**Yvette Richardson**

District 4

**Tonya S. Chestnut**

District 05 , President Pro Tem

**Marie Manning**

District 06

**Belinda McRae**

District 7

**Wayne Reynolds**

District 08

# State Board of Education

- Establishes policies
- Prescribes minimum course content
- Exercises general control and supervision over the public elementary and secondary schools
- Adopts textbooks used in public schools
- Adopts rules and regulations governing the education of exceptional and disabled children
- Conducts investigations regarding the educational needs of Alabama
- Adopts rules for proper construction and sanitation for school buildings.

# State Department of Education

- Executes educational policies for the schools of the State as authorized by law and determined by the State Board of Education.
- Administers rules and resolutions adopted by the State Board of Education for elementary and secondary education and the Office of Disability Determination.
- Administers state laws and state funds appropriated for local school boards and public charter schools.
- Administers federal education funds and other federal funds when the department functions as a conduit for federal funds.

# State Department of Education

- Its functions are carried out through the State Superintendent of Education and personnel of the State Department of Education, whom the State Superintendent directs.

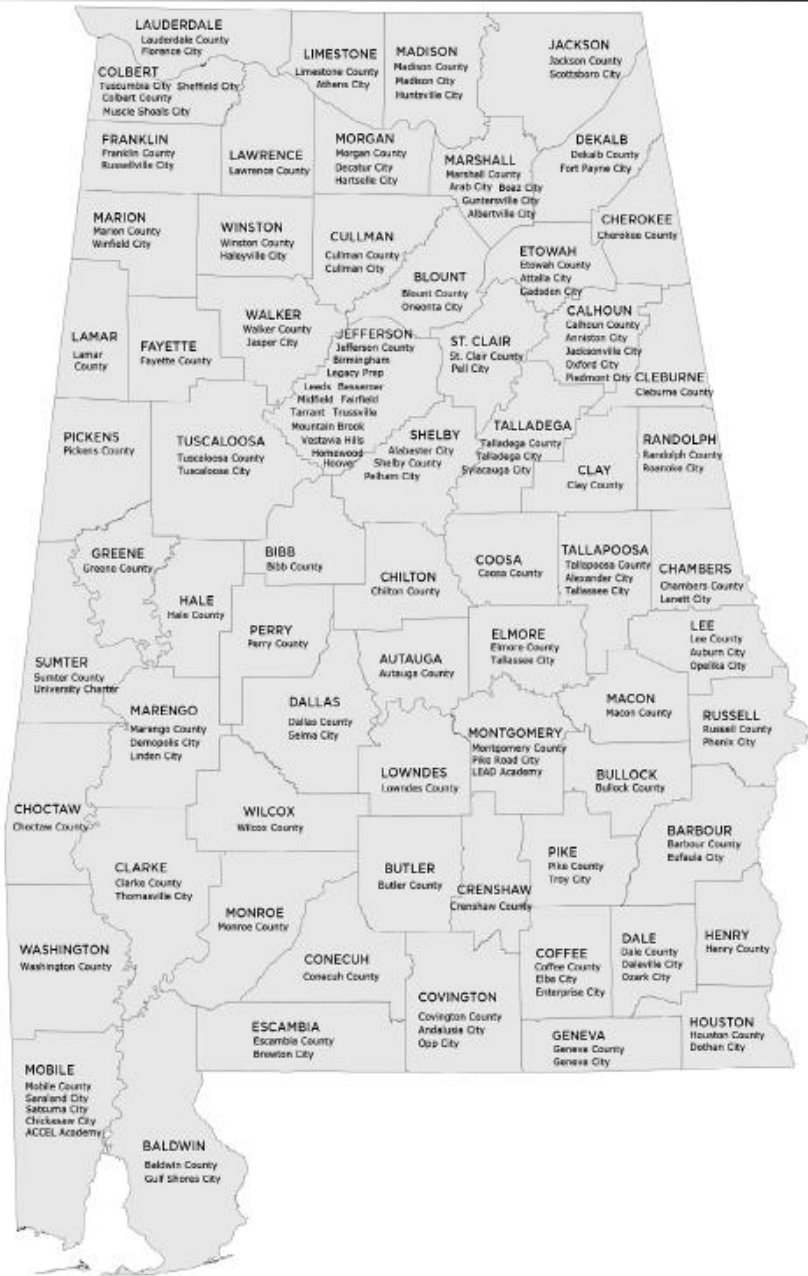
# State Superintendent of Education

- Has the authority to review actions and orders of county and city boards of education, and of county and city superintendents in matters relating to finance and other matters seriously affecting educational interests.
- May request State Board approval to assume control of local school boards for financial, academic, operational deficiencies, and school safety and discipline issues.

