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Business Office Internship

Weeden

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BUSINESS OFFICE INTERNSHIP

by

Kathryn S. Weeden

A Project Report
Submitted to the
Faculty of The Graduate College
in partial fulfillment of the
requirements for the
Degree of Specialist in Education
Department of Educational Leadership

Western Michigan University
Kalamazoo, Michigan
April 1981
BUSINESS OFFICE INTERNSHIP

Kathryn S. Weeden, Ed.S.

Western Michigan University, 1981

Successful operation of a school district depends upon the functions of the business office. This internship at Grand Rapids Public Schools under the supervision of Dr. James Gallagher, Executive Deputy Superintendent of Business Affairs, involved experiences in the school business areas of accounting, data processing, investments, funding, payroll, and purchasing. Knowledge of school business functions will provide the author with the awareness she needs when she attains her career goal working in central office administration, preferably as a curriculum and instruction specialist.

In addition to an introduction this report is divided into four sections which discuss the site and the reasons for selecting this study, actual experiences, achievements, and conclusions.
ACKNOWLEDGMENTS

Appreciation and gratitude must be expressed to Dr. James Gallagher, Executive Deputy Superintendent of Business Affairs, Grand Rapids Public Schools, and to his secretary, Ms. Rosemary Postma. With their encouragement and support I was able to learn about school business functions.

Kathryn S. Weeden
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CHAPTER I

Introduction

This paper will serve as a summary of my experience as an intern with the business division of the Grand Rapids Public Schools. During the internship I worked closely with Dr. James Gallagher, Executive Deputy Superintendent, whose primary responsibility was the management of funds for the district, and with members of his staff. I also worked for brief periods with various other division heads in the Grand Rapids Public Schools.

The Grand Rapids Public School system is considered a "middle city" district with a total school population of 49,724 and a staff of approximately 7,000. The district is in an urban setting and its population is multi-ethnic.

The prospectus for the internship was developed for and submitted to the Department of Educational Leadership at Western Michigan University as a requirement for completion of the degree of Education Specialist. The Department of Educational Leadership and Dr. Gallagher, Grand Rapids Public Schools, approved the prospectus. To assist the reader in understanding the internship experiences, the prospectus follows as submitted.
NAME: Kathryn S. Weeden

SPONSORING ORGANIZATION: Grand Rapids Public Schools

FIELD SUPERVISOR: Dr. James Gallagher, Executive Deputy Superintendent, Grand Rapids Public Schools

UNIVERSITY ADVISOR: Dr. Carol Sheffer, Western Michigan University

MAJOR FOCUS OF EXPERIENCE: Experience the various functions of the business division of a middle city size school and become aware of the relationships that exist with the other divisions, i.e., personnel, curriculum, etc.

DURATION: Six weeks commencing Monday, June 23, 1980.

RATIONALE:

With the current budget and funding problems that the public schools of Michigan are facing, it appears that anyone with a desire to become a public school central office administrator should not only be familiar with the legal methods of budgeting and funding for a school district, but he/she should also be aware of the procedures that a good business office employs for its day-to-day business. With a look to the future, it seems only realistic that those chosen for central office posts will have not only an awareness, but also a working knowledge of business office functions. Sound budgets and procedures as well as good business sense are absolutely necessary if one is to run a school district.

All divisions of a school district rely on the business division and its practices. If that department is well run, chances are that the other departments will run smoothly. During this internship it is expected that the intern will acquire an awareness of the inter-relationships of all the departments based on the need for sound budgeting and business practices.
### Projected Nature of Internship Experience

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Experiences and contacts</th>
<th>Terminal skills</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Conceptual</strong></td>
<td>The intern will:</td>
<td>The intern will be able:</td>
</tr>
<tr>
<td>1. To <strong>review</strong> the organizational chart of the school district.</td>
<td><strong>Compile</strong> a list which cites the person in each department who works closely with the business division.</td>
<td><strong>Point to</strong> the chart within the organization which she devised that outlines the direct lines of communication between the business division and each of the other divisions.</td>
</tr>
<tr>
<td>2. To <strong>analyze</strong> the communication flow between the various departments.</td>
<td><strong>Develop</strong> a set of questions to ask of those from other divisions working with the business division in order to ascertain how often and for what reasons they communicate.</td>
<td><strong>Cite</strong> the evidence of the various questioning sessions about the needs for a strong relationship between the business division and the others.</td>
</tr>
<tr>
<td>3. To <strong>relate</strong> the needs of the various divisions to the procedures of the business division</td>
<td><strong>Attempt to compare</strong> the business needs of a small suburban district and a large urban school district.</td>
<td><strong>List</strong> the different business needs identified in large urban school districts as compared to small suburban school districts.</td>
</tr>
<tr>
<td>4. To <strong>acquire</strong> an understanding of the various job functions within the business division.</td>
<td><strong>Observe</strong> the daily business and question staff about routine operations.</td>
<td><strong>Discuss</strong> the job functions and the reason they are necessary.</td>
</tr>
</tbody>
</table>
# Projected Nature of Internship Experience—Continued

