4 best practices for school finance teams

A guide from CPA by Choice and BILL

Driving school excellence with sound financial management

Effective financial management is at the heart of every thriving school. As a school finance leader, maintaining your school's financial health is key to fueling initiatives that influence the overall quality of service.

How you manage the challenges of enrollment, operations, rising marketing costs, and more, shape your organization's future. The impact of your work goes beyond the balance sheet and student outcomes—it influences faculty support and broader community trust.

New opportunities across the education industry

The good news is that technological advancements are revolutionizing the education industry and are having a positive impact. Automation and AI now enhance efficiency for faculty, teachers, and overall student learning experiences. Learning Management Systems (LMS), automated grading, and adaptive learning systems have become commonplace.

Similarly, for school finance teams, AP and AR automation, spend and expense management, financial planning, and data analytics drive greater efficiency, control, and visibility. When integrated into a single platform, their beneficial effects are amplified.

The value of this guide

To help you and your team do your best work and achieve your school's goals, we've partnered with CPA By Choice to create this best practices guide. Use this information to check the health of your financial operations and learn how to build an even more resilient team with the help of automation.

The top financial challenges schools face

When working in a school system, finance leaders must learn to navigate unique challenges and responsibilities. Today's schools face recurring and emerging challenges:

Challenge 1: Enrollment

Each year, many schools face enrollment challenges. Attracting families takes significant marketing resources. Finance team needs to evaluate how marketing spending contributes to enrollment goals.

Challenge 2: Staffing

Keeping staff engaged and avoiding turnover are essential to the quality of services you provide. Issues with staff can lead to enrollment challenges or even affect the school's reputation.

Challenge 3: Obtaining grants and funding

To obtain funding, schools need to fulfill financial requirements from the state, county, or donors. They also need to provide financial information when applying for grants. For example, you may need a certain level of attendance to receive funds.

Challenge 4: Digitalization

Digital experiences are now expected from staff and families. While many classes have returned to in-person, families still see the benefits of some digital components. As a result, school-wide digitalization is projected to continue expanding[1].

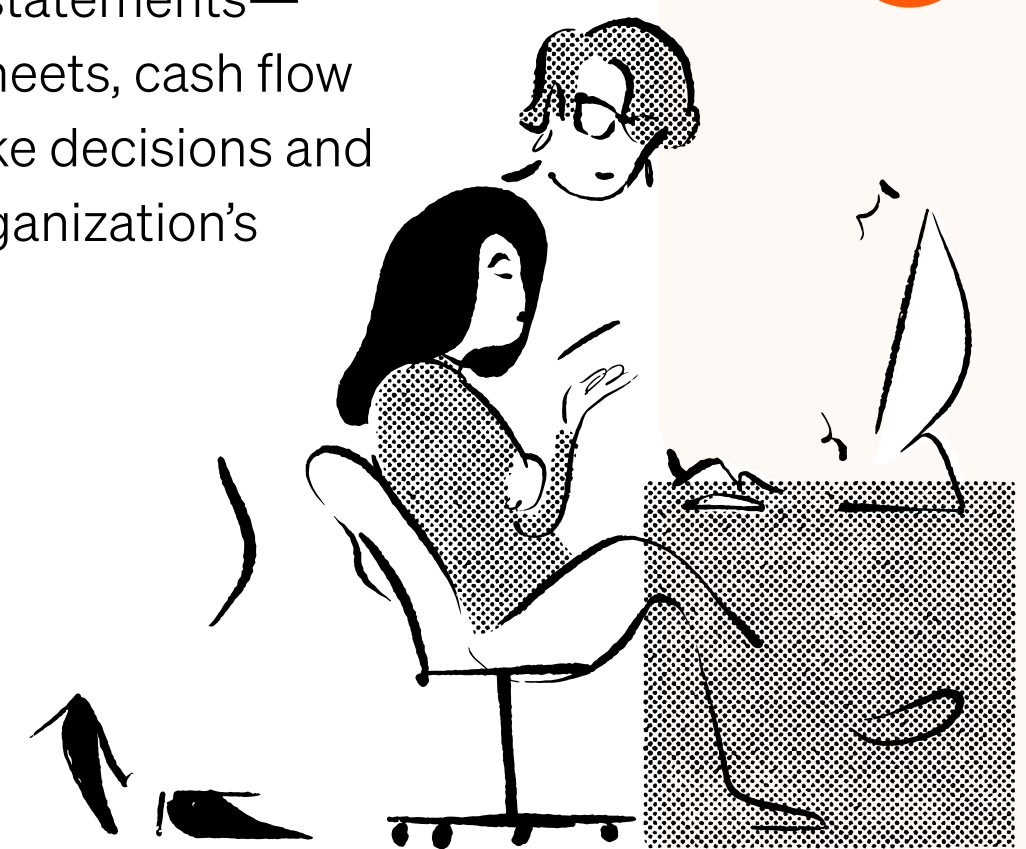
[1]https://www.tads.com/3-private-and-independent-school-trends-to-watch-in-2023/

