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ALABAMA ASSOCIATION OF SCHOOL BUSINESS OFFICIALS

School Business Operations I

February 9, 2026

Disclaimer

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- The information contained herein has been prepared in good faith on behalf of AASBO and is for the sole purpose of information and education. Every effort has been made to ensure the accuracy of the information presented as factual. Users are directed to countercheck facts when considering their use of the information.

Topics

- School Board and Administrative Functions
- Record Retention
- Worker Classification

School Board Administrative Functions

- Duties and Authority of the Board
  - The Board of Education acts as a legislative body in determining general policies for control, operation and maintenance of schools.
  - Set the vision and the goals for the district.
  - Adopt policies and set priorities that give the district direction to achieve its goals.
  - Approves the annual school budget.
  - Hiring/Evaluating Superintendent and CSFO

School Board Administrative Functions

Role of the Superintendent

- Identify needs and policies
- Develops administrative procedures and provides leadership
- Manages the day-to-day operations of the district

Roles/Responsibilities	School Board	Superintendent
1. General	Governs the District	Advises the Board – Manages the District
2. Policy	Adopts	Suggests and Implements
3. Board Meetings	In charge of	Serves as resource
4. Budget/Finance/Audits	Adopts and monitors	Prepares, administers, monitors, details
5. Instruction/Curriculum	Establishes criteria, approves, and monitors	Recommends, oversees staffs' efforts
6. Personnel	Establishes criteria, approves, or rejects	Interviews, recommends, hires, evaluates, promotes, trains
7. Community Relations	Creates a positive image for district	Creates a positive image for district, directs communications
8. Labor Relations	Provides guidelines, ratifies contracts	Monitors process within guidelines
9. Student Services	Adopts policies for care and control	Recommends, implements, directs
10. Facilities/Food Service /Transportation	Develops policy on use of	Implements policy, writes procedures, makes recommendations

Policies and Procedures

- Policies and procedures make the schools and school system a more effective and efficient organization.

Board Policies

- **Board Policies:**
  - Governing Principles
  - School Board Operations
  - Business Services/Fiscal Management
  - General Administration
  - Personnel
  - Students
  - Instructional Program

Board Policies

- **Board Policies: Board Operations**
- Board Operations
  - Qualifications
  - Method of Elections/Appointments
  - Duties
  - Regular Meetings
  - Compensation
  - Policy Review

Board Policies

- **Board Policies: Business Services/Fiscal Management**
- Purchasing and Procurement
  - Financial Procedural Manual
  - Budgeting
  - Purchase Orders
  - Purchasing and Bidding
  - Cooperative Purchasing
  - Procurement Policy
  - Expenditures
  - Inventories

Board Policies

- **Board Policies: Business Services/Fiscal Management**
- Purchasing and Procurement
  - Acquisition, Use and Exchange of School Property
  - Sale, Transfer or Disposal of Property
  - Inventory Control and Property Management
  - Records Management and Retention

Procedural Manuals

- Finance Manual
- Purchasing/Procurement Manual

Connecting the Dots

- Cost Variable
- Student Outcome

Connecting the Dots

- Strategic Plan
- Board and Superintendent Priorities
- School Improvement Plan
- Capital Plan

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Records Retention for K-12 Public Education

The Alabama Archives, Record Disposition Authority

Agenda

- Overview of Record Retention in K-12 Education
- Alabama State Retention Policies and Guidelines
- Procedures for Managing Records
- Roles, Responsibilities, and Training

Importance of Record Keeping

- Record Retention
- Protecting Student Privacy
- Ensuring Legal Compliance
- Supporting Administrative Functions

Laws and Regulations

Federal Laws on Records

FERPA sets federal standards for protecting and retaining student records in educational institutions.

State Statutes Compliance

Alabama state laws specify additional requirements for record retention and protection of student data.

School Responsibilities

Schools must follow legal frameworks to safeguard student information and avoid legal liabilities.

