

Thoughts about managing site-based bookkeepers – from a Vendor’s perspective

Random Notes from Carol Martin, January 1, 2005

Note: Throughout I will use “her” instead of “her/him” simply to save time and space. By far, the vast majority of site-based bookkeepers are female, although in any presentation, you should use both pronouns.

1. Hiring and Basics
 - a. Initial screening – many districts use the wrong tests or tests that are too hard – several districts in So California are now administering tests that have questions involving payroll taxes. This is silly if these people will NEVER touch payroll as part of their job. I only know of one district in California where the bookkeepers deal with payroll.
 - b. Screening tests – Suggest testing for the following
 - i. Attention to detail – can they look at 2 columns of numbers and spot the discrepancies?
 - ii. Computer familiarity – should be comfortable with computer in general and computer concepts (know the difference between hard drive and monitor)
 - iii. Comfortable with numbers – should have basic math skills – add, subtract, etc.
 - iv. Filing skills – recognize how things should be filed. Possess the ability to group like things together.
 - v. Penchant for neatness – Frankly, I always look at handwriting. Do they have legible handwriting? Are they going to be upset if things are messy? (I hope so.)
 - vi. Common sense – mandatory – how do you test for it?
 - c. Job requirements according to Carol
 - i. Bookkeeping experience is helpful, but not essential. Don’t get hung up with demanding that a site-based bookkeeper have a bunch of experience. Note that student activity accounting is basically FUND accounting, not BUSINESS accounting. I don’t think that bookkeeping or accounting experience is actually necessary. Someone with common sense who is comfortable with numbers and has a head for detail will usually do fine.
 - ii. Must be able to multi-task and stay friendly. Patience is a must. These people are interrupted about 5 million times a day by everyone – students, staff, teachers, parents. They have to be able to function in a meaningful way while maintaining a pleasant demeanor. If the person who handles the money has a nasty temper or is a primadonna, you’ve got a real pain on your hands that can impact everyone.
 - d. Give them the tools they need. They are responsible for huge amounts of money. Don’t make them struggle with basic stuff. They have enough things to do.
 - i. An updated computer and printer. Not something old that they continually have to fight with. This wastes time and frustrates them. And can they get computer support/help from a District Tech when they need it? We all know resources are in short supply, but their immediate supervisor should know about any issues they are facing.
 - ii. A good software program that is designed to make their job easier. Allows for easy input, is easy to learn and easy to use, allows them to get the reports they need to give advisors, teachers, principal, district office.
 - iii. Give them support from the district office or principal so that they know their job is valued.
 - iv. Give them a secure place to keep money – a safe.

- v. Ideally, they would be in an office that affords some privacy – for counting money, for actually having a coherent thought, etc. Sometimes this isn't possible.
- vi. When they are being trained, **give them uninterrupted time** – when you protect them from being bombarded by the usual requests. This is very important! When you allow them the time to learn (procedures, software, whatever), you are saying that you value what they will be learning – and that translates into “You value and respect them and their time and want to give them the opportunity to acquire new skills” and “You value training itself.”
- e. Issues about WHEN they are hired:
 - i. Many are hired at the last minute, because the old bookkeeper left or retired.
 - 1. Many times, their first day on the job is the first day of fall registration. This is hell. They don't know the job, they try to do the best they can, but there is simply no way to keep up and get it all done. Problems that happen here can take months to correct. You have to give them help right now. If you have to pay someone who's been through it before to come and work with them, do it! Make sure they make a deposit for the bank every day.
 - ii. Sometimes the outgoing bookkeeper doesn't care and leaves things trashed – literally. Again, they are going to need help to get the office in order, learn the new job. Give them a hand.

2. Training – Initial and Ongoing

- a. Bookkeepers need training on basic bookkeeping procedures. This includes things like
 - i. Making sure checks and purchase orders are locked up and secure.
 - ii. How to fill out a deposit ticket the way your bank wants it done.
 - iii. How to count money.
 - iv. How to save original source documents because they'll be needed for an audit.
 - v. How to establish a filing system to keep track of transaction journals, monthly reports.
- b. Need training on handling cash –
 - i. Making timely bank deposits.
 - ii. Not counting/stacking large quantities of cash in view of students and others (this just tempts fate – they take in huge amounts of money – there is no reason to advertise it).
 - iii. Properly receipting cash accepted from advisors and others for fundraising activities.
- c. Need training on student body/activity fund requirements in your state. This is separate from the money-handling stuff.
 - i. CASBO gives excellent workshops on student body accounting at many locations in California.
 - ii. Bookkeepers are handling student activity funds and need to know rules for handling fundraisers, having proper approvals from student leaders on activity funds to be spent, how many and whose signatures are required on which documents.
- d. Need training on District/School Expectations. Every district/school has different expectations about reports to be sent to the district each month and internal procedures. I am constantly amazed when we ask a bookkeeper “What does the district want you to send them each month? Or what does your district want you to

do?” And they say, “I don’t know. They’ve never told me.” We, Blue Bear, often ends up defining what should be done – what reports should be sent to the district, given to the principal and club advisors, what files set up, how to prepare for an annual audit.