9 key financial responsibilities of school finance leaders

As a finance leader in your school, you've got a lot on your plate. You're responsible for:

Budgeting and financial planning
Through financial analysis, you forecast revenue and expenses and make recommendations for resource allocation. For example, how to fund various programs, hiring, and more.

Financial reporting and analysis
You produce various financial statements—income statements, balance sheets, cash flow statements, and more—to make decisions and provide insights about your organization's financial health.



Compliance and regulatory oversight
You're responsible for ensuring your school adheres to financial regulations and compliance standards. You also need to stay updated on legal requirements, tax filings, and overall financial transparency and accountability.

Grants and funding management
You may oversee grants and funding applications, track the use of funds, and ensure compliance. You may also need to provide timely reports to funding agencies and auditors.

Financial risk management
You establish internal controls to prevent fraud and manage cash flow effectively. You also implement policies and procedures to safeguard the school's assets, check noncompliant spending, and prevent potential lawsuits.

Stakeholder engagement
You communicate financial information to various stakeholders, including school board members, administrators, parents, and external auditors. You address inquiries, provide financial updates, and ensure transparency in financial matters.

Vendor and contract management for the finance function
Although operational leaders usually handle vendor relationships, the finance team provides resources and makes educated decisions to minimize risk exposure.

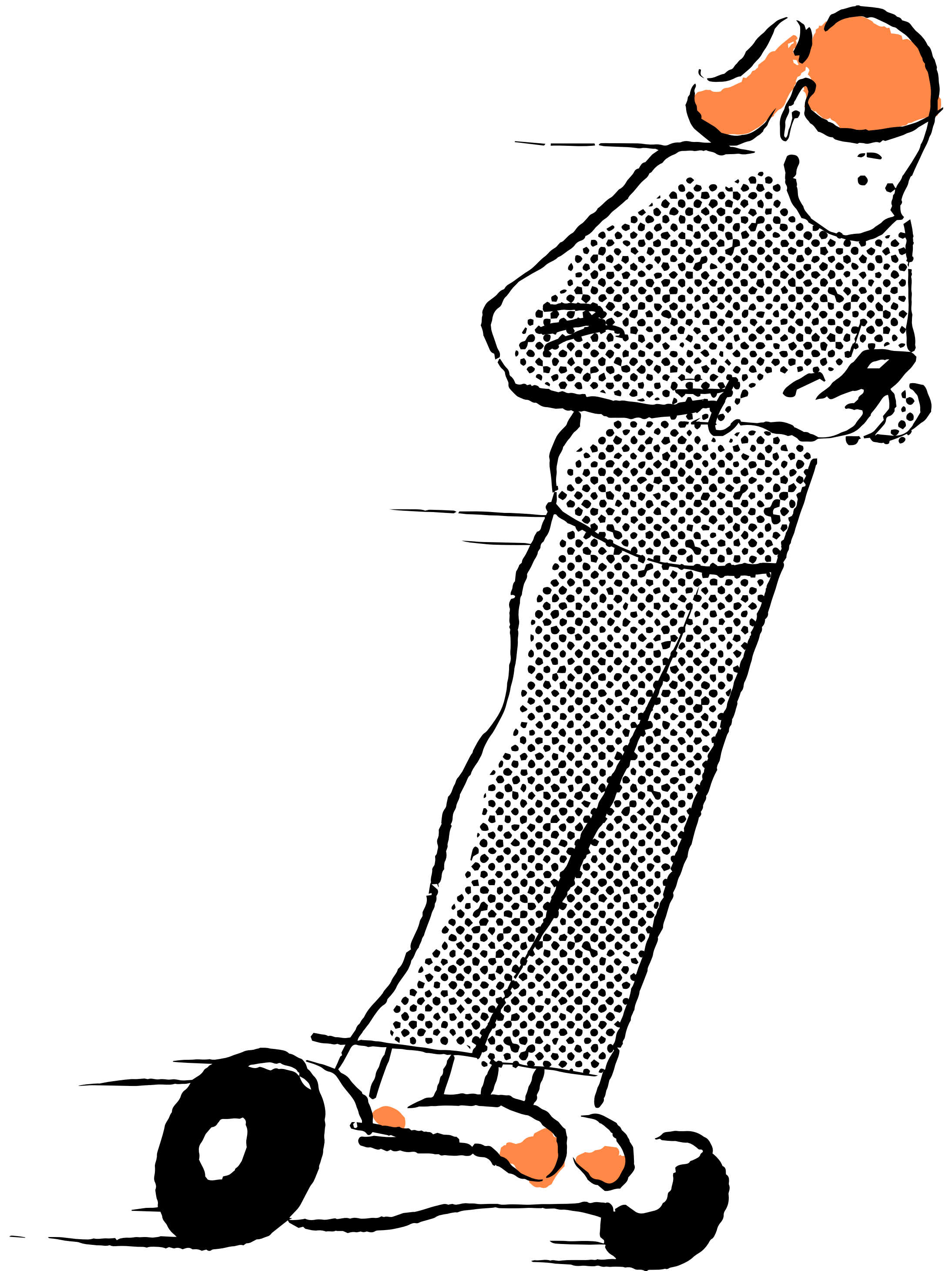
Financial decision-making
You analyze financial data, conduct cost-benefit analyses, offer investment recommendations, and implement cost-saving measures.