Types of Records

- Student Records
- Personnel/Human Resource Records
- Financial Records

Alabama Records Law

- Alabama law requires public officials to create and maintain records that document the business of their offices.
- These records must be protected from "mutilation, loss, or destruction," so that they may be transferred to an official's successor in office and made available to members of the public.
- Records must also be kept in accordance with auditing standards approved by the Examiners of Public Accounts.

(Code of Alabama 1975, Sections 36-12-2, 36-12-4, and 41-5-23).

Definition of Public Records

- All records, written, typed, or printed books, papers, letters, documents and maps made or received by the school district in the transaction of public business.
- The Uniform Electronic Transactions Act of 2001 (Code of Alabama Sections 8-1A-1 through 8-1-A-20) established the terms under which electronic records are legally acceptable, provided that both parties to a transaction agree to their use
- The acts states that if a law requires a record to be "in writing," an electronic record under certain specified conditions satisfies that law. Electronic records may not be denied legal authority simply because they are electronic.

Custodian of Records

- The board of education superintendent should establish a records manager position at the central office and a records liaison in each board department and each school.
- The records manager and liaisons should be responsible for ensuring the regular implementation of this RDA, maintaining records in compliance with national and state standards, and coordinating the destruction of disposable records.

Compliance Requirements for Districts and Schools

- **Policy Implementation**

  Districts and schools must establish policies that comply with state retention schedules effectively.

- **Documentation and Record Keeping**

  Proper documentation is essential to demonstrate compliance during audits or reviews in educational institutions.

School District's Responsibility for Records

- Incorporate efficient and effective systems for classifying and retaining records.
- Provide for the recovery of records in the event of a disaster or emergency
- Provide for the prompt destruction of records that are no longer of significant value for administrative, legal, fiscal, historical, or research purposes upon expiration of the appropriate retention period and that are not legally required to be kept.
- Ensure the continuing accuracy, availability, security, and preservation of records with long-term or permanent value as required by law.
- Ensure confidentiality and security of public records exempt from disclosure.
- Comply with all state and federal laws regarding security of records, record retention and destruction, and response to record requests.

Records Disposition

No county, municipal, or other local government official shall cause any county, municipal, or other local government record to be destroyed or otherwise disposed of without first obtaining the approval of the Local Government Records Commission

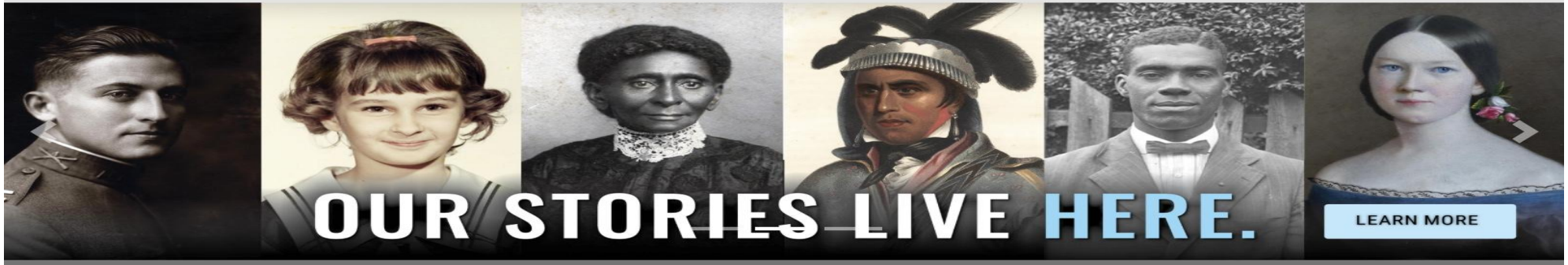
Code of Alabama 1975, 41-13-23

Records Disposition Authorities

- The Records Disposition Authorities (RDAs) lists records created and maintained by the local boards of education in carrying out their mandated function and subfunctions. It establishes retention periods and disposition instructions for those records and provides the legal authority for the local boards of education to implement records destruction.
- RDAs or retention schedules constitute authorization for the disposition of agency records as stipulated in the document.
- These RDAs also identify the permanent records that a Board of Education must preserve.