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Experiences and contacts</th>
<th>Terminal skills</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Conceptual—Continued</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. To acquire an understanding of the manner</td>
<td>The intern will:</td>
<td>The intern will be able:</td>
</tr>
<tr>
<td>in which each job function in the business</td>
<td>observe the verbal communications between the various divisions and the business divisions</td>
<td>to discuss the relationships between the business</td>
</tr>
<tr>
<td>division affects the other divisions.</td>
<td>and question those involved in the communication dyads.</td>
<td>division and the other divisions.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>B. Human</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. To become familiar with the fiscal goals of</td>
<td>read and discuss with top business administrator, Dr. James Gallagher, the budgetary</td>
<td>to interpret the budget and audit of the school</td>
</tr>
<tr>
<td>the school district.</td>
<td>documents and audits of the school district.</td>
<td>district.</td>
</tr>
<tr>
<td>2. To comprehend the various business functions</td>
<td>discuss the nature of these processes; read state law; attend meetings which deal with</td>
<td>to indicate the procedure for each business procedure.</td>
</tr>
<tr>
<td>such as bonding, federal grant reporting, and</td>
<td>these processes.</td>
<td></td>
</tr>
<tr>
<td>public school accounting procedures.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. To analyze the qualifications needed for the</td>
<td>discuss the role with staff in the business division.</td>
<td>to cite the apparent qualifications of a public school</td>
</tr>
<tr>
<td>role of business manager in the public schools.</td>
<td></td>
<td>business manager.</td>
</tr>
</tbody>
</table>
## Projected Nature of Internship Experience—Continued

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Experiences and contacts</th>
<th>Terminal skills</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>B. Human—Continued</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| 4. To become aware of the manner in which funds are allocated to the various departments, spent, and accounted for by those departments. | The intern will: arrange appointments and interviews with department administrator—
* Curriculum (Mrs. Donna Carter)
* Personnel (Mr. Richard Carlson)
* Facility Planning (Mr. Milton Miller);

observe and discuss with staff from separate business functions the nature of those areas—

* Purchasing (Mr. Dan Biddick)
* Special Fund Accounting (Mr. Jerry Smith)
* General Accounting (Mr. Clare Baar)
* Investments (Mr. Bruce Monson). | The intern will be able: to indicate the various manners of constructing the budgets for the various departments, cite the manner of distribution and departmental accounting. |
### Projected Nature of Internship Experience—Continued

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Experiences and contacts</th>
<th>Terminal skills</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>C. Technical</strong></td>
<td>The intern will:</td>
<td>The intern will be able:</td>
</tr>
</tbody>
</table>

1. To determine a practical approach for collecting the needed information to understand the relationships between the various departments and the business division.
   - **The intern will:** prepare a schedule which provides for time spent in the business division and in the other divisions; discuss with Dr. Gallagher the areas to be covered.
   - **The intern will be able:** to present reasons for allocation of time spent in various areas.

2. To determine which areas in the business division require specialized learning and find ways to accommodate this.
   - **The intern will:** discuss with business manager specialized areas and identify ways to learn about them, i.e., sale of a bond—meet with the school attorneys handling the sale.
   - **The intern will be able:** to cite the procedures used for the specialized areas.

3. To develop an expertise in the area of fund allocation.
   - **The intern will:** observe the method by which funds are solicited by the various departments by attending the meetings set up for this purpose.
   - **The intern will be able:** to demonstrate understanding of budget formation by formulating a sample.
CHAPTER II

The Site

Grand Rapids, Michigan, is a city with a population of nearly 200,000. It encompasses 44.9 square miles and is located between Detroit (148 miles southeast) and Chicago (172 miles southwest). Grand Rapids is 64 miles northwest of the state capital, Lansing. It is the second largest city in Michigan following Detroit in size.