Training and development
You provide financial training and guidance to staff members who handle budgeting, purchasing, or financial transactions. You also promote financial literacy and empower employees to use financial tools responsibly.

Collectively, these responsibilities ensure smooth operation for faculty and administrators to build great learning experiences for students.

4 best practices for school finance teams

Finance leaders can provide guidance and support to help school systems flourish by following these 4 best practices.



ONE

Develop a comprehensive budget that aligns with your school's strategic goals

Review strategic goals

Go over key priorities like improving student outcomes, enhancing educational programs, investing in technology, or expanding infrastructure.

Engage stakeholders

Seek principals, teachers, the operations team, and school board members' input and perspective on how financial resources can best be utilized.

Assess your current financial situation

Analyze revenue streams, expenditure patterns, and available resources to identify budget constraints or areas that require additional funding. Understand the variance between budget and actuals and take necessary steps to avoid shortfalls.

Prioritize strategic initiatives

Is your priority to improve your school's bottom line or maintain a strict budget? Look to your strategic goals, and prioritize initiatives or programs based on potential cost, impact, and feasibility.

Allocate resources

Determine the resources needed to support your prioritized initiatives. This involves identifying and allocating funds for personnel, professional development, curriculum materials, technology, facilities, and community partnerships.

Monitor and track progress

Establish mechanisms to track budget implementation throughout the fiscal year. Regularly review financial reports and performance indicators to ensure resources are effectively allocated and aligned with your strategic goals.

Consider flexibility and contingencies

Build flexibility into the budget to account for unexpected events or changing priorities. Include contingency funds to address unforeseen circumstances or emerging needs. Typically, 2–3% of your budget is sufficient for repairs, maintenance, or unexpected costs.

Evaluate and adjust

Conduct monthly evaluations to assess the effectiveness and impact of budget allocation. Make necessary adjustments to reallocate resources or address emerging priorities. Addressing issues identified in your monthly meetings with operational leaders to prevent issues from escalating.

Communicate and seek feedback

Communicate the budget plan to all stakeholders, including staff, parents, and community members. Encourage feedback and input to foster a sense of ownership and understanding.

- Once a month, communicate how much you're spending with operational leaders.
- Communicate with your banks quarterly or monthly, depending on the terms.
- Share info with your stakeholders, investors, and auditors once a year.

Foster continuous improvement

Refine the budget development process based on lessons learned and best practices.

TWO

Establish strong internal controls and financial policies to prevent fraud and errors

Internal controls set the financial foundation for your organization by ensuring you're always compliant with legal and reporting requirements. Having clearly defined systems of operations helps you and your team reach objectives in a predictable and compliant manner.

Make sure you have all of the following controls in place:

Set team roles and responsibilities

Start by clarifying which processes should be delegated to whom and make sure no one person controls an entire process. For example, who enters billing info? Who cuts checks? Ensure the people you assign are well-trained in their roles.