Alabama Department of Archives

- archives.alabama.gov



Upcoming Events

Black History Month
The Pursuit of Happiness
Saturday, February 7 at 10:00 am

Genealogy Workshop
African American Genealogy Seminar
Monday, February 9 at 9:00 am

Announcements

2026 Summer Internships

2026 Food For Thought Schedule

ADAH Annual Report FY 2025

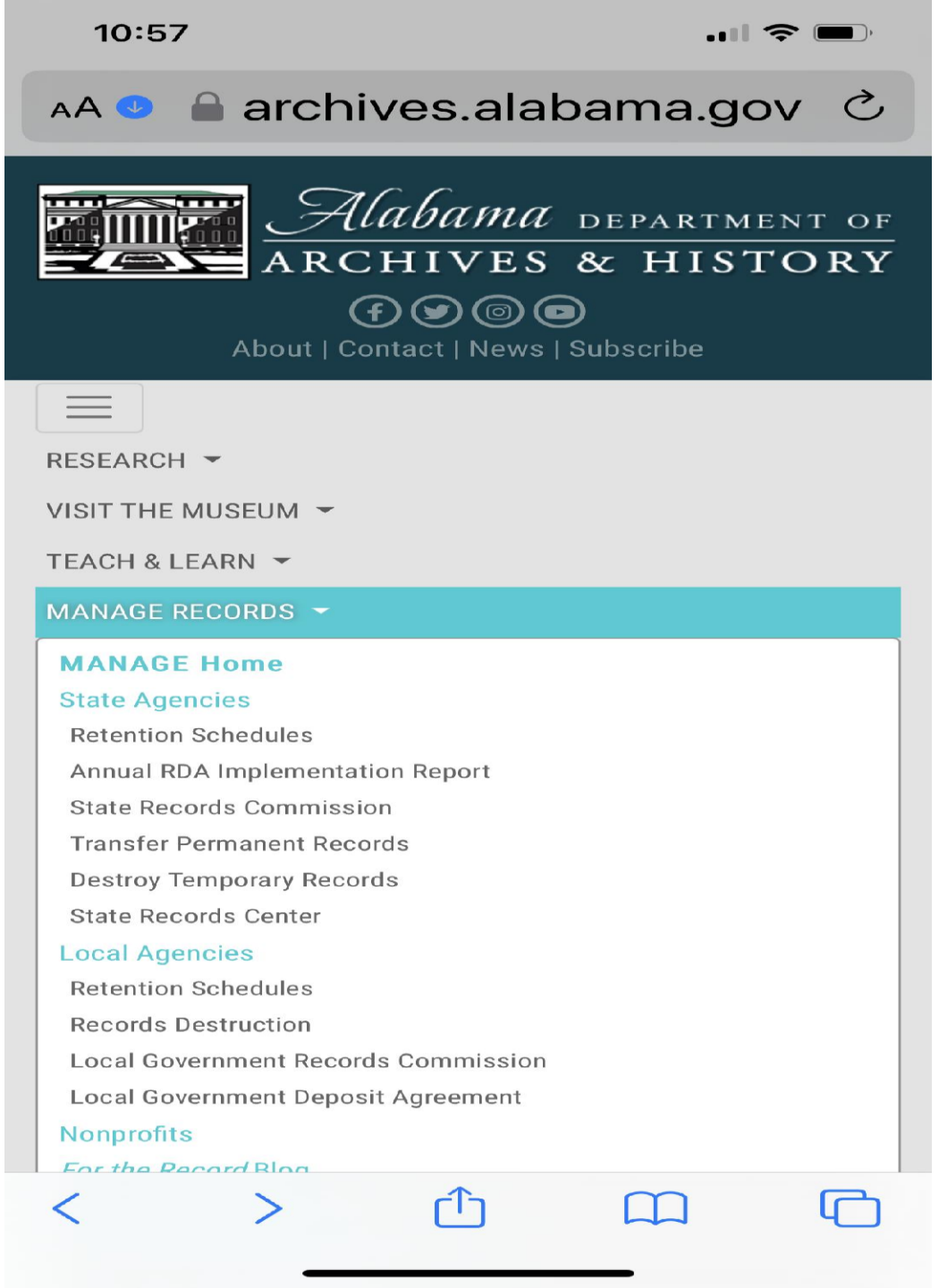
Alabama's Replica Liberty Bell to Undergo Restoration for the Nation's 250th

