

Fiduciary Responsibility of the Principal

What is it? What Does it Look Like?

Ethics Compliance and
Business Management Services

August 21, 2019

Presentation Overview

- What is a Fiduciary?
- The Principal's Fiduciary Role
- Professional Standards
- Internal Audit Findings
- How to Prevent Common Financial Errors
- Creating and Monitoring a Spending Plan
- Contact Information
- Questions

Fiduciary Responsibility

Definitions

“Fiduciary”

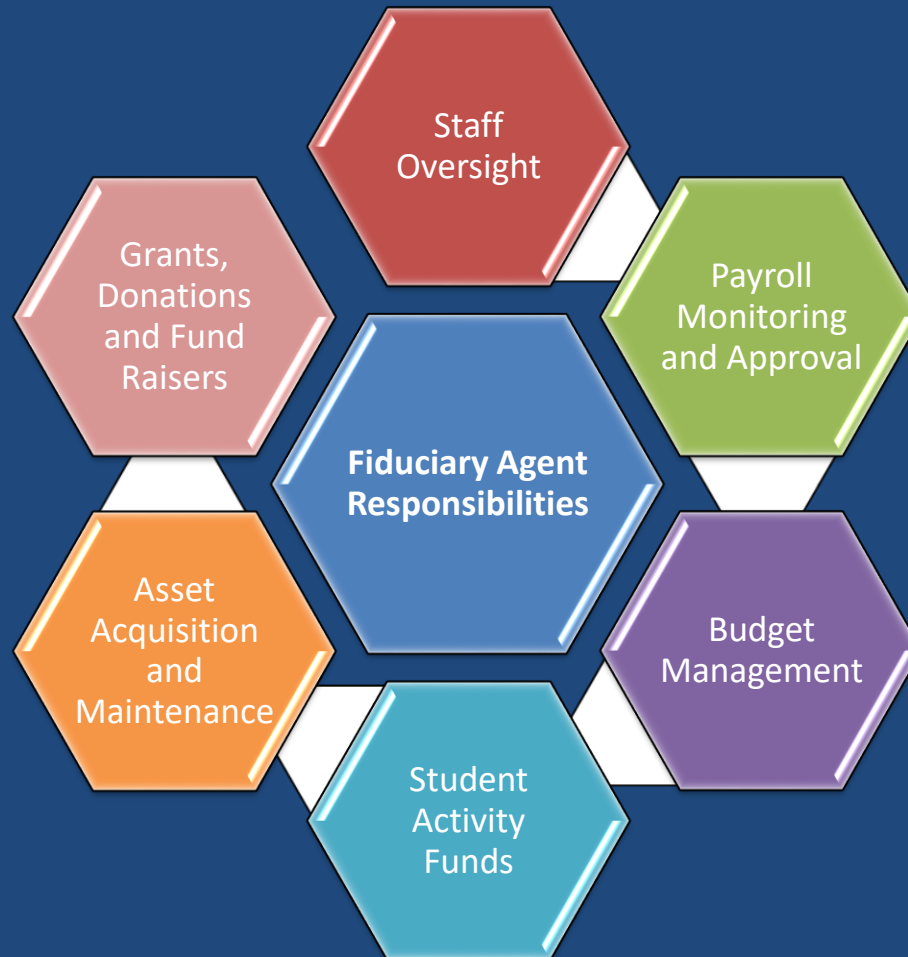
- Broad term embracing both technical fiduciary relations and those informal relations which exist whenever one person trusts in or relies upon another

“Principal’s Fiduciary Responsibility”

- Describes the school system’s reliance on the principal to safeguard the resources that flow into and out of a school.
- In short, the school system entrusts its principals to:
 - use the allocated resources for the their specified purpose,
 - to ensure that school employees do the same,
 - to safeguard against waste, fraud or abuse and
 - to maintain clear and complete records showing how resources were received, kept and expended.