Limit access

Next, provision staff so they can only access information necessary for their role. Routinely review your processes to ensure that tasks are performed correctly.

THREE

Provide training and support to ensure compliance with regulations and best practices

Invest in ongoing training for your team

Technological changes happen so quickly that training is necessary to keep everyone up to speed on tools and tech that can help your finance team work more effectively. Depending on the size of your school, finance leaders should provide training on budget, internal controls, new technology, and compliance requirements every 6–12 months.

Empower teachers and faculty

Outside the finance function, it's also crucial for your team to train teachers and faculty on financial products, like corporate credit cards or spend and expense tools. Providing clear guidelines on how and when to use such tools will help avoid errors and further increase your team's efficiency. As soon as you identify an error, providing additional training to the employee is a good idea.

FOUR

Communicate financial information and insights clearly and transparently to key stakeholders

Broader school communities have many stakeholders invested in your school's success. It's essential that you practice transparency with all of the following groups.

The board of directors

They oversee the school's financial health and need to stay up to date on the school's financial performance so that they can make decisions about its future.

Administration

The school administration implements financial policies and procedures. Operations managers and directors need to know why certain expenditures require special attention, especially for schools with multiple campuses and entities.

Faculty and staff

They need to understand how their work contributes to the school's overall financial health. They also should be kept informed of any adjustments to resource allocation, and why those decisions were made.

Parents and students

The community has a vested interest in the school's financial health—their experiences with the school are directly tied to it.

Donors

Donor support is critical to many schools. These contributors need to feel confident their donations are being used effectively to produce results.

What is financial operations automation and why should school finance teams consider it?

Financial operations automation can increase the efficiency of financial teams, and as a result, the entire organization will work in greater harmony.

AP & AR automation

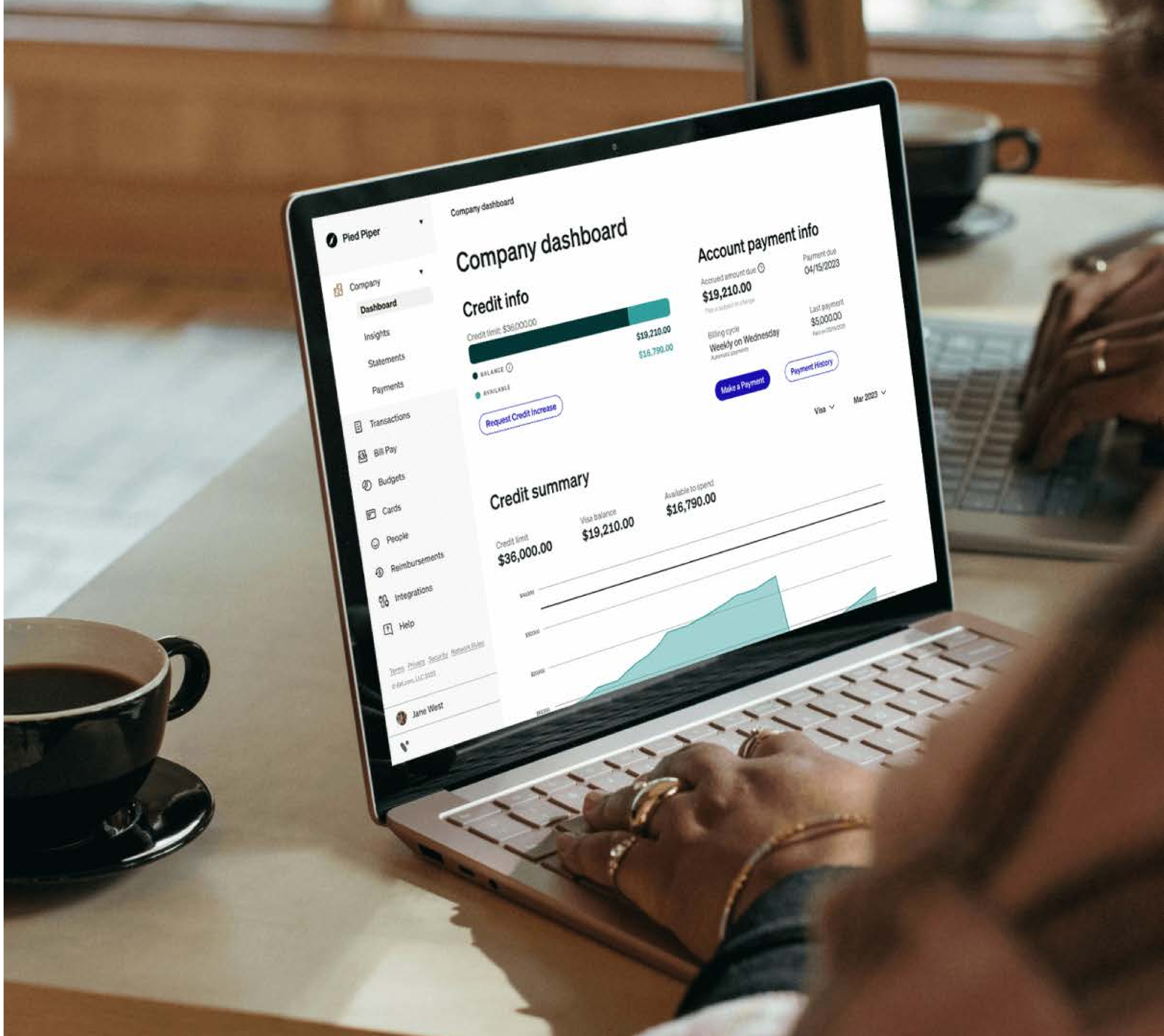
This technology is designed to improve your team's efficiency, adapting your workflows to be faster and with fewer chances of human error. AI-powered cloud technologies convert the manual processes of entering individual invoices and signing checks into digital processes. They read and store each invoice, manage billing communication, and make payments—all from a solution that can be accessed remotely.