Virtual Volunteer Transcription Opportunities

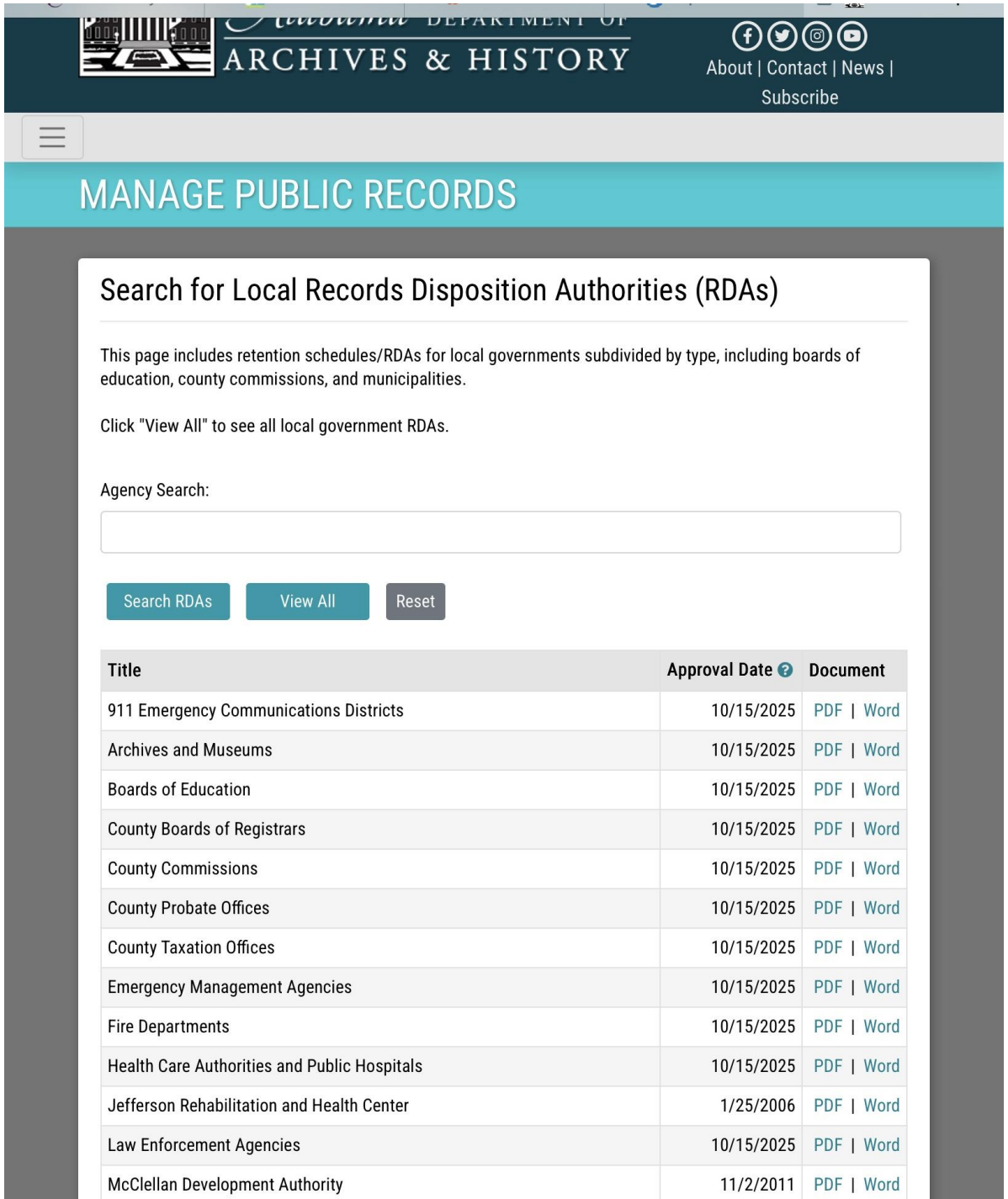
Collection Spotlight

Since 1901, the Alabama Archives has worked to collect, preserve, and share the story of Alabama and its people. Our collective understanding of the past continues to improve as we acquire artifacts and records from state agencies and through generous contributions made by citizens. Items in a recent acquisitions case in the Museum of Alabama lobby

Under Local Agencies, Click on "Retention Schedules"



Agency Search: “Boards of Education”



Title	Approval Date	Document
911 Emergency Communications Districts	10/15/2025	PDF | Word
Archives and Museums	10/15/2025	PDF | Word
Boards of Education	10/15/2025	PDF | Word
County Boards of Registrars	10/15/2025	PDF | Word
County Commissions	10/15/2025	PDF | Word
County Probate Offices	10/15/2025	PDF | Word
County Taxation Offices	10/15/2025	PDF | Word
Emergency Management Agencies	10/15/2025	PDF | Word
Fire Departments	10/15/2025	PDF | Word
Health Care Authorities and Public Hospitals	10/15/2025	PDF | Word
Jefferson Rehabilitation and Health Center	1/25/2006	PDF | Word
Law Enforcement Agencies	10/15/2025	PDF | Word
McClellan Development Authority	11/2/2011	PDF | Word

Local Boards of Education RDA

Local Boards of Education

Functional Analysis
&
Records Disposition Authority

Revision
Approved by the
Local Government
Records Commission
October 15, 2025

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Records Disposition Types

- Temporary
- Permanent
- Records No Longer Created

Retention Schedule

ACCOUNTING RECORDS

- **Final Approved Budget**

  PERMANENT RECORD

- **Routine Accounting Records**