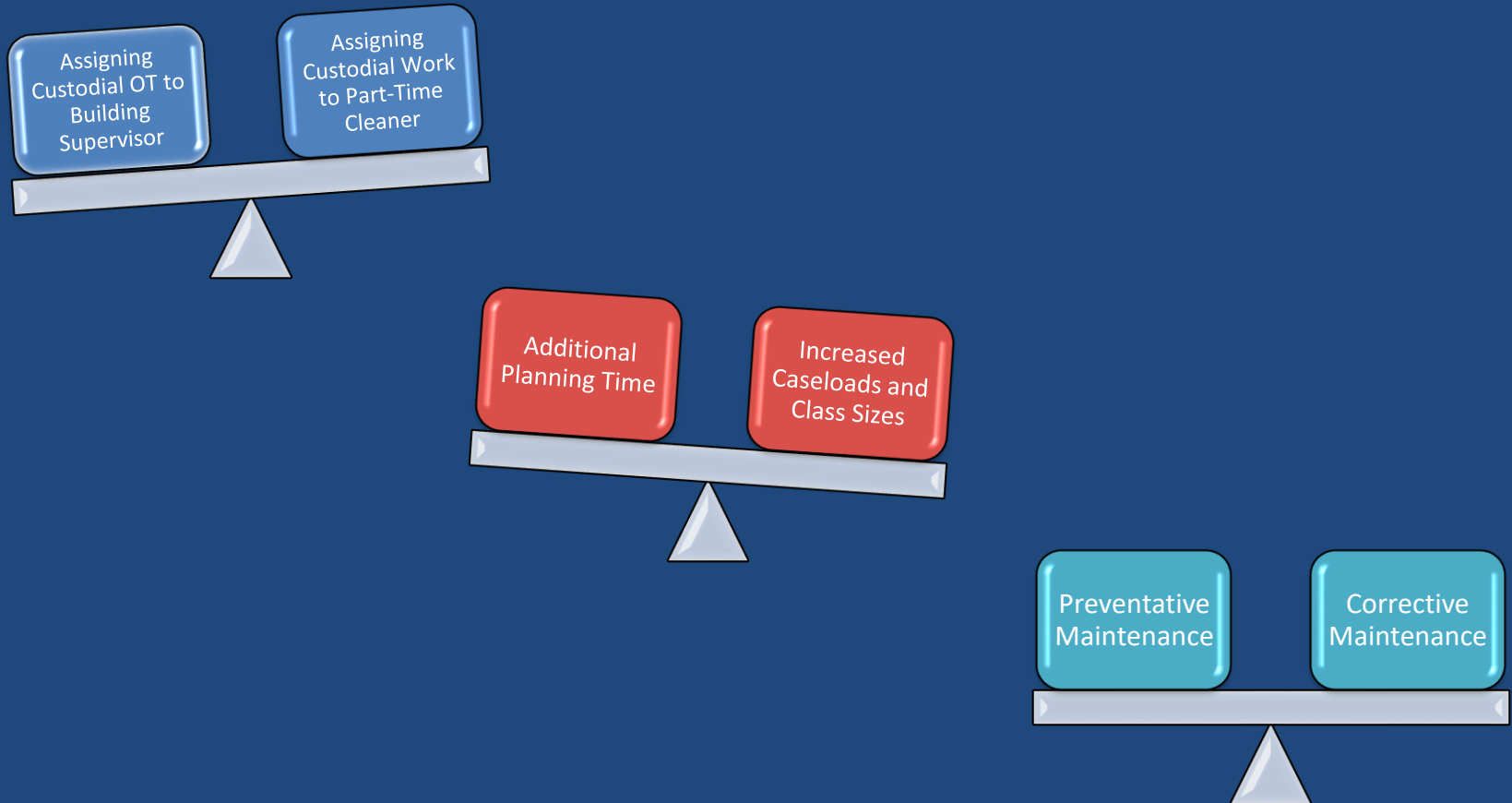
Fiduciary Responsibility

In what ways is a Principal a “Fiduciary Agent”?