# Local Boards of Education

- 67 County Boards of Education.
- 72 City Boards of Education as of October 1, 2023. (25 Elected and 47 Appointed By City Council)
- 11 Public Charter Schools
- An incorporated municipality with 5,000 or more inhabitants according to the federal census, may establish a city board of education.
- A city council may create a city board of education but cannot abolish the school board.





# Local Boards of Education

- The School Board Governance Improvement Act of 2012 established
  - new minimum qualifications for school board members
  - requires compliance with a code of conduct
  - requires board members to participate in orientation and ongoing training

# County and City Superintendents

- All city superintendents are appointed by the city board of education.
- County superintendents of education are elected unless local legislation provides for the county board of education to be appointed instead of elected.
  - As of October 1, 2023, 29 county superintendents are appointed and 38 are elected.

# School Principals

- A principal employed by a local school system beginning July 1, 2000, does not have continuing service status.
- Principals who had attained tenure could remain tenured and retain continuing service status.
- Contract principals are not covered by the Students First Act.

# Lines of Authority

- Education is a State function executed through local boards
- Superintendent, Board, CSFO, and Principals all have statutory role in handling funds
- Bookkeepers and Directors do not

# Lines of Authority

- For local administrators, authority (and responsibility) related to finance is by statute or delegation from Superintendent and Board.
- How are responsibilities delegated?
  - Board policies
  - Local school finance manual
  - Directives
  - Day-to-day interaction

# Board Policies/Procedures

- State laws/regulations relating to school finance
  - Alabama Code
  - ALSDE Administrative Code
  - AG Opinions
- Local board policies/procedures
  - Rules and regulations
  - Procedure Manuals

# Local School Financial Procedures

*“When it comes to what the important issues are for school principals, school finance is not at the top of the list. But they should know something about the topic.”*

*Former principal and current superintendent*



# Local School Activity Funds

- Historically, little attention has been given to accounting for activity funds in school districts. However, the nature of activity funds makes them especially vulnerable to error, misuse, and fraud.
- In addition, activity funds often total to large sums of money, especially when capturing the amounts that flow through an educational organization in the form of school board funds, student-generated funds, receipts and disbursements related to athletics, and the numerous co curricular and extracurricular events sponsored by school districts today.

## Local School Activity Funds

- Particularly troubling is the fact that public schools are regulated by boards of officials, whom residents trust to keep the best interests of students in mind. Many place part of the blame on school boards and superintendents for failing to implement proper controls or for turning a blind eye to financial discrepancies within the district.

# Local School Activity Funds

- Activity funds are established to direct and account for monies available and used at the local school level.
- Activity funds are unique to school districts. The distinction is based on the purpose of the funds, that is, the programs supported by the funds.
- The classifications which are commonly recognized are:
  - school general funds
  - student activity funds
  - parent support or school related organization funds



# School General Funds

- Belong to the school
  - Used to support general operations and co-curricular / extra-curricular activities
  - Administered by the school principal
- Approval for disbursing school funds rests with the principal

# School Funds

- General Fund
- Athletics
- Class Accounts
- Principal has control of funds and the school determines how activity fund monies are spent and the school programs that receive support.

# Student Activity Funds

- Support activities that are based in student organizations
  - Students not only participate in the activities of the organization, but also are involved in managing and directing the organization's activities
- An important distinction is that disbursing monies from the student activity fund is subject to approval by the student organization and its sponsor, rather than by the board of education or principal

# Student Activity Funds

- Clubs
- SGA
- Class of 2024
- Disbursing monies from the student activity fund is subject to approval by the student organization and its sponsor.

# Parent Support & School Related Organization Funds

- School districts and student groups are also increasingly benefited by affiliated organizations that support curricular, co-curricular, and extracurricular activities.
- Affiliated organizations include groups such as Parent-Teacher Associations (PTAs), Parent-Teacher Organizations (PTOs), school foundations, and athletic booster clubs.
- Contributions by these groups often include supplies, materials and equipment.
- Financial records may be included in the school books and classified as non-public funds or may be maintained outside the school records depending on the board's policy . Additional procedures should be in place for those records maintained outside the school books.



