



## Business Administrator and Head of School

### A Key Relationship



**Henry W. Contant**  
Executive Director  
SCSBC

## In Partnership ...

### Serving the Board and Administration

*The business administrator must **work in partnership** with the Board / Finance Committee and Head of School to ensure the school develops and maintains sound business management and financial stewardship practices.*

~ H. Contant

## Financial or Educational ?



*Every educational decision is a financial decision...*

*and every financial decision is an educational decision.*



Tim Williams – SCSBC Director of Finance

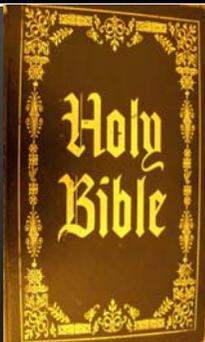
## Senior Leadership Team

*If your senior leadership is not working as a team, its not really working.*

~ Patrick Lencioni  
The Five Dysfunctions of a Team

## Wisdom Literature Eccl. 4:9-12 (NLT)

- Two people can accomplish more than twice as much as one; they get a better return for their labour.
- If one person falls, the other can reach out and help. But people who are alone when they fall are in big trouble.
- Three are even better, for a triple-braided cord is not easily broken.



## Christian School Finances:

### A Call to Biblical Stewardship

### God is the owner of all things

He holds us accountable for how we use his belongings.

*The earth is the Lord's and everything in it, the world and all who live in it. Psalm 21:1 (NIV)*

*For every animal of the forest is mine, and the cattle on a thousand hills... Psalm 50: 10 (NIV)*

## Christian School Finances: A Call to Biblical Stewardship

We are to be His stewards

We have possession in trust, but we do not have ownership

Board, administration, business administrator and finance committee have **stewardship oversight of God's resources** entrusted to the Christian School

## Business Administrator / Principal Discussion

- How often do **the two of you** meet monthly? annually? Obstacles to meeting together?
- What information does the **principal** need the business administrator to provide?
- What information should the **business administrator** be providing to the principal and the board?
  - Monthly?
  - Quarterly?
  - Annually?

## Our Fiduciary Responsibilities

*Any board member who can't explain the organization's financial statements are inadequately equipped to fulfill their legal responsibilities. - Strive, 2006*

- Role of Principal
- Role of Business Administrator
- Role of Board Chair

## Lessons Learned: Best Practices

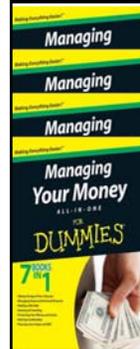
- Recruitment of New Board Members
- Financial Orientation for New Board Members
- Enrollment Fluctuation
- Over or Under Payment of Staff
- The Dangers of No Tuition Increases
- Deficit Budgets
- The 'Real Costs' of No Pensions
- Hope is Not a Strategy

## 1. Recruitment of New Board Members

- Recruit individuals with strong financial management skill to serve on your board
- Determine what detail your board requires to monitor the school's financial position
- Select enough detail to understand the big picture while keeping the report short enough that board members will have time to review it thoroughly



## 2. New Board Member and Administrative Financial Orientation



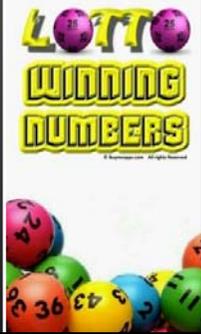
- Provide internal financial workshop for board members
- 1 page **Income & Expense Statement** and 1 page **Balance Sheet** is appropriate
- Compare actual results with budget figures
- State the 3-5 financial ratios you wish reported and request explanations for any figures that vary from budget by 10%
- Send financial report to board in advance

~ Strive

### 3. Enrolment Fluctuations

What is your response ?

- Winning the Lottery?
- Financial Crisis?
- Normal Reality?