Major corporations located in Grand Rapids are three General Motors plants, Keeler Brass Company, Amway, and Bissell, Inc. Over 11,000 businesses are located in the Grand Rapids area. Historically, it was the furniture manufacturing capital of the United States. While custom craftsmen still exist in Grand Rapids, the industry is only a shadow of what it once was.

A large segment of the pioneering population who settled this area was Dutch. Since then many ethnic groups populate Grand Rapids. Among them are large numbers of Polish, Black, and Hispanic people.

Many people from surrounding areas visit Grand Rapids because of its shopping malls, renovated downtown, and annual Arts Festival in June. Those who fish try to catch Coho Salmon in the Grand River. Many industries provide tours; the fish ladder is an attraction, as is the fine art gallery and the soon to be dedicated Gerald R. Ford Museum. The former president is a native of this proud city.

Grand Rapids is known as a city of churches. Indeed, you cannot travel many blocks without passing a church. The Christian Reformed
denomination attracts a large portion of the population. There are 429 Protestant and 42 Catholic churches, plus two Jewish synagogues located here.

Culturally, one can experience the symphony, opera, and ballet at the newly completed Grand Center. The Civic Theatre is also well attended. Academically, one can attend institutions of higher learning. The Grand Rapids Public Schools operate the local junior college, one of the oldest and best in the nation. There are also Aquinas and Calvin Colleges. Within an hour's drive there are Grand Valley State Colleges, Hope College, Western Michigan University, Ferris State College, and Michigan State University. In town, Davenport Business College and Kendall School of Design address two specific areas of learning.

While the public schools operate with 48 elementary schools, six middle schools, four high schools, one educational park, and four alternative schools, private church supported schools abound. There are Catholic, Christian Reformed, Baptist, and Lutheran schools throughout the city.

There are 7,429 students enrolled in the innovative progressive community education program operated by the Grand Rapids Public Schools. This program offers traditional basic classes, vocational courses, and leisure time activities at various sites both in schools and at other locations in the city. This particular program has been a national model as have special schools run by the public school system. There are schools or programs for hearing impaired, physically handicapped, and mentally impaired. All provide excellent
educational opportunities for students with special needs.

Grand Rapids is a pleasant place to live. People generally take pride in their city. One will find the same problems in this urban setting that are found in others. The difference is that in Grand Rapids people address problems with a problem-solving philosophy. Citizens groups are actively involved in determining the focus of city government. The school district includes citizen advisory and volunteer groups at every educational level.

In the last decade the Grand Rapids schools were part of a desegregation law suit during which it was determined that racial balance should be achieved. The school district devised a plan that was determined satisfactory and was implemented with a minimum of difficulty. An Office of Equal Educational Opportunity oversees this plan.

Grand Rapids is a vital, thriving city eager to curb urban blight. It is typically midwestern and predominately middle class.

Selection of Site

The selection of the Grand Rapids Public School district as the organization for my professional field experience was based on two factors. First, it was a conveniently located middle city school district, and second, it was well recommended as a model of a district of its size and scope. Many visitations are made to it by educators of other similarly sized districts to discover its "magic." It was a district which was financially solvent, creative in the business methods used to remain solvent, and successful in attempting to offer a quality education to children in an urban area. It
suffered all the problems of other cities, i.e., depressed living conditions, a low socioeconomic strata in its population, and declining enrollment, but it attempted to deal in an effective manner with all of these problems.

My professional experience has been limited to a middle-class suburban, predominantly white, school district. I believed I could benefit in many ways from a very different experience. Not only could I learn about school district finance from a master such as Dr. James Gallagher, but also I could be a part of a far more complex working structure. To be saleable in today's job market, a person must have varied knowledge and diversified experiences. Also important is an ability to be flexible in terms of location, job description, and salary range. In selecting Grand Rapids for my study, I hoped to address the first two qualifications for job seeking. I believe I fulfilled those goals.

Dynamics

When discussing the dynamics of an institution, it is important to first view the organizational chart. From it most important information can be gleaned.

The reporting structure is critical to understanding the dynamics involved. Traditionally and lawfully in the state of Michigan, the board of control is the school board, an elected body, and the decision making authority for district policy is vested in the members. All policy issues are brought to them. They delegate to the superintendent of schools, a hired position, the authority to manage and
direct the actions of the school district, its employees, and clients (the students). Direct line reporting to the superintendent can and does take different routes in different districts. Usually finance, personnel, and curriculum division heads report directly to the superintendent. So did they in Grand Rapids Public Schools. Other selected administrators reported to the superintendent via a weekly cabinet meeting where requested reports were presented. Critical issues were discussed there as well as proposed solutions to problems in the district.

