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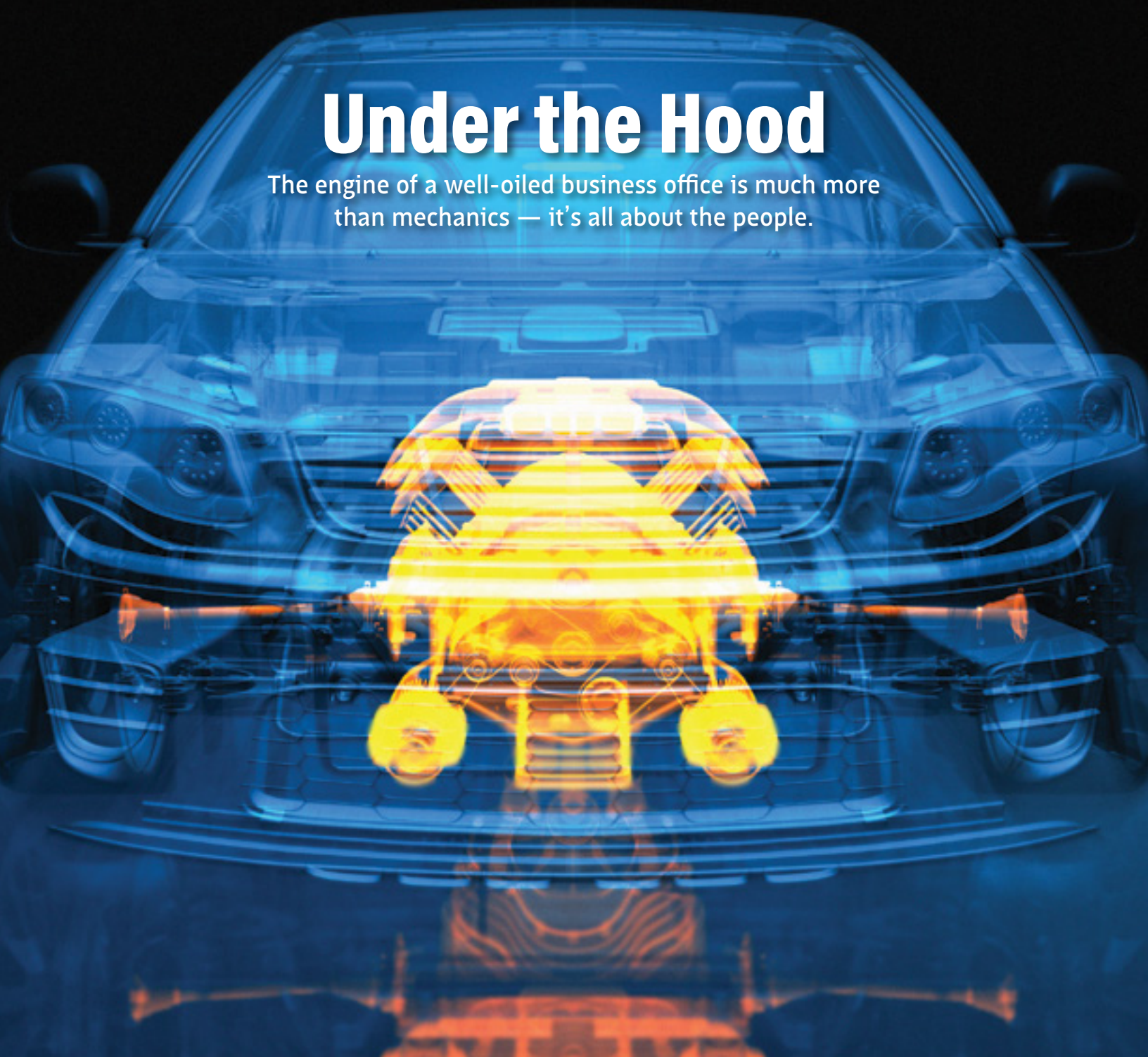
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# NetAssets

ADVANCING BUSINESS EXCELLENCE IN INDEPENDENT SCHOOLS | SEPTEMBER/OCTOBER 2021

## Under the Hood

The engine of a well-oiled business office is much more than mechanics — it's all about the people.



# HOW IS A BUSINESS OFFICE BUILT?

Results from a recent survey suggest business office staffing is based on number of responsibilities more than budget size.

By Elizabeth Dabney, NBOA

**T**hose in the business office know well how their critical but behind-the-scenes work is a bit mysterious to others in their school community, like teachers and students. But how exactly that work gets done — and by whom — can also be opaque to business officers at other schools.

One of the most common questions we hear on our member forum, NBOA Connect, is, How many staff members do you have in your business office? And what are their roles? In response to this evergreen query, I developed and conducted a survey of business officers, in my role as NBOA's director of research and data analysis. The data was wide and deep, and analysis yielded some intuitive but also some surprising results.



## BUSINESS OFFICE SIZE

The survey showed that the majority of staff in the business office (85%) work full-time, and nearly all (98%) for 12 months of the year. The average full-time equivalents (FTEs) in the business office was 3.6 (with a median of 3.0).

For the purposes of this analysis, the responding schools were categorized into three groups based on FTEs: small, average and large.

- Small business offices had 2.9 FTEs or fewer. These were 35% of responding schools.
- Average business offices had between 3.0 and 3.9 FTEs and were 23% of responding schools.
- Large business offices had 4.0 FTEs or more and were 42% of responding schools.