Fiduciary Responsibility

Subtle Trade-Offs in the Management of District Resources



Professional Standards

Professional Standards for Educational Leaders (2015)

Standard 9: Operations and Management

Characteristics of Effective Leaders

Institute, manage, and monitor operations and administrative systems that promote the mission and vision of the school

Strategically manage staff resources, assigning and scheduling teachers and staff to roles and responsibilities that optimize their professional capacity to address each student's learning needs

Seek, acquire, and manage fiscal, physical, and other resources to support curriculum, instruction, and assessment; student learning community; professional capacity and community; and family and community engagement

Are responsible, ethical, and accountable stewards of the school's monetary and nonmonetary resources, engaging in effective budgeting and accounting practices

Protect teachers' and other staff members' work and learning from disruption

Employ technology to improve the quality and efficiency of operations and management

Professional Standards

Professional Standards for Educational Leaders (2015)

Standard 9: Operations and Management

**Characteristics
of Effective
Leaders
(Continued)**

Develop and maintain data and communication systems to deliver actionable information for classroom and school improvement

Know, comply with, and help the school community understand local, state, and federal laws, rights, policies, and regulations so as to promote student success

Develop and manage relationships with feeder and connecting schools for enrollment management and curricular and instructional articulation

Develop and manage productive relationships with the central office and school board

Develop and administer systems for fair and equitable management of conflict among students, faculty and staff, leaders, families, and community

Manage governance processes and internal and external politics toward achieving the school's mission and vision