# Parent Support Organizations Funds

- PTA/PTO
- Booster Organizations
- Officers of organization set budget and approve disbursement of monies from the accounts.
- Review the Local School Financial Procedures manual for guidelines.
  - [www.alabamaachieves.org](http://www.alabamaachieves.org)
  - Teachers & Administrators
  - LEA Fiscal Accountability
  - Local Schools – Procedures
  - Local School Financial Procedures

# Parent Support Organizations Funds

- PTA's – PTO's – Boosters
  - Included in the school financial records and the school bank account unless it meets ALL the following:
    - An individual EIN number
    - A separate mailing address
    - No employee of the school leads the organization's fund-raising
    - No employee of the school maintains the accounting records for the organization.
    - Boosters - No employee of the school, who is associated with the activity supported by the booster organization, serves/holds a leadership position in the organization.

# Parent Support Organizations Funds

- **Specific Requirements** – Parent organizations and booster organizations that maintain their own financial records must provide:
  - Proof of employer identification number.
  - Annual audit report.
  - Financial records to the school's auditors and authorized school employees upon request.
  - Required financial reports.
  - Proof of a fidelity bond for the treasurer.
  - Assurance that it will not provide any payment or benefit to a school employee (or family member of a school employee) in violation of the State Ethics Law.

# Lines of Authority

- **Board of Education** – Adopts policies to govern the establishment and operation of all funds. The district's auditors review these policies for sound accounting and reporting principles. The Board approves the budget and financial statements as recommended by the Superintendent.
- **Superintendent** – Directly responsible to the Board of Education for administering all Board policies and recommends the budget and financial statements to the Board for approval.
- **Chief School Financial Officer** – Has the overall responsibility for accounting for and reporting all funds, including school and student activity funds, to the Board. The Chief School Financial Officer is also responsible for implementing and enforcing appropriate internal control procedures as well as monitoring and managing the financial resources.

# Lines of Authority

- **Principal** – The Principal at each school is the activity fund supervisor and has overall responsibility for the operation of all activity funds, including collecting and depositing activity fund monies; approving disbursements of student activity fund monies; and adequately supervising all bookkeeping responsibilities. The activity fund supervisor should be a signatory to all disbursements, including checks drawn on the activity fund.
- **Sponsors** – The sponsor of each student organization is responsible for supervising all activities of the organization, including approving student activity fund transactions. Sponsors should be employees of the district and under the direct control of the activity fund supervisor.
- **Parent Support Organization Officers** – The officers of each support organization is responsible for the activities of the organization and assurances they follow their bylaws and established laws, regulations and board policies for the operations of the organization.

# Fiscal Accountability Act

## Code of Alabama Section 16-13A-5

- (b) The chief school financial officer shall perform each of the following duties:
  - (1) Verify the receipt of all funds to which the local board of education may be entitled by law or which may come into its possession for public school purposes.
  - (2) Verify the payment of such funds, such payments to occur only on written order of the local superintendent of education.
  - (3) Keep an accurate record of all receipts and expenditures, and provide such information to the local superintendent and the local board.
  - (4) Make reports as may be required by law, by the local board of education, or by rules and regulations of the State Board of Education.

# Fiscal Accountability Act

## Code of Alabama Section 16-13A-5

- (b) The chief school financial officer shall perform each of the following duties:
  - (5) Personally notify, in writing, each board member and the local superintendent of education of any financial transaction of the local board of education which the chief school financial officer deems to be non-routine, unusual, without legal authorization, or not in compliance with the fiscal management policies of the board. The notification shall be recorded in the minutes of the board by the president of the local board of education.

**Notification Required by  
Act No. 2006-196  
School Fiscal Accountability Act**

Date \_\_\_\_\_

Control Number \_\_\_\_\_

<b>School Board:</b>
<b>Chief School Financial Officer:</b>
<b>E-mail:</b>
<b>Phone:</b>

**FINANCIAL TRANSACTION**  
*Notification is provided because the financial transaction described below is deemed:*

- A. **Non-routine**
- B. **Unusual**
- C. **Without legal authorization**
- D. **Not in compliance with fiscal management policies of the board**

**DESCRIPTION OF FINANCIAL TRANSACTION:**

Responsible individual(s): \_\_\_\_\_

Date(s) of transaction: \_\_\_\_\_

Description of financial transaction:

- Additional Information Attached
- Recommended Corrective Action Attached
- Response From Responsible Individual(s) Attached

*This notification is required by Act No. 2006-196. A copy of this notification is provided to each board member and the local superintendent of education. This notification shall be recorded in the minutes of the board by the president of the local board of education.*

\_\_\_\_\_ Date \_\_\_\_\_

**Signature of Chief School Financial Officer** **Date**



# Knowing Your School/School District and Understanding Your Role Within School Administration

**Questions?**

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