Spend and expense management

These solutions allow users to seamlessly track and control their spend and expense in one place. Finance leaders gain end-to-end visibility of the organization’s expenses, making it easier to track and monitor spend, control budgets, automate expense reports, and even develop forecasts to guide future spending. What used to be two separate products is now one seamless experience where you can track and control all your spend and expenses in one place. By integrating the two, organizations gain more control over spend and payables.

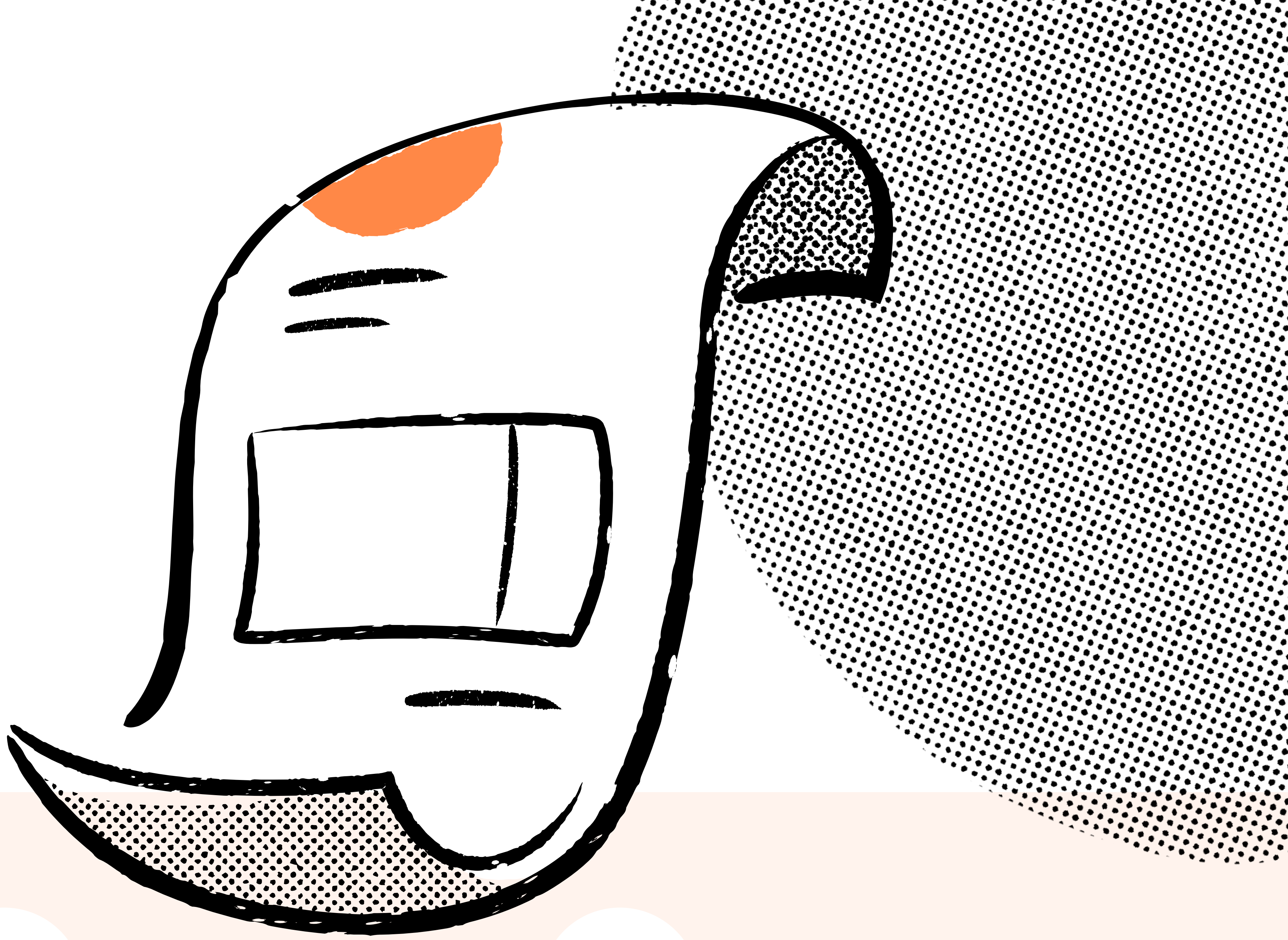
Automate your financial operations with BILL's integrated financial operations platform