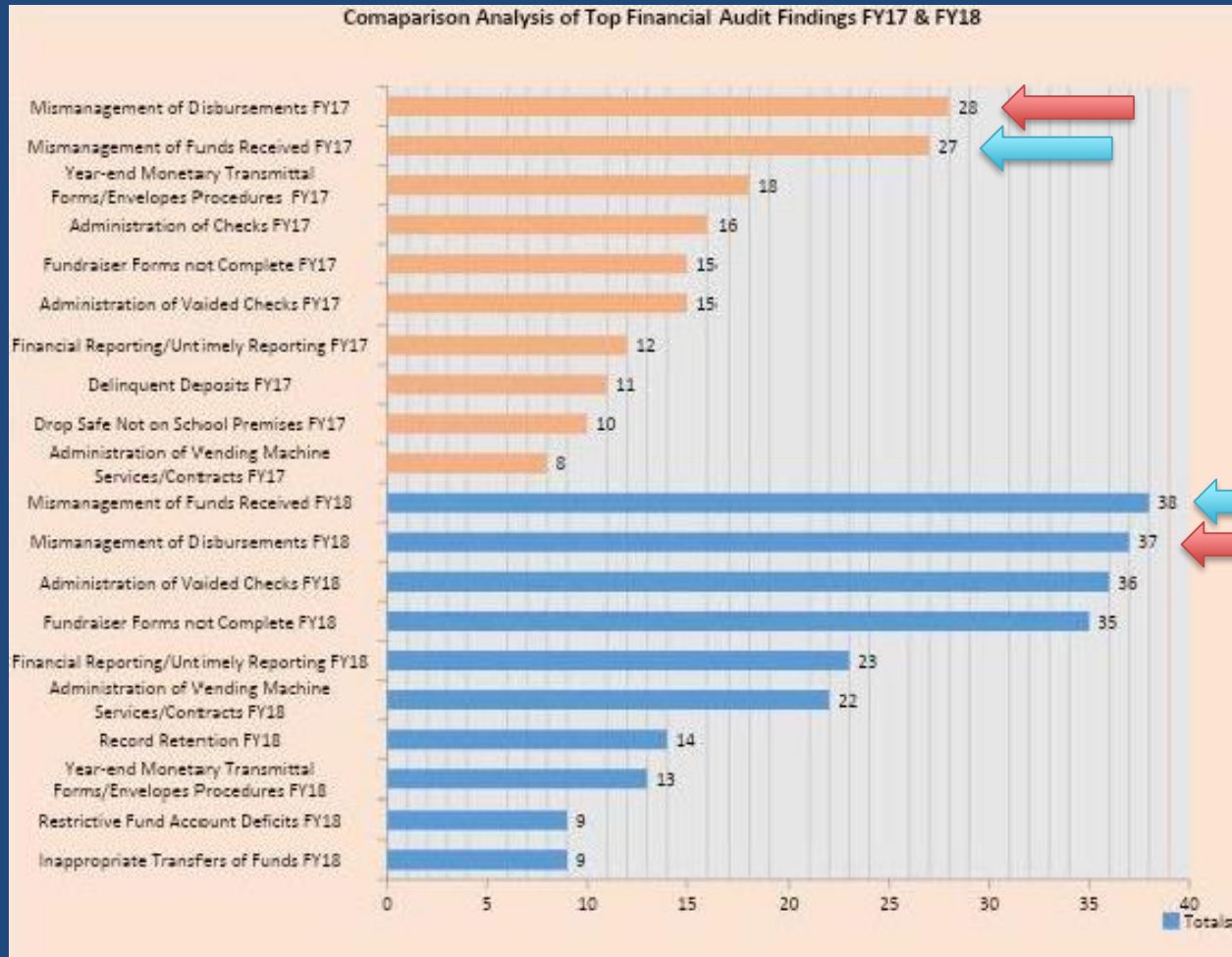
Fiduciary Responsibility

Solution: Support Improvement, Not Assign Blame