### 4. Over / Under Payment of Staff



- Board Motion / Administrative Recommendation
- Teacher **Level 3 Category B**
- Educational Assistant **Level 5**

### 5. The Dangers of no Tuition Increases

- What do parent surveys tell us about tuition increases?
- Why freezing tuition fees is a poor strategy



### 6. Deficit Budgets



- Kill fundraising initiatives
- Discourage your major donors
- Are rarely justified
- Should never happen two years in a row

### 7. The 'real cost' of no pension plans

- Schools that provide no or poor pensions plans have the highest number of teachers over the age of 62 ...65... 67
- Employee satisfaction
- Competitive hiring advantage



### 8. HOPE ..... is not a strategy without a realistic plan



I hope...

- enrollment will increase next year
- we'll meet our fundraising goal
- everyone will pay their tuition
- the roof won't leak
- she'll retire this year
- we won't be faced with a lawsuit
- he'll be our lead donor in the capital campaign

## Annual Administrative and Financial Calendar

### August - September

- Update and analyze student enrolment information - retention and recruitment
- Finalize term contract staffing commitments
- Assess and revise the operational budget to current realities
- Review summer capital projects - on time and on budget?

## Annual Administrative and Financial Calendar

### October - November

- Prepare reports for Fall AGM
- Re-assess class size configurations
- Analyze cash flow - adequate funds?
- Review government grant revenues
- Prepare for special ed. audits
- Review fundraising and development office objectives
- Launch annual giving campaign - role of board?

## Annual Administrative and Financial Calendar

### December - January

- Review year end charitable giving
- Issue tax receipts and express appreciation to donors
- Establish preliminary operational budget parameters for the next school year
- Review SCSBC Compensation Report recommendations and HR issues
- Finalize marketing plan for upcoming school year
- Staff intention forms, early retirements, transitions

## Annual Administrative and Financial Calendar

### February - March

- Re-registrations and new enrolments
- New job postings and staff hiring plans
- Review *Staff Reduction and Recall Policy*
- Consider nominations for new board and committee appointments from the board nominating committee
- Finalize the budgeting process

## Annual Administrative and Financial Calendar

### April - May

- Prepare for the spring society meeting and adoption of new budget
- Review staff professional development activities as per contract requirements
- Assess tuition assistance applications
- Review fundraising goals to date

## Annual Administrative and Financial Calendar

### June - July

- Examine parent exit information data
- Manage all summer capital projects
- Review building and grounds issues include need for renovations and portables

## Finance / Audit Committee

### Does it proactively...

- make and review long-term financial plans?
- identify areas of long-term financial risk?
- identify new areas of potential revenue expansion and cost reduction?
- liaise with the development (fundraising) committee to ...
  - explore new fundraising initiatives?
  - track donor giving patterns and records?
  - establish guidelines for investing and managing endowment funds?

## Development and Fundraising

### Schools Under Stress

- Deficit Appeal Letters
- Monthly Product Sales
- Concessions
- \_\_\_\_\_-a-thons
- Product and coupons
- Too many insignificant and uncoordinated fundraisers

### Thriving Schools

- 1-2 Community Fundraisers
- Annual Fund Giving
- Planned Giving
- Support Based Financing
- Capital Campaigns
- Endowment Funds
- Foundations
- Development Company

## Asset Security & Risk Management

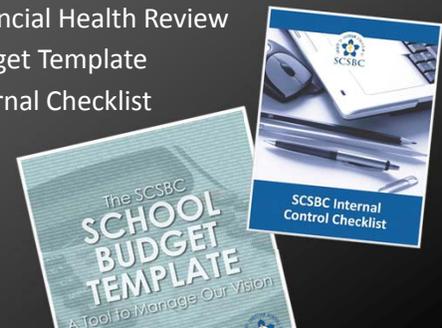
The **finance committee** and **business administrator** should periodically review and make recommendations to the board about ...

- Asset security
- Risk management
- Insurance policies
- Data security
- Inventory
- Facilities and maintenance procedures

*The role of the board is to **protect** and **direct***

## SCSBC Financial Resources

- Financial Health Review
- Budget Template
- Internal Checklist



## Ultimately...

it's about our children and grandchildren

How can we better plan, resource and promote our schools so that more children and teenagers can receive the benefit of a quality Christian education?



## Putting Our Learning to Practice

Ideas to implement in your school

- 1.
- 2.
- 3.
- 4.