How can schools benefit from financial operations automation? While the specific benefits depend on the type of automated system in question, here's an overview of what to expect from accounts payable automation and spend and expense management software.



BILL Accounts Payable and Accounts Receivable

BILL helps schools save 50% of time spent on AP*, freeing up time to focus on better budgeting and strategic planning.



Streamline approvals

Automate approvals and stay on top of the approval process with in-app team communications and approval tracking from anywhere

Enhance control

Manage access to invoices and payments with role-based permissions and separation of duties. Leverage PO matching to ensure purchases have been pre-approved.

Simplify audits

Create a permanent record of bills, approvals, and payments with a timestamped audit trail. Grant auditors read-only access for simplified audits.

Optimize payments

Pay vendors, 1099 contractors, and employees by check, ACH, credit card, or international payment with a few clicks and track payment status in real-time.

Manage multiple school entities

If you have multiple school locations or entities, BILL allows you to centralize your AP on one platform and sync account data from multiple locations.

*Based on a 2021 survey of over 2000 BILL customers

BILL Spend & Expense

From marketing spending to teacher or staff expense reporting, BILL offers an efficient spend and expense management solution with better control and visibility for your school. This tool allows you to:

Save time and cut costs

Automated expenses processes, integration with your accounting system, and mobile accessibility help expedite reimbursement cycles.

Streamline expense management

Automated tracking and expense categorization improves efficiency and accuracy so that staff can focus on core educational activities.

Facilitate financial control and compliance

Get real-time visibility into spending so don’t go over budget. Enhance control and policy compliance for your school.

BILL Integrated Platform

Customers who use our integrated financial operations platform will reap the combined benefits of automation across AP, AR, spend, and expense management. Manage it all with one login on one platform.

Maximize control and visibility

Control all the ways your business spends in one place—invoices, payments, card charges, and subscriptions. Maintain a complete picture of payables, receivables, spending and budget status in real-time.

Maximize efficiency and collaboration

Save time and improve accuracy for your finance team and your spending employees by automating payments, approvals, and expense reporting. Enable all stakeholders—employees, clients, vendors, and accounting partners—to collaborate on financial workflows.

Maximize cash flow

Control inflows and outflows of cash, and secure access to credit and capital, so you can confidently manage your educational institution. Empower your team to set budgets, delegate approvals, and manage spend.

Our education customers are seeing results

"BILL has reduced the amount of time we were spending on AP by 75%. What used to take hours, now takes minutes."

Roberta Hopkins (retired)
CFO, Georgetown
Visitation Prep School

READ CASE STUDY

"BILL Spend & Expense is a great tool and has been instrumental in our efforts to provide an equitable learning experience and environment for our students."