- These are records of original entry , such as journals, registers, and subsidiary ledgers; and records of deposits of funds, including cancelled checks, check stubs, deposit slips, and other banking records, receipts books and reports of the Child Nutrition Program, as well as student fundraisers for the school and the school district.

  Temporary Record - Retain 2 years following audit.

- **General Ledgers and Detailed Year-End Trial Balance**

  Records Created prior to 1975: PERMANENT RECORD

  Records Created in or after 1975: Temporary Record – Retain 10 years after the fiscal year in which the records were created.

- **Local School Copies of General Ledger and Trail Balances**

  Temporary Record - Retain 2 years if identical to copy submitted to board of education.

Retention Schedule

- **Purchasing Records**
- These records document the requisitioning and purchasing of supplies and equipment, receipting and invoicing for goods, and authorizing payment for products. They may include purchase orders, invoices, purchasing card receipts, and receiving reports. These records also include purchasing records for the Child Nutrition Program.

Temporary Record - Retain 2 years following audit.

Retention Schedule

- **Records of Formal Bids**
- These records document the bid process, including requests for proposals and unsuccessful responses.
  - Records documenting bids or services obtained by local boards of education. These records include requests for bid proposals, successful and unsuccessful bids by product or service vendors, and related correspondence.

    Temporary Record: Retain 7 years after the date bids were opened (Code of Alabama 1975, Section 16-13B-4[d]).

