



Treasurer/CSBO

- Normally the duties of treasurer and chief school business official (CSBO) are performed by the same individual.
- School Board Treasurer required by WVC §18-9-6.
- CSBO is required by WVBE Policy 5202.

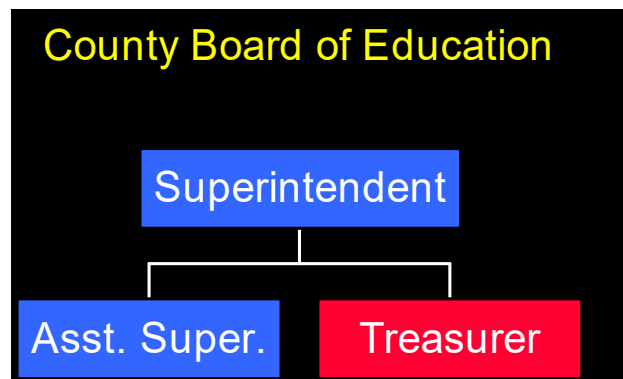


Treasurer/CSBO

- The Treasurer/CSBO is the chief financial officer of the school district.
- No uniform set of responsibilities exist for the treasurer/CSBO that apply to all school districts due to varying sizes and financial resources among districts.



Recommended Organizational Structure



Keys for Success

- High ethical and moral standards
- High standards of integrity, loyalty, and discipline
- Personal leadership
- Good management skills
- Aversion to political pressures



Role of the Treasurer/CSBO

- Control the budgetary process
- Maintain the financial records (including cash receipts and disbursements)
- Provide monthly and annual financial reports to program directors, the superintendent, and the board
- Provide advice to the board and superintendent on matters that have an impact of the board's financial condition
- Safeguard the board's assets



General Responsibilities

- Financial planning and budgeting
- GAAP accounting and financial reporting
- Fiscal audits and reports
- Management of the business office
- Payroll management
- Purchasing/Accounts Payable
- Cash Receipts



General Responsibilities

- School insurance and risk management
- Debt service and capital project fund management
- School activity funds
- Personnel management
- School construction funding management
- Excess levy funding



Important Budgetary Concepts

- Must understand that approximately 80-85% of a school district's expenditures are related to personnel costs.
- Must understand the state aid funding formula and use it to make personnel recommendations during personnel season.
- Must understand the level of salaries/benefits and personnel over formula that the excess levy can afford.



The treasurer must have the objectivity to say "No!"



Unrestricted Fund Balance Trend

- The CSBO should monitor the general current expense fund unrestricted fund balance trend for the district.
- Unrestricted Fund Balance = Sum of Committed, Assigned and Unassigned Fund Balances
- The county's unrestricted fund balance will ideally increase annually or stay at a constant level.
- WVDE has historically recommended that the balance be at least 3-5% of total expenditures, but the GFOA recommends it be at least 2 month of operating expenditures (16.7%).



10 Common Contributing Factors to Deficit Fund Balances



Note: This list is not intended to be a comprehensive list of reasons a county may be in a deficit.



10 Common Contributing Factors

- Decrease in enrollment from previous year without corresponding reduction in number employed
- Employment of personnel in excess of number allowed/funded by PSSP without an alternative funding source
- Overspending on construction projects



10 Common Contributing Factors

- Excess number of extended employment contracts for professional educators (contracts beyond 200 days)
- Excess number of extended employment contracts for service personnel (each 261 day employee counts as 1.305 personnel)
- Providing more services than required, or providing them in a less efficient manner



10 Common Contributing Factors

- Expenditures in excess of available revenues (balancing budget with carryover fund balance)
- No excess levy or a reduced levy
- Obligation of funds without the approval of the CSBO
- Operation of a larger number of school facilities than necessary



Annual Financial Audit

- Must have an annual audit performed by either an independent CPA firm or the Chief Inspector Division of the State Auditor's Office.
- Each county must elect by May 1st of the year to be audited if they are going to opt to use an independent CPA firm (WVC §6-9-7). A copy of the order by the board must be provided to both the WWSAO Chief Inspector Division and the School Finance Services.



Annual Financial Audit

- The Chief Inspector does not have to allow the county board of education to use an independent audit firm but generally honors the election made by the local board.
- If the Chief Inspector Division will not have time to do an audit, they can ask a county board of education that did not make an election by May 1st to use an independent audit firm.



Annual Financial Audit

- The selection of an independent CPA firm must be made in accordance with the Audit Procurement Manual published by the WVSAO, which can be found at the link below.