Tanya Horgan
Business Manager,
Kent School

READ CASE STUDY

Sync and integration with BILL

BILL also makes integrating with existing accounting systems or ERP platforms easy. BILL currently offers two-way sync with leading accounting systems:

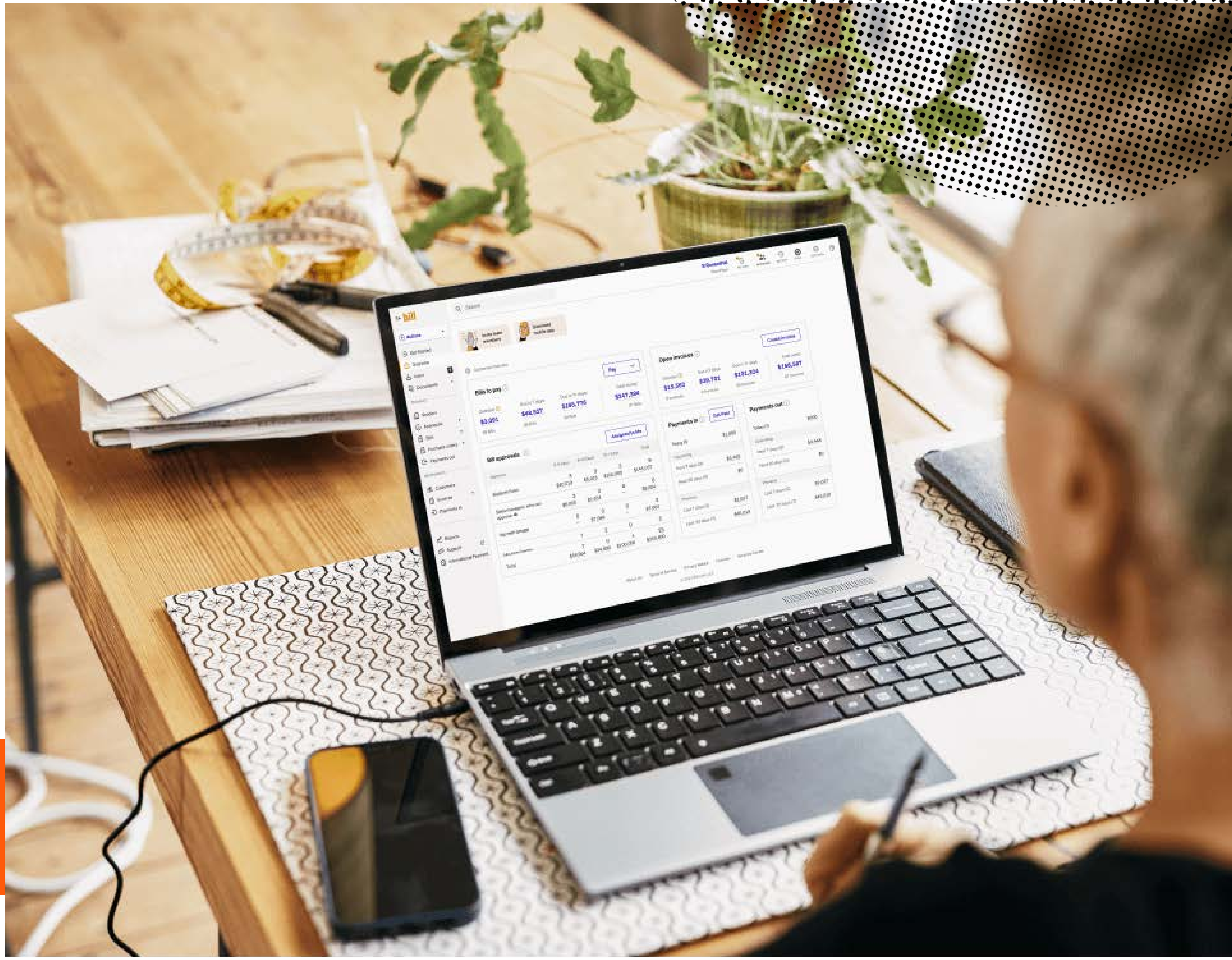
intuit quickbooks. Microsoft ORACLE NETSUITE xero Sage

You also have the option of file-based data integration with:

abila blackbaud Acumatica

And all other accounting systems.

BILL's software keeps your accounting system up to date without entering data twice and simplifies account reconciliation.