- Lists of eligible bidders. Boards of education may compile lists of eligible bidders or businesses who have filed requests to be notified of bids on projects, products, or services required by the school system. Note: Requests from bidders to be included in the list may be treated as Routine Correspondence (RDA item 9.09).

  Temporary Record: Retain 3 years after last contact with listed vendors.

Retention Schedule

- **Correspondence with vendors slated for removal from the list of eligible bidders.**
- Under Section 16-13B-4(a) of the Code of Alabama, any listed bidder who fails to respond after receiving three solicitations for bids may be stricken from the eligible list. This correspondence documents the school board's efforts to warn unresponsive vendors that they will be dropped from the list unless they ask to remain eligible. It includes forms or letters sent by the board and any responses from the vendors.

Temporary Record: Retain 2 years after the audit period in which the bidder is removed from the list

Retention Schedule

- **Contracts, Leases, Franchises and Agreements**
- These records document the negotiation, fulfillment, and termination of all contracts, leases, franchises and agreements entered into by the board of education, including final contract that are subject to the bid process.

Temporary Record: Retain 10 after termination or expiration of contract.

Retention Schedule

- **Grants Projects Files**
- **Financial reports, interim narrative reports, and correspondence**.
  - These records include financial reports, interim narrative reports, background materials, and other non-financial supporting documentation for grants awarded. Also included are records related to unsuccessful applications.

    Temporary Record: Retain 6 years after submission of final report or denial application.

- **Subsidiary financial records.** These records include accounting or purchasing records and any other subsidiary financial documentation of federal grants, including financial reports. (See federal Rule 1354).

  Temporary Record: Retain 3 years after submission of final financial report

Retention Schedule

- **Grants Projects Files**
- **Final narrative reports.** Final narrative summaries are submitted according to the requirements of the funding agency. They summarize the goals of the grant, how the money was used and what was accomplished.

PERMANENT RECORD

Retention Schedule

- **Annual Inventory Records**
- These records document all personal property , equipment, or capital outlay by the board on an annual basis; they also include inventories of textbooks.

Temporary Record: *Retain 2 years following audit.*

- **Receipts of Responsibility for Property**
- These records document school board property that is temporarily in use or possession of an employee or student. They include textbooks issued to students.

Temporary Record: Retain until return of item to the property manager.

Retention Schedule

- **School Construction Project Files**
- These records document all activities pertaining to the planning and construction of educational facilities.
- **As-built plans, specifications, and blueprints of buildings of significant historical interest**

  PERMANENT RECORD
- **As-built plans, specifications, and blueprints of building of building lacking significant historical interest**

  Temporary Record: Retain for life of the facility
- **Preliminary plans, specifications, and blueprints**

  Temporary Record: Retain for useful life.

Process for Disposing of Records

- The responsible official must use the approved RDA to submit a Local Government Records Destruction Notice to the Alabama Department of Archives and History (ADAH) to receive a letter of eligibility for authorization to dispose of records.

Process for Disposition of Records

- Access the Local Government Records Destruction Notice
- Identify the Appropriate RDA /Retention Schedule
- Complete the Destruction Notice
- Submit for Approval

Training on Records Management

- Staff Knowledge of Policies and Procedures
- Error Reduction
- Compliance Reinforcement

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IRS Worker Classification for Purchasing and Procurement

Compliance, Financial Protection, and Operational Integrity

Why Worker Classification Matters

- Correct classification is essential for tax compliance and avoiding IRS penalties.
- Impacts payroll, benefits, and legal obligations.
- Misclassification can result in back taxes, fines, and loss of trust.

Why It Matters to Purchasing Directors

- Purchasing decisions often involve contracted services and vendors
- Improper classification can expose the district to audits and penalties
- Purchasing plays a key role in ensuring compliant contracts

IRS Classification Categories

- **Employee**: School controls what, how, and when work is done.
- **Independent Contractor**: Worker controls how results are achieved; school only controls the outcome.