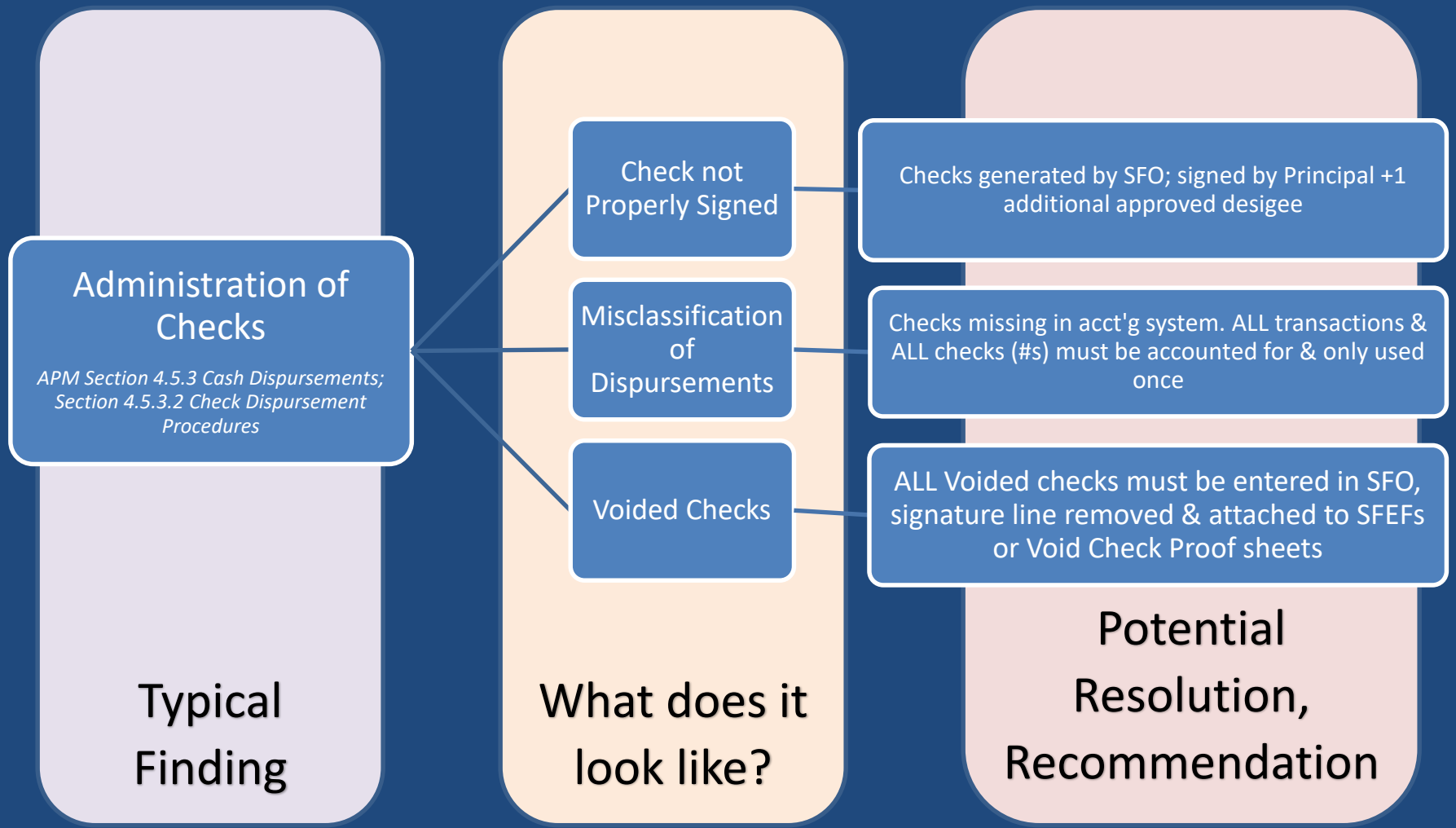
Audit Findings and Corrections

Internal Audit SAF Audit Findings (FY 2017 and 2018)