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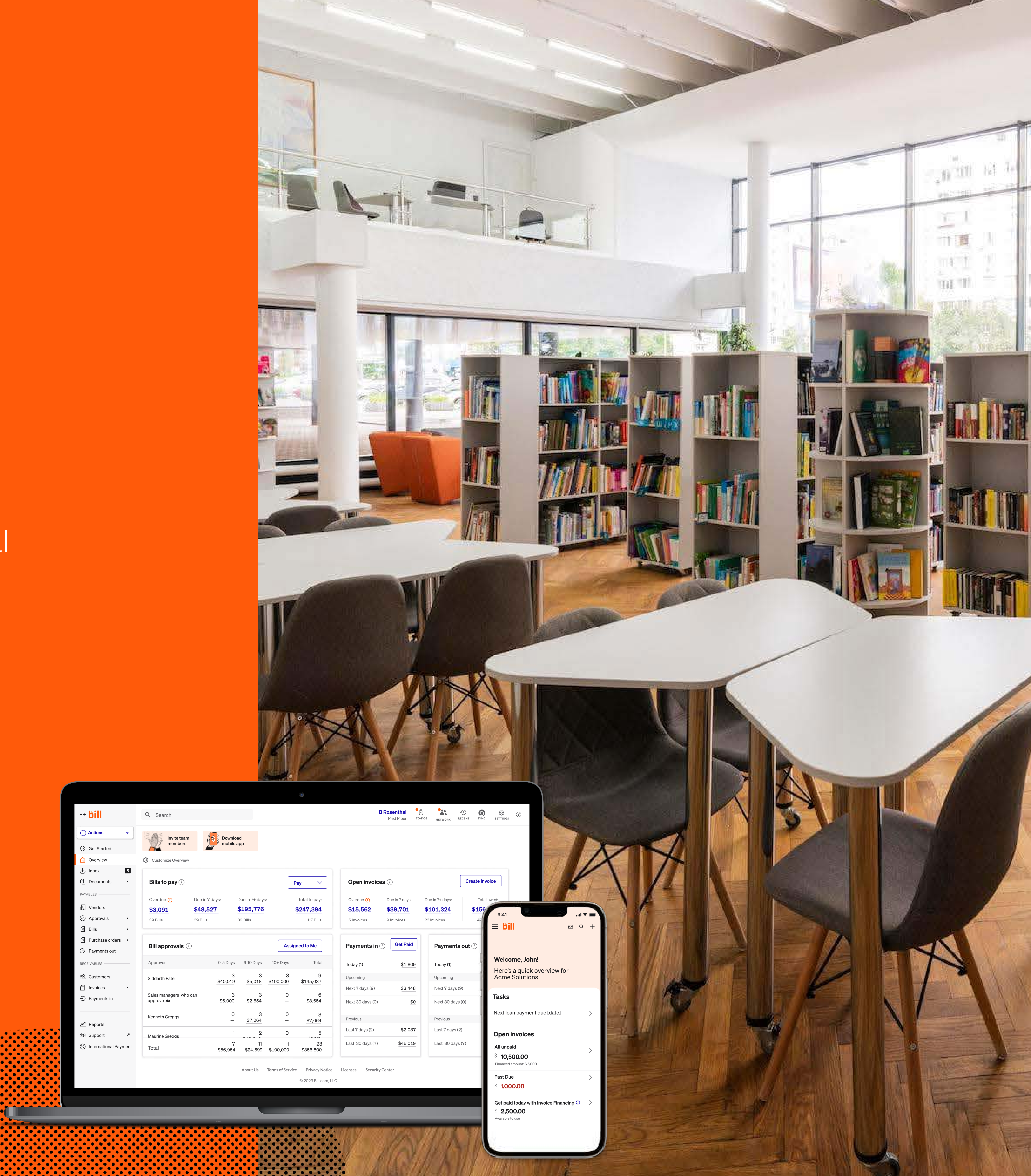
Better tools, better schools

Schools play a vital role in shaping the next generation and making a positive impact on their surrounding communities. BILL's financial operations platform is an essential part of this process. Better financial tools give organizations the control and visibility over finances they need so they can achieve their strategic and educational objectives.

GET STARTED



CPA By Choice

CPA By Choice is a consulting, outsourced accounting, tax, and financial services company with an office located in Miami Lakes, Florida. The company was founded in 2002, and has since established a tradition of excellence, integrity, innovation, and individualized service. We have served corporate and nonprofit clients for many years and have acquired a significant amount of experience providing accounting, tax, and advisory services to organizations in various industries.

bill

BILL (NYSE: BILL) is a leader in financial automation software for small and midsize businesses (SMBs). We are dedicated to automating the future of finance so businesses can thrive. Hundreds of thousands of businesses trust BILL solutions to manage financial workflows, including payables, receivables, and spend and expense management.