IRS Common Law Rules

- **Behavioral Control**: Who directs the work and methods?
- **Financial Control**: Who supplies tools, reimburses expenses, and determines payment?
- **Relationship of the Parties**: Contracts, benefits, permanency, and whether services are core to the school's mission.

Examples in K-12 Schools

- **Employees**: Teachers, coaches, school board members (W-2 reporting).
- **Independent Contractors**: Guest speakers, consultants, some extracurricular staff (1099-NEC reporting).
- **Key Point**: Coaches and board members are almost always employees

Common Risk Scenarios

- Consultants working under direct supervision
- IT, curriculum, or professional development services
- Long-term contractors performing employee-like duties

How to Determine Classification

- Review job duties and compare to IRS standards.
- Use written contracts for independent contractors.
- Document rationale for each classification decision.
- When in doubt, file IRS Form SS-8 for determination.

Compliance Tips

- Regularly review job classifications.
- Maintain accurate records of hours, wages, and contracts.
- Establish clear overtime and payment policies.
- Collect W-9 forms before first payment to contractors.

Role/Service	Employee (W-2)	Contractor (1099-NEC)	Key Factors
Full-time Teacher/Aide	✓		School controls work, schedule
Football Coach	✓		School sets schedule, supervises
Consultant/Construction Contractor		✓	Sets own hours, uses own tools
Guest Speaker		✓	One-time, not supervised
Long Term Contractors	Sometimes	Sometimes	Depends on control, supervision
Music Lesson Provider	Sometimes	Sometimes	Depends on control, supervision
School Board Member	✓		Elected/appointed, paid by school

IRS Determination and Documentation

- When in doubt, file IRS Form SS-8 for an official determination.
- Always document the rationale for each classification decision.
- Use written contracts for all independent contractors and collect W-9 forms before payment.

Consequences of Misclassification

- IRS penalties, back taxes, and interest.
- Department of Labor inquiries.
- Loss of eligibility for certain benefits and protections.

Impact on Contracts and Vendor Relationships

- Incorrect classification may invalidate contracts
- Vendors may not meet independent contractor standards
- Clear classification supports transparent, defensible agreements

Compliance and Audit Exposure

- Increased scrutiny from IRS and state agencies
- Audit finding can impact school district reputation and finances
- Documentation gaps often surface during vendor reviews

Purchasing and Procurement Role

- Review service contracts for classification risks
- Coordinate with HR, Payroll, Finance, and Legal teams
- Ensure vendors meet IRS independent contractor criteria

Best Practices for Purchasing and Procurement

- Used standardized contract language and checklists
- Require vendor documentation (W-9, business credentials)
- Periodically review high-risk service agreements

Purchasing Workflow Risk Checklist

- Is the service provider performing core employee-like duties?
  - Does the district control how, when, or where the work is performed?
  - Is the engagement long-term or ongoing rather than project-based?
  - Does the vendor work exclusively or primarily for the district?
  - Has required documentation been collected? (W-9, insurance, business license)
  - If multiple answers are 'yes,' IRS misclassification risk is high

IRS Classification Traffic-Light Risk Matrix

- LOW RISK (Green): Short-term, project-based services with minimal district control
  - Vendor operates an independent business with multiple clients
  - Sets own schedule, methods, and provides own tools
- MEDIUM RISK (Yellow): Some employee-like characteristics present
  - Ongoing services or partial district supervision
  - Requires closer review and consultation with HR/Finance
- HIGH RISK (Red): Worker functions like an employee
  - District controls work details, schedule, and performance
  - Long-term or exclusive relationship — escalate before contracting

Key Takeaways

- IRS classification is a shared compliance responsibility
- Purchasing decisions directly affect district risk
- Proactive oversight protects schools, budgets, and leadership

Questions!

Linda McGhee

linda@aasbo.com