Executive board meetings also were called weekly by the superintendent. These included the heads of finance, curriculum, and usually, personnel.

It should be noted that unlike many school districts the Director of Grand Rapids Job Corps Center reported to the superintendent of schools as did the president of the college. Most public school districts do not even have a college (in this case Grand Rapids Junior College), let alone a job corps.

The Grand Rapids Public School District owned a facility which was formerly a high school, and it was determined that it could easily be converted to house a job corps site. As it was being considered for purchase by the federal government, the school district investigated the possibility of bidding to manage the center. A committee of officials traveled to Illinois to view a center, speak to administrators there, and produce a cost estimate. The eventual outcome of this was the awarding of the bid to GRPS.
The system by which the board of education members are trained when they are elected the first time is worthy of note.

A new school board member undergoes a thorough orientation during which the organizational chart is perused and discussed. Individual interviews are held with all major division heads. Extensive information is provided in written and oral presentations to the new member. Questions are answered intensively. Agendas are reviewed and a mini-course in public school finance is informally taught to the individual. Days are spent furnishing a core of basic knowledge to the newly elected official.

Every effort is made to accommodate the board members during their tenure so that decisions are made knowledgeably. Simple human courtesies are extended, physical comforts made available, and intensive planning, organization, and dissemination of information provided in various forms, i.e., printed matter, committee presentations, personal contact, and telephone messages. No board member can easily claim ignorance about an issue.

This special training and treatment of the board of control may very well be a major factor contributing to the decisions which have proved to provide successful management of this school district. This management then has led to positive educational outcomes for the children of Grand Rapids.

Perspective

Spending 6 weeks working as an intern in a "middle city" school district's business division provided me with the opportunity to
become familiar with its functions, its personnel, and the necessity
to establish sound objectives and to meet them. I had the privilege
of spending my internship working in the Grand Rapids Public Schools,
and I was fortunate to have as my supervisor Dr. James Gallagher,
Executive Deputy Superintendent, whose primary responsibility was
managing all of the business functions of the district. He afforded
me the opportunity of spending much time with the various department
managers of the business division as well as with other top adminis­
trators in other departments. This provided the necessary scope with
which to arrive at the conclusions I shall later share. It is my be­
lief that if one wishes to learn how something functions, one should
select the best model available to observe. I did, and the rewards
were many.

It should be made clear at this point that I had no special
skill or knowledge about the business function. I did, however, have
an acute awareness of the impact the business division of a school
district has on all of the other divisions.

Before deciding to do my internship with Grand Rapids Public
Schools, I had taken a school finance course from Dr. Gallagher and
had been literally awed with the recognition of the vast amount of
skill and knowledge that was necessary for a person to have to run
the business of a school district. I also realized how few superin­
tendents, curriculum, and personnel officials have much appreciation
for and understanding of the business functions. Obviously, one
course in school business/finance does not adequately prepare admin­
istrators for running the business of a school district.
The process of educating children is expensive and sound money management is critically important. Rising costs, state budget cuts, federal and state mandated programs, and a plethora of other causes have issued a real challenge to business divisions of school districts to balance the budget. The skills needed to balance a school budget go far beyond merely being able to divide a sum of money among the various divisions, to write checks, and to make deposits. In a middle city school district various talents are needed and must be sought from a number of sources.

Every school district has its own financial practices which fall within the scope of the state laws. Each district plans its budget based on allowable revenues and must systematically and knowledgeably invest funds, disburse funds, and project revenues.

Obviously, the business division affects all other divisions in a school district. Due to different philosophical bases of the business and educational units, many disagreements can and do arise. Methods must be employed to minimize these conflicts.

Grand Rapids Public Schools has been able to employ business oriented personnel who understand the educational process. They are able to see the result of their sound money management in terms of profit, even though the profits are not seen in dollar terms. Their profit is seen in terms of educational programs successfully functioning, student test scores which are higher than in many urban areas, and a balanced budget which is unlike many other middle city school districts.
CHAPTER III

Experience

During my internship with the Grand Rapids Public School district, I was afforded the opportunities of closely observing the practices of Dr. James Gallagher, Executive Deputy Superintendent of Business Affairs, of questioning him, and of being privileged to attend high level, confidential meetings with him. It was a well-rounded experience because I was also allowed and encouraged to meet, interview, and observe those who work for him as well as those who work with him.