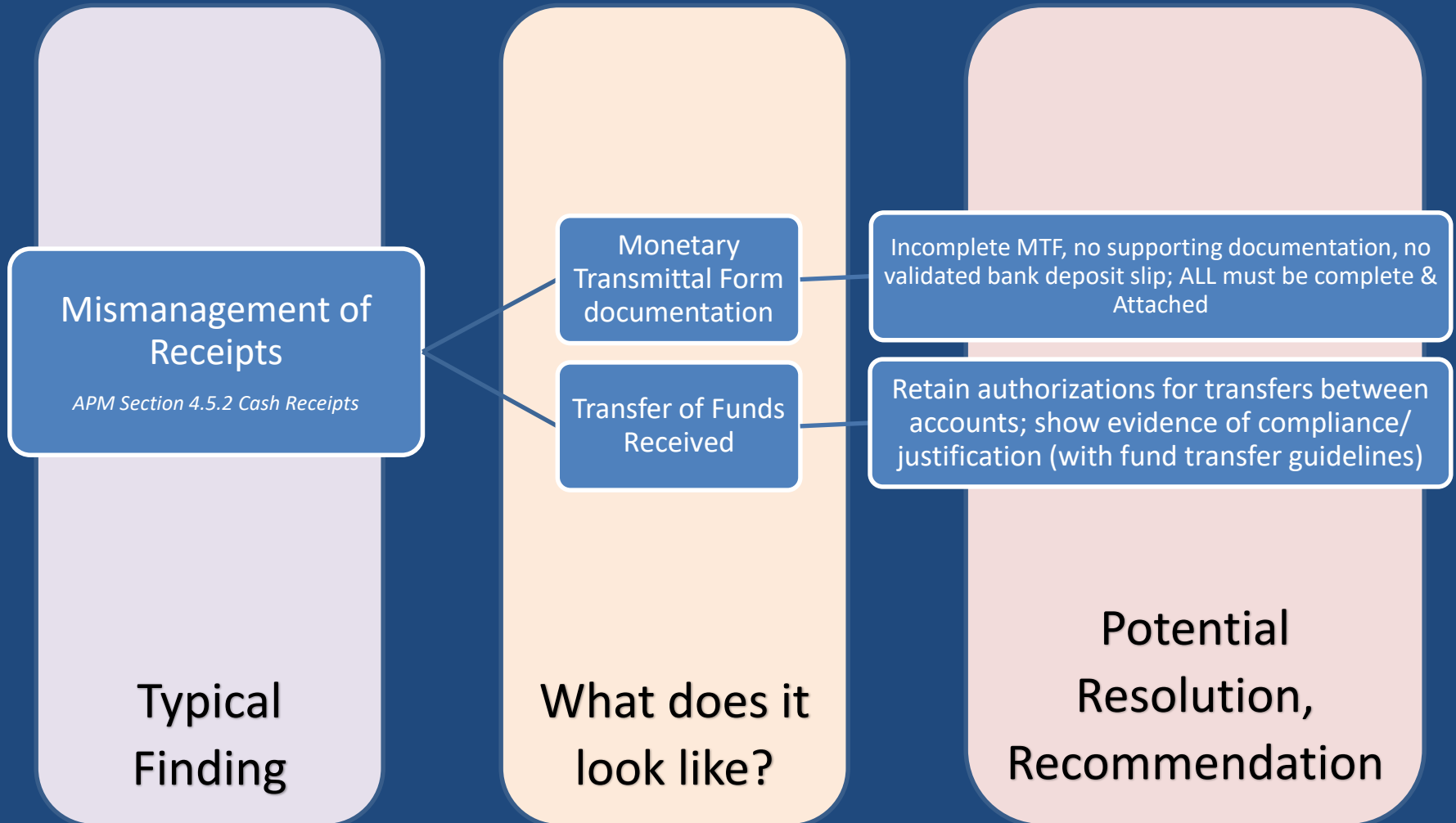
Audit Findings and Corrections

How to Prevent Common Financial Errors



