

EDUCATION DEPARTMENT[281]
Notice of Intended Action

Pursuant to the authority of Iowa Code section 256.7(5), the State Board of Education hereby proposes to amend Chapter 81, “Standards for School Business Official Preparation Programs,” Iowa Administrative Code.

This chapter provides standards and procedures for the approval of training programs for individuals who seek authorization issued by the Board of Educational Examiners for employment as school business officials responsible for the financial operations of a school district. After initial adoption in March, 2011, the Department continued discussions with stakeholder groups to refine the appropriate standards and criteria that should be met by a school business official. These standards and criteria promote the value of the school business official’s fiduciary responsibility to the taxpayer as well as effective governmental transparency and accountability.

An agencywide waiver provision is provided in 281—Chapter 4.

Interested individuals may make written comments on the proposed amendment on or before May 22, 2012, at 4:30 p.m. Comments on the proposed amendments should be directed to Jeff Berger, Iowa Department of Education, second floor, Grimes State Office Building, Des Moines, Iowa 50319-0146; telephone (515)281-3968; e-mail jeff.berger@iowa.gov; or fax (515) 242-5988.

A public hearing will be held on May 22, 2012, from 3:00 to 4:00 p.m., at the ICN Room, second floor, Grimes State Office Building, East 14th Street and Grand Avenue, Des Moines, Iowa, at which time persons may present their views either orally or in writing. Any persons who intend to attend the public hearing and have special

requirements, such as those related to hearing or mobility impairments, should contact and advise the Department of Education of their specific needs by calling (515)281-5295.

After analysis and review of this rule making, no impact on jobs has been found because these rules impact public employees only and because changes to the qualifications of school business officers does not impact the number of persons employed by school districts in those positions.

This amendment is intended to implement Iowa Code section 256.7(30).

The following amendment is proposed.

Rescind rule **81.7(256)** and adopt the following **new** rule in lieu thereof:

281—81.7(256) School business official candidate knowledge and skills standards and criteria. School business official candidates shall demonstrate content knowledge, professional knowledge, and skills in accordance with the following standards and supporting criteria. In addition, each school business official candidate shall meet all requirements established by the board of educational examiners for an authorization for which the candidate is recommended. Programs shall submit curriculum exhibit sheets for approval by the board of educational examiners and the department.

81.7(1) Standard 1. Each school business official candidate shall demonstrate an understanding of Uniform Financial Accounting, Governmental GAAP accounting, and statutory concepts. The school business official:

a. Is responsible for understanding and adhering to the Uniform Financial Accounting manual and the current, accepted Chart of Accounts.

(1) Codes all salaries and benefits to the appropriate function, program, and project (if applicable) of service on a monthly basis.

- (2) Ensures revenues, expenditures, and expenses are appropriately coded to the correct account on a monthly basis.
- (3) Ensures balance sheet items are properly coded as directed.
- b. Understands and ensures implementation of state and federal law related to employment, personnel, and payroll.
- c. Has an understanding of all projects and grants for which the district receives funding.
- d. Understands the certified budgeting process and the content and purpose of each section of the Aid and Levy Worksheet as well as other certified budget forms.
- e. Understands the concept of spending authority.

81.7(2) Standard 2. Each school business official candidate shall demonstrate the ability to implement effective internal controls and accounting processes. The school business official:

- a. Provides data on a monthly basis in sufficient detail as to be informative and useful for decision makers and stakeholders in providing educational and co- and extra-curricular programs.
- b. Ensures delivery, on a monthly basis, of a statement of receipts, disbursements, and amount on hand for every fund.
- c. Ensures reconciliation of bank statements on a monthly basis.
- d. Consistently follows the procedure by which products and services may be purchased (state bidding requirements, purchase orders, and purchasing processes).

- e. Ensures an annual line item budget is completed in a timely manner for each fund that aligns with the district certified budget revenues and expenditures.
- f. Maintains an itemized statement no more than five years old of the appraised value of all buildings and other capital assets and a list of historical costs.
- g. Invests moneys not needed as authorized under Iowa Code and district policy.
- h. Uses only depositories approved by the board.
- i. Makes payments only to the person entitled to the payment and only for verified bills.
- j. Understands and implements the various mechanisms by which to borrow money as well as the appropriate account coding and repayment processes.
- k. Is able to produce budget forecasts and analyses of spending
- l. Capable of preparing employee collective bargaining costing models and estimates.

81.7(3) Standard 3. Each school business official candidate shall demonstrate understanding of and compliance with federal, state, and local reporting requirements.