A good business manager needs to be skilled in the arts of money management, educational process, and people management. A person in this role in education need not have served as a teacher, but definitely needs to understand the basic difference between a profit making organization and an institution of learning. One also needs to be able to apply and adapt methods used to earn profits. Sound, lawful investment is essential. This of course calls for a person who is flexible as well as skilled in money management.

My observations of this business manager also provided me with the evidence that one who takes this job must have a high personal commitment to the position and a high energy level. Meetings are frequently called and information must be available and accurate. The responsibility level is extremely high, and it is very difficult to "get away" from the job.
Another interesting observation was that a business manager has frequent contact with attorneys, accountants, and politicians and that one should not be intimidated by these people. This then leads me to conclude that a person in this position must be self-confident and somewhat of a risk taker.

There is a great need for knowledge of the federal and state statutes which mandate much of the procedure for school district financial practices. There was a great deal of time spent interpreting laws and consulting with the school attorney on an unusual, perhaps unorthodox, bonding procedure for the building of a student center for Grand Rapids Junior College and for an addition to the parking ramp.

During the work with Dr. Gallagher, I was allowed to observe him on a consultation job for which he was hired by a small school district which was suffering from poor financial management and a millage defeat. In effect he taught the top administrators in that district the basics of school finance, evaluated their situation, and made recommendations to help solve some of their problems.

Besides spending time with Dr. Gallagher and his staff, I spent a day in the GRPS warehouse from which all the schools are supplied and which has a computerized inventory. I visited the bus garage and viewed a bus inspection by the state police inspection team, interviewed the director of transportation, a dispatcher, and several bus drivers. I also toured the food service production area for the summer program and questioned the director, dietician, kitchen manager, and several cooks and production line workers. All of these
experiences taught me something about day-to-day operations and the direct line relationship to the business office. The only comment I would make is that it would seem more workable to have a direct line reporting system between the transportation department and the business division. Transportation provides no income for the district, but incurs many direct costs. This area might function in a more cost-effective manner if supervised by experts in finance.

The other operational support facility which I visited and where I spent the most time was the data center. Information was provided about the technical capabilities of the computers, and much time was spent interviewing all levels of employees from input operators to programmers to the director of the center. It appears to have been an extremely wise decision to have the computer operations placed under the umbrella of the business division. Many business functions are computerized. Payroll, inventory, purchasing, and disbursements are all functions that could never be provided as expeditiously or accurately without the services of computer operations.

Time was also spent in the personnel division, and at the time I was there they were busily assigning laid-off teachers to positions that became available during the summer. The directors were in constant communication with the finance division making sure that they were not exceeding budget. This led me to the Office of Equal Educational Opportunity where concerns about racial balance were monitored. The major financial concern there was maintaining budgeted figures for the running of that office.
The assistant to the superintendent provided me with a list of the various areas of concern to which the superintendent directs his attention. What surfaced from this list was, most importantly, public relations and the image of the school district, and secondly, the financial condition of the district. Due to the depressed state of the economy in Michigan, several reductions in funding of schools had occurred. Funds for special education had been reduced and the governor had reduced state aid. The superintendent was given an almost daily update of the financial picture.

People in the curriculum division appeared the least concerned by the worsening financial outlook for schools in Michigan. Apparently they had the attitude that no matter how funding was effected, there would be a curriculum. This district had been very frugal with allocations for new textbooks and materials, and the employees in the curriculum division had always lived with what they considered a limited budget. Since the district had been committed to alternative programs for many years, they did not predict their demise.

All major organizational divisions were investigated to identify not only their functions, but also their relationship to the business division. Differences in relationships and attitudes were noted. It appeared that the employees closer to curriculum had less regard for the functions of the business department (excepting payroll). However, the Deputy Superintendent of Educational Services, Dr. Elmer Vruggink, had an awareness of the business functions and was very supportive of the decisions made. He had a grasp of the problems which faced the district financially.
The majority of the internship was spent within the business division. Referring to the organizational chart provided, it will be noticed that the five major areas which directly report to the head of business affairs are accounting and payroll, purchasing, systems, food service, and finance.

An overview of accounting procedures was provided by the director of general accounting. I observed the preparation of payroll complete with insurance and credit union deductions. All of this was computerized and GRPS issued its own checks. Dr. Gallagher controlled the GRPS cash flow pertaining to paydays. He knew statistically how many employees would cash checks on Friday and each day thereafter. He transferred from interest earning accounts to the checking account only that amount for that day. This then provided for extra interest earning days on the money kept in interest earning accounts.