<https://www.wvsao.gov/ChiefInspector/Default>

- The independent CPA firm must be a firm included on the CPA list approved by the WVSAO, which can also be found at the above link.
- The contract with the independent CPA firm can contain 2 renewals for a total of 3 years.



Annual Financial Audit

- The audit must be a “single audit” in accordance with the Uniform Guidance (2 CFR Part 200) – formerly contained in OMB A-133.
- The audit is due 9 months after year end (March 31st).
- The audit firm must submit copies to both WVSAO and to WVDE.



Annual Financial Audit

- The audit report is reviewed by WVDE.
- The corrective action plans contained in the report for all findings are reviewed to determine if they are sufficient.
 - School Finance Services reviews plans for all financial statement/internal control findings.
 - School Finance Services asks the applicable program officials to review the plans for all federal program findings (ex: Title I, IDEA, Child Nutrition, etc.)



Annual Financial Audit

- If the corrective action plan included in the audit report is not deemed sufficient, the applicable WVDE official will contact the Treasurer/CSBO for additional information.
- If a finding requires the repayment of questioned costs, the Treasurer/CSBO will be notified.
- All findings must be resolved within 6 months of WVDE's receipt of the audit report.
- School Finance Services issues a closeout letter once the audit review is considered complete.



State Compliance Supplement

- As part of the financial statement audit, the auditors will complete compliance testing in accordance with the "State Compliance Supplement for Auditing County Boards of Education in the State of West Virginia."
- It is highly recommended that new Treasurers/CSBOs review the state compliance supplement for the various state laws/policies which will be tested.



Bonding Requirement

- WVC §18-9-6 requires that all Treasurers have a bond for faithful performance. The premium for the bond shall be paid by the board of education.
- Statute sets the maximum bond at the amount of funds which it is estimated that the Treasurer will handle within any 2 month period.
- WVBE Policy 8100 establishes the minimum amount of bond coverage for Treasurers.



Bonding Requirement

- The County Superintendent (WVC §6-2-10) and Board President (WVBE Policy 8100) must also have bonds.
- Copies of all 3 bonds must be properly recorded with the office of the clerk of the county court (WVC §6-2-12).



Miscellaneous Resources

- The School Finance Services website contains many great resources to help Treasurers/CSBOs.

<https://wvde.us/finance-and-administration/school-finance/>

- There are several resources with which New Treasurers/CSBOs should become familiar.



WVBE Policy 2322 –West Virginia System of Support and Accountability – Section 6.3

- 6.3. County Operational Effectiveness: Indicators of Efficiency. The indicators of efficiency are developed for use by the appropriate divisions within the WVDE to ensure efficient management and use of resources in counties and schools. A county's operational effectiveness shall be reported annually to the WVBE based on 11 indicators of efficiency. The county's performance under any given indicator, designated as meeting requirements or needing assistance, is the result of an evaluation of records, reports, and other documents regarding the quality of education and compliance with statutes, policies, and state-approved standards under each efficiency indicator. Indicators of efficiency are listed in Chart 2.



11 Efficiency Standards from Chart 2

- Career & Technical Education
- Child Nutrition
- Facilities
- Federal Programs
- Finance
- Personnel
- Special Education
- State Required Data Collections
- Transportation
- Universal Pre-K: School Readiness
- County Board of Education Member (CBEM) Effectiveness



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Financial Efficiency Indicators

- Timely Submission of Budget - 10 points
- Annual Budget Submission Required Less than 5 Changes – 10 points
- Timely Submission of Unaudited Financial Statements – 15 points
- Financial Statement Audit Submitted Timely – 10 points
- Financial Statements: No Material Weakness of Internal Control – 10 points
- Financial Statements: No Repeat Findings from Prior Year – 15 points
- Financial Statements: Unmodified Opinion – 15 points
- CSBO Attends WVDE Sponsored or Approved Trainings – 10 points
- Unrestricted Fund Balance in Recommended Range – 5 points

Total Points = 100

**Must get a score of at least 70 or will be identified as needing assistance



Supports if Identified as Needing Assistance

Per Section 6.4 of WVBE Policy 2322, for county boards of education that are identified as needing assistance in a particular efficiency standard, the following steps will be taken:

- County leadership, with assistance from WVDE, develops an action plan.
- County and WVDE monitor progress
- After plan implementation, WVDE makes recommendations to the WVBE, which may include, but is not limited to:
 1. Acceptable progress, county continues improvement plan with support from the WVDE or external partners for specified period of time.
 2. Lack of progress, possible nonapproval status.

Questions?