- i. Will you require them to use POs? What are the guidelines? PO forms should be pre-numbered for audit control.
- ii. 1099 forms for Vendors. Will they be required to collect W9 forms and enter tax ID information? Do you have rules in place about how to handle payments to sports officials?
- e. During Fall Registration (for secondary schools mainly), they should be making deposits to the bank regularly, ideally every day – because they collect so much money – for student body cards, yearbooks, PE clothes, etc. This is a problem because very often, they don’t have enough time to count the money. Solution: Make registration period last an appropriate amount of days/hours to get the job done without exhausting the staff. Or have bookkeepers help each other – we have districts that do this – by doing registration on different days.
- f. Sales tax. If you collect it, teach them something about it. What is taxable and what isn’t?
- g. Initial training on the software – pay for it. It’s worth it in the long run in terms of having an employee who understands what they are doing, feels comfortable and confident using the tools at hand.
- h. Ongoing training on the software.
 - i. As software gets updated, they need training on the improvements and enhancements.
 - ii. As they become comfortable with the basics of a program, they will need training on how to get more out of the software.

3. Setting standards and expectations

- a. Expectations should be clearly defined in writing – so the bookkeeper knows exactly what is expected of her and WHEN.
- b. Suggested monthly tasks and reports – should be to the district or principal by the 15th of the following month. (Depending upon when they get the bank statement – allow one week to reconcile bank statement for an average school checking account.)
 - i. MOST IMPORTANT: Bank reconciliations for all cash accounts should include
 1. Copy of Bank statement.
 2. Bank reconciliation report – ties bank statement to actual cash on books.
 3. Report showing detailed transactions (deposits, checks, adjustments) for cash account for the month.
 4. All three of the above should tie together – that means they balance against each other.
 - ii. Balance Sheet – showing assets and liabilities, trust accounts.
 - iii. Cash Disbursements Report – showing all checks written and voided for the month.
 - iv. Bank Deposit Report – showing detail of all deposits for the month.
 - v. Encumbrance Report – showing actual and encumbered balances for all accounts. Each advisor should get copies of report for his/her accounts.
- c. Do establish and enforce procedures for good internal control. That means the person who creates/prints the checks is NOT a signer on the account. Advisors (who usually have a pretty good idea of how much money they have in their

accounts) should be given detailed reports of their account monthly and sign off on it, indicating that it is correct. The French Club advisor is in a great position to know how much should be in the French Club account. If something is missing, the French Club advisor will spot it first.

- i. Often, your bookkeeper is printing checks, signing checks, doing the bank rec. This is NOT good. Ideally, have one person receipting monies received, another making up the bank deposit. Have one person entering invoices/check requests and printing checks, and another signing them. If you have one of these doing the bank rec reports, have a completely separate person review and SIGN OFF ON the bank rec reports every month.

4. Opportunities for fraud/theft. These are things you should do and/or avoid!! And why! From our experience, we estimate that fraud that is detected is probably happening in 5-10% of schools. Some of the nicest customers we have known and trained have gone to jail.
 - a. Don't give ABSOLUTE trust to any person who handles money; always have internal control procedures in place. It is YOUR responsibility to verify that everything is being done correctly. Even the nicest people steal when they desperately need money. They convince themselves that they are just going to borrow the money and will put it back before it is missed. But they take more and more. You should have procedures in place to supervise and cross-check bookkeepers. You should make sure they know those procedures are in place and let them see them being enforced. This is your best safeguard against theft.
 - i. If they are sure you're going to catch them eventually, they probably won't be tempted as much as if you are lax about rules.
 - b. Do require that the bookkeeper receipt all monies given to her. If you don't, this allows her to deposit the checks, and pocket part of the cash from each deposit.
 - c. Do require that multiple people count money from gate receipts. When the coach hands the bookkeeper a bag full of money on Friday night without counting it, or getting a receipt for it, the bookkeeper can skim cash off the top and deposit any amount she wants. There is no way of determining how much money was actually collected.
 - d. Do have someone review the bank reconciliation reports monthly. For proper internal control, someone who understands bookkeeping/accounting should be checking the bank rec reports. At a minimum, the person reviewing the bank rec should sign off on it – along with the preparer.
 - e. Do require user codes and passwords. Don't let staff share passwords. Our software stamps every transaction with the date, time, and user code. If you make them use User Codes, we and you can tell who did what.
 - f. Do require that the bookkeeper give your coaches, club advisors, staff regular reports. We see situations where the bookkeeper is "behind on their work because they are SSOOO busy" – too busy to produce reports. Everyone feels sorry for her and allows reporting to slide. This is a danger sign. If the French Club advisor in the example above gives the bookkeeper \$1000, but then never sees that money show up on her report, it might be that the bookkeeper made a mistake and put the money in the wrong account – like Spanish Club, or it could be that the bookkeeper took the money and never deposited it at all. Without timely reporting, you'll never know.
 - g. Audit student body funds every year. If you have an outside auditing firm, great. If not, figure out a way to do it internally.