There was much to learn in the areas of compensation and insurance and there was a full-time staff of at least three to respond to all inquiries and to process claims.

Special funds (categoricals such as special education, transportation, or any program partially or fully funded by the state or federal government) were accounted for in an office especially staffed for this. Only a large district would qualify for the number of federal and state subsidies that GRPS had. Since this was 8.6% of the total school funds, special attention was given this function. One has to learn all of the qualifications and reporting procedures for each categorical to be able to direct this office.
GRPS business division took an extremely serious view of investments. Investments were monitored daily. This was another area which required special knowledge. One must understand not only how to maintain an investment portfolio, but also all the state laws which dictate appropriate investments for schools. There are services which provide school districts with advice as to what to invest in, but for maximum fiscal benefit, an investment director must have an understanding of the investment market to make good decisions. At the time I was interning, GRPS had some bonds bearing the Chrysler name, although it was not the auto company. School board members raised concerns about the investment, a detailed explanation was provided, and the decision was made to divest GRPS of these bonds when they came due.

In the purchasing department, everything from toilet paper and tissues to typewriters and office machines was researched, bid out, and purchased. During the internship, paint and carpeting for renovations were primary concerns. All equipment owned by GRPS was on inventory in the purchasing office, and from this office trucks were dispatched to pick up warehoused materials for delivery to the proper sites. As stated, the renovations were the first priority while I was interning. I toured two of the schools being closed and watched the selection of materials to be warehoused and those to be auctioned at the annual sale conducted by this office. Another function of this office was the control of the fleet of school cars.

Reprographics was a production center for all printed material of the school district. It was a part of the purchasing office. Not
only were printers and Xerox-style equipment used, but also an office full of word processors were running 8 hours a day.

As mentioned earlier, much time was spent learning the computer capabilities. It was noted that the GRPS data center completed sufficient outside contracted work for governmental agencies and other school districts that the cost for computer services to GRPS was negligible.

The food service program was a direct line reporting unit to the business manager. It may be interesting to note that in the Grand Rapids schools 65% of the children were eligible for federally funded free lunch. The unit prepared and served breakfast and lunch at approximately 50 sites.

In addition to my work in the various areas and divisions, I attended weekly executive and cabinet meetings with the superintendent, all board of education meetings, all board of education finance committee meetings, special meetings with the Christian school administrators, the business administrator of the Intermediate district, and negotiation sessions with the Grand Rapids Education Association.

Interaction

Any superintendent who desires to keep his/her job, provide a balanced budget for his/her school district, and educate the children of the district in the best affordable manner will seek a business manager who can and will provide for these objectives.

The superintendent will keep in mind that a former teacher of business concepts who has worked at line administration may not be
the best choice for the position of business manager. As a matter of fact, there seems to be no defensible reason an intelligent business manager need ever to have worked at another position in education. Skills learned in profit making organizations can be an appropriate background for running school business. However, it is necessary to obtain a person who views education as a challenging business.

If the business manager is one the superintendent can trust to run that division efficiently, then there is more time for the superintendent to become involved in matters which have direct effect on the learning of children. If the superintendent and business manager are to work well together, direct access to the superintendent should be allowed at all times (Candoli, Hack, Ray, & Stollar, 1978, chapter 1). Many critical budget functions depend on timing. Access to the superintendent for input on these select matters is critical.

It is my determination after observing the functioning of a business division that benefits will be reaped for the district if the business division is allowed to function in a somewhat independent manner, is provided with the right to hire adequate staff, and is provided necessary equipment and space somewhat apart from the other divisions. These accommodations will allow for maximum output of work, a feeling of autonomy among those working in that department, and some isolation from workers in other divisions who either do not understand or do not appreciate the business processes. A superintendent whose business is solvent will probably be deemed successful.

All of these criteria were met by the superintendent of the Grand Rapids Public Schools, Dr. John Dow. At times it was apparent
to employees only that there was a struggle between the executive office and the business office over a decision. This occurred because of the very strong personalities of the two individuals holding these positions. In public there was never disagreement or surprise. All public statements were orchestrated and rehearsed.

Within the business division, the executive deputy superintendent met with the director of investments and accounts payable on a biweekly basis. These were areas of daily concern. On a weekly basis a meeting was held with the director of general accounting, and another meeting was held with the director of purchasing. Written reports from all departments were presented the week prior to the board of education meeting at which time all three directors met with the business manager. A total staff meeting was conducted once a month by the business department.