The school business official:

- a. Produces periodic board reports, reflecting a financial statement in relation to spending authority and published budget control lines.
- b. Ensures that an accurate and separate account of each fund is maintained.
- c. Ensures the filing of all quarterly and annual payroll taxes and reports in a timely fashion, including, but not limited to IRS forms 941, 1099, W2, W3, and OMB Circular A-87.

- d. Files with the Department of Education, the Department of Management, and the State Auditor, all required reports in a timely fashion.
- e. Understands the local collective bargaining agreement as well as nonemployee contracts.

81.7(4) Standard 4. Each school business official candidate shall demonstrate compliance with applicable federal, state, and local laws. The school business official:

- a. Understands the district's board policies and procedures and effectively implements applicable policies and procedures.
- b. Implements effective records management processes and procedures.
- c. Has a working knowledge of laws applicable to school districts and area education agencies.
- d. Understands and implements employment laws.
- e. Understands and implements bidding and construction laws.
- f. Understands and implements pension processes including, but not limited to, retirement plans, IPERS, and 403B investments.
- g. Ensures board president and secretary signatures are on all checks and the board president's signature is on all contracts.
- h. Ensures billing for all tuition items is complete on the current prescribed timeline.
- i. Manages scheduling and preparation for the local audit, including any Request For Proposal for audit services as applicable.

81.7(5) Standard 5. Each school business official candidate shall demonstrate competence in technology appropriate to the school business official position. The school business official:

- a. Effectively manages an integrated accounting system for fund accounting by the district and is able to assess technology needs for fiscal management issues.
- b. Maintains all funds in one integrated accounting system.
- c. Displays a working knowledge of other software programs if required to be used by the school business official.
- d. Is able to use word, database, and spreadsheet documents effectively to meet the needs of the district.
- e. Displays competence with the secured Department of Education web site for reporting purposes and has attended applicable training sessions on usage.
- f. Is able to upload the Chart of Accounts and understands the relationship of the Chart of Accounts to the other reports including, but not limited to, the special education supplement, the annual report on use of sales tax revenue, and the annual transportation report. This includes testing accounts used for accuracy in a manner that allows for identification of issues prior to the actual submission deadline.

81.7(6) Standard 6. Each school business official candidate shall demonstrate appropriate personal skills. The school business official:

- a. Is an effective communicator with all stakeholders including, but not limited to, colleagues, policy-makers, community members, and parents.
- b. Works effectively with employees and stakeholders.
- c. Ensures the timely flow of information.
- d. Maintains confidentiality with personal, restricted and embargoed information.
- e. Is able to analyze, evaluate, and problem solve.

- f. Timely and accurately performs the duties of a school business official.
- g. Maintains an environment of mutual respect, rapport, and fairness.
- h. Participates in and contributes to a school culture that focuses on improved student learning.

81.7(7) Standard 7. Each school business official candidate shall engage in professional growth. The school business official:

- a. Stays current with accounting technologies and the Department of Education's financial reporting system.
- b. Demonstrates habits and skills of continuous inquiry and learning.
- c. Works collaboratively to improve professional practice.
- d. Applies research, knowledge, and skills from professional development opportunities to improve practice.
- e. Engages with administration on an annual review of the effectiveness of district accounting and reporting processes and on an individual performance evaluation consistent with district policy.
- f. If the school business official has not earned full SBO authorization, participates in the School Business Official Mentoring Program.

81.7(8) Standard 8. Each school business official candidate shall fulfill professional responsibilities established by the school district. The school business official:

- a. Adheres to board policies, district procedures, and contractual obligations and ensures that applicable district policies are not in conflict with state law.
- b. Demonstrates professional and ethical conduct as defined by state law and district policy.

- c. Contributes to efforts to achieve district goals.
- d. Is able to contribute to cost/benefit analyses.
- e. Participates in the Board of Educational Examiners Ethics Program.
- f. Follows the Code of Professional Conduct and Ethics and the Rights and Responsibilities described in Iowa Administrative Code chapters 282-IAC 25 and 26.

81.7(9) Standard 9. If a school business official candidate is also employed as the local board secretary or treasurer, the school business official shall:

- a. Take the oath of office within 10 days following appointment.
- b. File a bond and ensure the level of coverage is adequate.
- c. Hold office until a successor has been appointed and qualified.
- d. Publish minutes, bills, and salaries on a timely basis.
- e. Ensure the Department of Education, county auditor, and treasurer are informed timely of the names and addresses for board officers as well as any changes therein.
- f. File and preserve copies of all required reports and all papers transmitted pertaining to the business of the school corporation, including all certificates, reports, and proofs related to compulsory education.
- g. Maintains separate books for minutes and elections, and ensures the records are complete.
- h. Deliver all claims to the board for audit and allowance.