- i. Address audit findings promptly. Too many districts get written up for something (like not receipting funds correctly) and fail to take action to correct the problem. Then someone steals money and they look like idiots because they were told about the problem, but didn't fix it.
 - ii. Audits can sometimes be a pain – but they are there for a purpose. They are intended to make sure that everything is on the up and up and that student monies are being accounted for correctly. Your bookkeepers should be taught that audits are a fact of life. Audits will protect the bookkeepers TOO by making sure they are doing things correctly and cannot be accused of fraud.
 - h. Maintain a good relationship with your software vendor. They can be a wonderful ally – in reporting suspicious activity to you in the first place, in letting you know which of your people require additional training to save you/them time and headaches in straightening things out after mistakes are made.
 - i. Blue Bear keeps detailed records of every support call for every user. Over the past 15 years, we have...
 - 1. Provided districts with records about every time one of their users called and what happened. This can provide backup for disciplinary procedures, ammunition for demanding changes, etc.
 - 2. Told principals and district business officials when we suspected fraud. We deal with hundreds of users. When someone has “lost” their data, or can't find crucial reports, or hasn't done bank reconciliations for months, or asks odd questions, it raises red flags for us. We tell our users that our first allegiance is to their school and the integrity of the data – not to them. We are very open about this. They mess with Blue Bear at their own risk.
 - 3. Evaluated school data for districts to ascertain which transactions happened and when. Our software has audit tools that allow us to see when and who did what.
 - 4. Told principals and district personnel when we feel a bookkeeper needs more training or is simply not competent (and never will be).
 - a. Yes, it is to our advantage to have users be successful. Sometimes that means that they need more training and, of course, we get paid for it.
 - b. But we also benefit because
 - i. A user who is well-trained doesn't call support as often because she doesn't have as many questions, she understands how to get what she wants without having to be walked through it every time. She gets it right the first time.
 - ii. A user who is successful is nicer for us to deal with because she isn't frustrated and unhappy.
 - iii. A user who is successful recommends our software to others in her district and at conventions, etc.
 - iv. And, eventually with successful users, we sell more software.
- 5. What you can do
 - a. Have quarterly meetings with your bookkeepers where you can talk to them and they can talk to each other about issues that concern you all. Many districts that have installed our software start having these meetings for a number of reasons: to answer questions about district procedures, to have more experienced users help

- others who need assistance, to alert district personnel to those who are not catching on, etc.
- b. If you are anticipating switching software, get some of the actual end-users involved on the committee from the beginning. They are the ones who will be using it and they are in an excellent position to help you evaluate your options – based on what they need to do their jobs.
 - i. Do a needs assessment to figure out what you want/need. You can get templates from other districts, especially ones that have done RFPs. You can also get them from software vendors.
 - ii. Along the same line, get your IT people involved too. They can be a real problem at the end if they feel you haven't consulted them along the way. Or you could have wasted your time if you fall in love with software that only runs on a MAC and you find out you don't have any MACs.
 - c. Ask your bookkeepers what you could do that would make their job better/easier. Then listen. A couple examples:
 - i. Problem: The football coach has a lot of power at the school, so when he wants a check cut for a vendor, he expects me to drop what I'm doing and print a check right then – whether he has the right backup paperwork or not. This is disruptive to my routine and puts the responsibility for follow-up in getting the right paperwork on me instead of on him. He refuses to take no for an answer.
 - 1. Solution: I want the administration to back me up that I write checks on Tuesdays and Fridays and that I don't have to stop what I'm doing to write misc checks in between times. I want the administration to tell the staff that I am not allowed to write checks without proper documentation. I don't want to always be the bad guy.
 - ii. Problem: I am the Asst Principal's secretary at an elementary school and I have many duties in addition to handling the activity accounting. Now they want me to collect all the money coming in from parents for the big Spring fundraiser. I don't have time to hand-write all those receipts and try to figure out where the money goes.
 - 1. Solution: I want a computer program that will print receipts for me and print out something at the end of the day.
 - d. If you're going to bring in a new program, don't bring in several all at once. It's hard enough to learn one new program, but when they have to learn two or more at the same time, you're asking for problems. It's not fair to the users and it's not fair to the vendors.