Meetings were held by the business manager once a week with the superintendent and executive board of administrators, and as often as necessary with the superintendent regarding sensitive issues. Meetings with various top division administrators were conducted whenever a major expenditure was undertaken by a division.

It appeared to me that in the business division a goal was to communicate often and concisely to avoid wasting time. Due to the fact that so much of the business function was on a definite time line, all systems must operate at peak efficiency most of the time. By devising a communication process, the business division attempted to insure peak efficiency.
Functions

The basic areas to be managed by the business manager were: payroll, accounts payable, general accounting, purchasing, insurance, investments, and special fund accounting. Other areas which may or may not be responsibilities of the business manager are: food service, transportation, motor pool, and the supply operation. The size of the district dictates how many and which of these latter functions are incorporated into the business division.

In the area of payroll the financial manager needs to be able to identify how many employees cash their checks the first day they receive them, what percentage of them hold them over the weekend, and what percent hold onto their checks longer. This allows the manager to maintain interest earning money accounts as long as possible by depositing only the money needed each day. This is essentially a department which deals with accounting and disbursement of funds.

A common practice is for suppliers to allow negotiation of discounts to purchasers with a prompt payment record. An effective manager in accounts payable will insist that this be the rule, not the exception.

The responsibility for the general ledger rests with general accounting. Selection of materials and supplies and purchasing should be the job responsibility of the purchasing department. A policy for taking bids must be adhered to and guidelines for writing specifications must be followed (Candoli et al., 1978, p. 223).
The insurance department processes claims and stays aware of workmen's compensation qualifiers. It is imperative to have a rapport between this department and a doctor hired by the district. Due to the nature of many claims, a relationship may be developed with a security system also. GRPS uses a doctor for those with claims and a security system to follow up on suspected fraudulent claimants.

Special fund accounting requires detailed knowledge of all funded programs such as special education or programs conducted under a grant. In order to maintain funding, all criteria must be accurately followed and reported so as to pass an audit. To be able to follow all of the requirements, specific knowledge must be obtained and remaining current on all changes in criteria is essential.

Another area which necessitates specialized knowledge is investments. Maintaining a portfolio requires a sense of timing and an historical perspective of money investing for the district, as well as staying in daily touch with the securities firms with which the investor deals.

Obviously, one person cannot possibly perform in each of these functions. The key to being an effective fiscal manager is to be able to select the right specialists in each of these areas, to rely on them to do their job function correctly, to communicate with them in an ongoing manner, and to be able to synthesize all the individual reports into a credible review of the total business division (Candoli et al., 1978, chapter 1). I believe in order to do this, the business manager needs not only business skills, but also should know how to manage people. This person should be ethical to gain the
respect of the workers, and should be competent to gain the regard of superiors. The business manager needs to have patience because inevitably the person in the position will sit on the board of education's negotiating teams, and this person will have to be able to think quickly to answer specific budgetary questions at board of education meetings. The job is multifaceted and requires an individual with energy and integrity, and it requires that a person be politically astute on at least the state and local levels.

Roles

The highest ranking official of the business division in Grand Rapids Public Schools was expected to fulfill his appropriate role by presenting an image of a person who was well organized and prepared at all times. The official was expected to appear at most meetings where school board members would be present, and was also expected to substitute for the superintendent at many social and school functions. The business official had to be articulate and have a good recall so that it would appear to any questioner that the business affairs of the district were well known to the manager and well managed.

The business official also had to play the role of second in command whenever the superintendent was present. Information was to be passed to the executive official before meetings so that questions could be answered. The superintendent often presented the basic facts and then asked the executive deputy superintendent to further elaborate.
Often the business official was summoned to meetings with little notice and was to be prepared to creatively problem solve. Functioning as a member of an executive team was considered important at these times.

Loyalty to both the school district and the superintendent and school board was demanded of the official from the business division. All statements to the press and media were to be carefully orchestrated and advance notice given to others of the executive team if necessary.

The executive deputy superintendent was expected to demonstrate a high level of energy also. All stress was masked with a casual, worldly, openly friendly facade. A commitment to the education process was apparent and encouraged, as was a positive attitude.

The role expectations for the position of the chief administrator of the business division were many. The person who lived up to them had to be able to budget his time well, accept being second in command, and stay current with all aspects of the running of the business division on a daily basis.
CHAPTER IV

Achievements

During this internship I set out to learn about a district unlike the one in which I work. By selecting a middle city urban setting this was accomplished. While there I studied the various departments, their functions, and their responsibilities. GRPS follows a traditional organizational model with divisions for curriculum, personnel, and business. GRPS was progressive in supporting offices for Equal Educational Opportunity, Curriculum Planning and Evaluation, Educational Facilities Planning, and Affirmative Action.