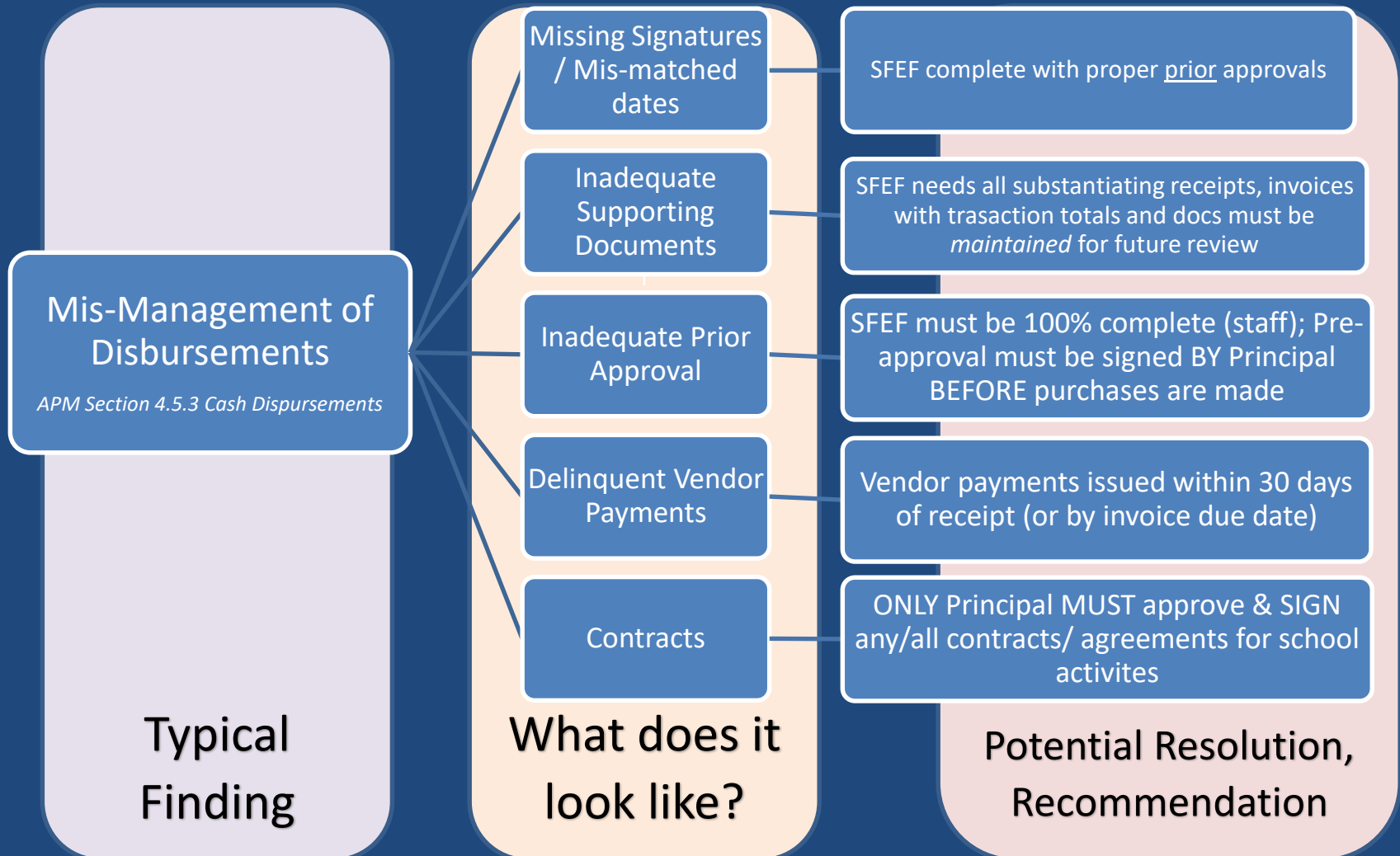
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How to Prevent Common Financial Errors