Another goal was to investigate the functions of a business division in a school district. This was achieved easily. I was permitted to search through documents, i.e., audits, annual reports, and to ask questions. Never did I believe that I could learn to perform the functions. Specialists are needed for that. It was my desire to see what needed to be accomplished and how that was carried out. Essentially a humanistic supervision approach was emphasized, but in actuality there was little interpersonal contact between supervisors and workers. Supervisors were so overloaded with work that they simply did not have enough time to spend encouraging, supporting, and affirming. Even though the business division was part of a human corporation, it operated essentially as one might expect in a profit making organization. Surprisingly, the employee grumbling was limited. Pay was comparatively low, and the support staff unit was
engaged in collective bargaining during my internship. Naturally, this was a topic of discussion. However, it appeared that they all expected lower pay and accepted it because they acknowledged their role in the public sector. The turnover rate was not great either.

My last objective was to explore the interrelationships between all of the various departments and the business division. Attitudes, as well as job functions, were evaluated. As stated earlier, the more involved employees were with curriculum development and supervision and evaluation, the less interested or concerned the employees seemed to be for business concerns. However, in no division was hostility focused at the business department. If anything, there was a subtle frustration which may have evolved from a lack of understanding of the financial picture for the school district.

In reviewing the literature on human communication, it can be found that more understanding and empathy evolves from people when communication is face-to-face. The other note from the literature on communication that would have some bearing here would be that as the size of a committee increases, interaction decreases. The large number of people involved in the superintendent's cabinet meetings was a detriment to good communication.

The basic business functions used by the GRPS business division can be found in any business text, i.e., *Introduction to Business* (Abrahamson & Pickle, 1980). Areas where support from literature is nonexistent are primarily those which have evolved out of the business manager's, Dr. James Gallagher's, style. School finance texts, i.e., *School Business Administration: A Planning Approach* (Candoli
et al., 1978), cite traditional financing and investing plans, but nowhere did I find support for trying the unorthodox. No text referred to risk taking or encouraged innovative methods for financing projects. This has led me to conclude that much of the success of the GRPS financial division is derived from the man and his style and the support he receives from the superintendent and board of education.
CHAPTER V

Conclusions

There is no more critical role today in the management of schools than that of the business manager. With the troubled economy school districts must be concerned with conserving dollars and getting the most for their money. Sound budgeting and investing provide for this.

Schools need money managers who are sensitive to the needs of educators, but they also need educators who are much more concerned with sound budgeting and effective utilization of resources. Learning how to get maximum use from materials needs to be taught to teaching and administrative aspirants.

The animosity that often exists between curriculum and program professionals and those who work in the business division must be eliminated. A cooperative attitude must prevail. Working together is one answer to stretching the dollar.

Innovative budgeting and sound investing are essential today. Being aware of legislative change and maintaining contact with legislators is critically important. Adequate and appropriate staffing of the business division is necessary.

Educators have much to learn from their counterparts in profit making organizations. Innovative techniques are going to have to be applied to school business if school districts are to survive the next decade.
As a minimum requirement, institutions which have programs to prepare educational leaders need to increase the number of learning experiences in finance and business procedures and law of their students. Being exposed to sound business theory is absolutely necessary. Being impressed with the direct application of business sense to educational leadership is essential. To do this, schools of education should consider utilizing people from business who have committed themselves to effective financial management. Already there is an abundance of opportunity for educators to learn about managing people. To be prepared for education in the 1980's, leaders in education must extend their awareness, knowledge, and skills. For years there has been much unnecessary waste in education, none of which has been deliberate. It has stemmed from ignorance or lack of awareness. There is no place for any of this today, and those directing school districts are increasingly being held accountable for sound financial management.

Workshops for overcoming stress, devising new curriculums, and emphasizing public relations are advertised frequently in educational journals. It is time to develop seminars on balanced budgeting, stretching dollars, developing sound accounting procedures, and selecting qualified personnel (not necessarily educators) for business positions in school districts. Educators pride themselves on being people oriented, and this should remain an attitude which prevails. However, educators are late in perceiving how practical business application indirectly affects the learning of students. New educators need to develop skills which their predecessors never had.
Experienced educators need to renew themselves and expand their scope of abilities.
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