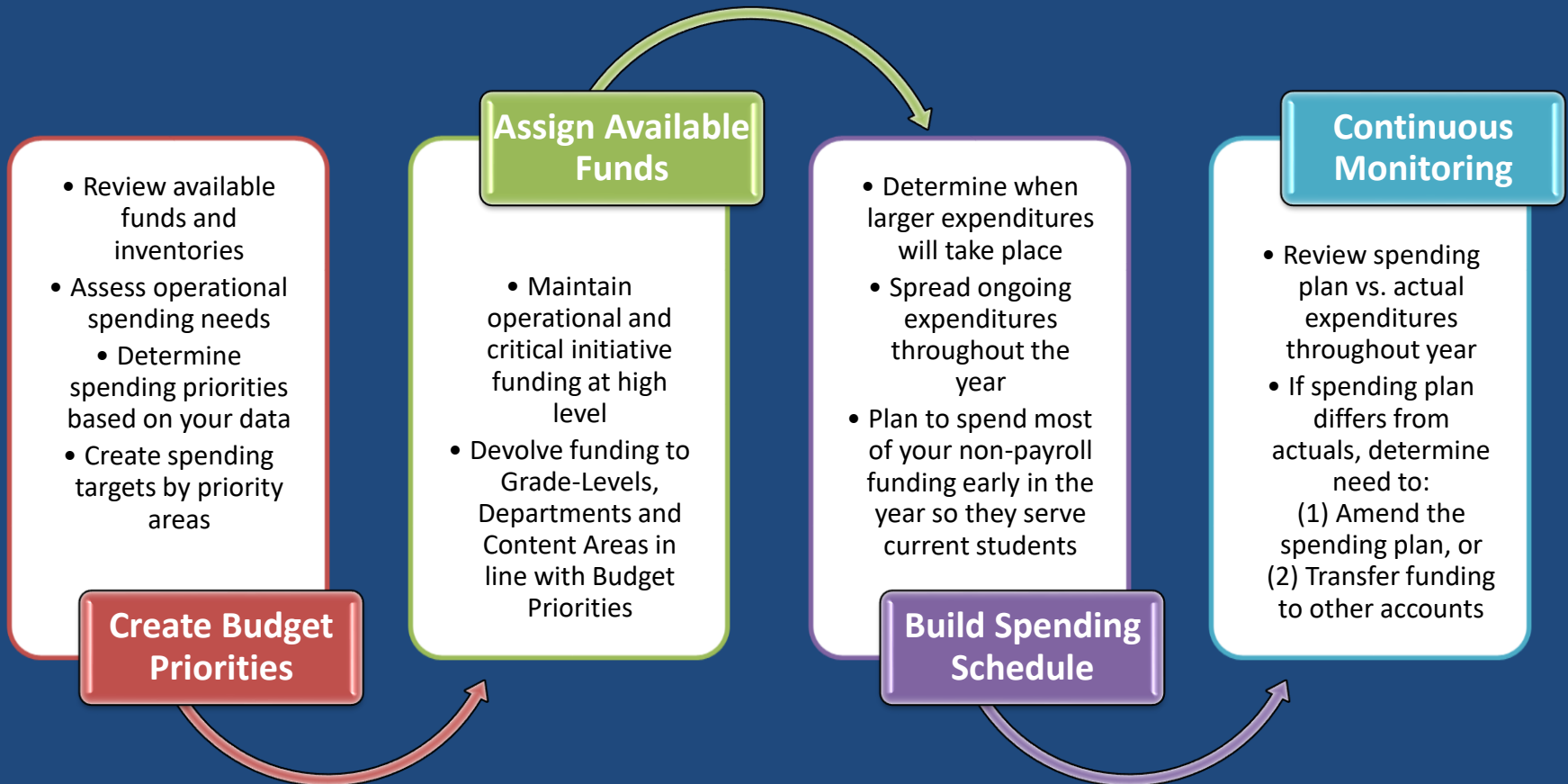
Audit Findings and Corrections

How to Prevent Common Financial Errors



Audit Findings and Corrections

Creating a Spending Plan as a Monitoring Tool



Audit Findings and Corrections

Example Simplified Spending Plan

	Total Budget	Grade 6 Team	Grade 7 Team	Grade 8 Team
Field Trip Transportation	GOAL: EVERY student will be given the opportunity to participate in a <u>minimum</u> of 1 experiential learning experience during the 2019-2020 school year			
Oversight	Principal	Grade 6 Admin.	Grade 7 Admin.	Grade 8 Admin.
	\$12,000 (30 buses / year) from SBB \$____ Grant funds \$____ SAF funds/ charging families	\$ ____ RELA - SS - Science - Aquarium	\$ ____ RELA - SS - Science -	\$ ____ RELA/SS - Holocaust Museum Science - College Tours -
Spending Target		90% prior to testing	90% prior to testing	70% prior to testing; College Tours - April/May
Paperwork Deadlines	Teams will identify opportunities no later than Oct. 1, including funding requirements. Leadership team will review and approve based on alignment with school goals and funding. Field trip packet, requisition requests are due to the BK (based on district guidelines)			

Administrative Next Steps

- Working on Best Business Practices versus Standard Operating Procedures or Audit Procedures
- Training for Bookkeepers, Secretaries and other Administrators who Principals entrust with school-based resources

Next Steps

Broad Recommendations for This School Year



- Start early with a plan
- Become familiar with the Accounting Procedures Manual
 - No need to memorize, just be familiar with the topics it covers
- Set the tone early with staff by providing them your expectations regarding financial responsibility
 - Checking their work is not an insult--it's your role as the school's fiduciary
 - Recognize and thank those who make an effort to check for mistakes
- Recognize when there is a problem and act quickly
- Ask for help
- Give feedback about resources, training and areas of confusion or concern

Contact Information

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Questions and Answers