No matter the size of the business office staff, it is clear that all business offices hold a large amount of responsibility. Small business offices often require fewer people that each do more work. Large business offices often have more specialized roles, such as risk management director or manager of the school store, and multiple levels of specific roles at one school, like a student billing associate and a student billing assistant. They are also more likely than small or average business offices to have separate roles for finance and operations, a dedicated human resources staff member and more director-level employees (e.g., director of facilities, director of security, director of procurement).



## Survey Methodology

This survey, conducted in May 2021, asked schools to:

- provide the number of full-time equivalents (FTEs) in the business office,
- list the titles of the employees, and
- select from a list of responsibilities for each employee (or list other duties).

While titles may not be a perfect measure of the level of responsibility of each staff member, the combination of titles and responsibilities paints a picture of the structure of independent school business offices.

144 schools reported a total of 523.2 full-time equivalent (FTEs) staff in the business office.

**Almost all (93%) of the schools surveyed outsource at least one school operation.**

67%

**Outsource janitorial/cleaning services**

65%

**Outsource food service**

35%

**Outsource security**

30%

**Outsource information technology**



## THE LEADER OF THE BUSINESS OFFICE

The leader of the business office is a member of the school leadership team and/or manages the business office staff and all business office financial accounts. In small business offices, the most common title for this leader is director of finance and operations, and in average and large offices it is chief financial officer. For the purposes of this analysis, I will call these employees the chief business officers (CBOs).

CBOs at most schools have more areas of oversight than other employees in the business office. At some schools, they have double or triple the number of duties than other employees. They are responsible for a range of tasks from management responsibilities to finance, operations and human resources. Given that most CBOs come from an accounting or finance background, either through their education or work experience, some of these leaders' duties fall outside of their training.

CBOs of small business offices have an average of 14 duties, while CBOs of average business offices have 11 duties and CBOs of large business offices have 9. In addition to leadership team and business office management duties, CBOs across all size business offices most commonly:

- Manage operations (e.g., facilities, IT)
- Oversee the school's annual audit
- Negotiate and maintain benefits contracts
- Establish and maintain employment policies
- Represent the school in legal matters
- Manage endowment investments
- Oversee government requests for information.



## THE CONTROLLER

Most schools have an employee with the title of controller, business manager or accountant who is responsible for five to six business office tasks under the supervision of the CBO. These staff across all size business offices most typically:

- Maintain and balance the general ledger
- Manage enrollment contracts and family interactions related to tuition and student accounts.

In small and average business offices, these employees have more transactional responsibilities like processing payroll, and accepting and processing payables/receivables. In large business offices, these staff often have more managerial responsibilities, as large business offices have additional staff responsible for financial tasks.



## HUMAN RESOURCES

At most schools, human resources responsibilities are part of an employee's job, not their whole job. At schools with a small business office, 14% have a staff member with human resources in their title. In most cases, these employees' titles include human resources and another responsibility such as assistant director of finance or accounting. At schools with an average sized business office, 27% have a staff member with human resources in their title. In some cases, this employee's title includes human resources and another responsibility, such as CFO or controller. At schools with a large business office, 65% have a staff member with human resources in their title. They are more likely than staff at other schools to not have another responsibility in their title and to have another staff member to assist with human resources tasks like maintaining personnel files or managing benefits enrollments and budgets.



## OVERLAPPING RESPONSIBILITIES

Because strong internal financial controls are important, some tasks are the responsibility of more than one person in all business offices, regardless of office size. Sharing responsibilities also has the benefit of a cross-trained staff and better business continuity.

At schools with a small business office, tasks that are often the responsibility of more than one person include:

- Maintaining personnel files.
- Processing payroll.
- Accepting and processing payables/receivables.
- Managing enrollment contracts and family interactions related to tuition or student accounts.



In average sized business offices, these tasks often include:

- Maintaining purchasing and vendor contracts/insurance records.
- Managing benefits enrollments and budgets.
- Maintaining and balancing the general ledger.
- Accepting and processing payables/receivables.
- Managing enrollment contracts and family interactions related to tuition or student accounts.

In large business offices, these tasks often include:

- Overseeing the annual audit.
- Overseeing government requests for information.
- Responding to employment law changes.
- Processing payroll.
- Accepting and processing payables/receivables.



## OUTSOURCING

Most schools (93%) partially or fully outsourced at least one school operation to augment the work being done by the business office staff. These schools outsource an average of 2.8 operations with the most common being janitorial/cleaning services (67% of schools), food service (65%), security (35%) and information technology (30%). Some schools outsource specific tasks such as snow removal, electrical work or payroll.

While small schools (those with fewer than 300 students enrolled) might feel the pressure of having a small business office staff (average of 2.4 FTEs), these schools do not outsource more often than other schools. On average, small schools outsource 2.7 school operations. The most common outsourced operations at small schools are janitorial/cleaning services (64% of schools), food service (58%) and information technology (43%). One small school noted that the business office would like to outsource more functions, but that there are currently not enough vendors in their area that meet their needs.



## THE BUSINESS OFFICE OF ONE

While fewer than 10% of the schools participating in this study are a business

## Small but Mighty

Lauren Cayer is the one-person business office for Bishop Feehan High School, a grades 9-12 day school in Massachusetts with 1,100 students and 126 employees. Cayer is responsible for all of the financial operations, from paying bills to collecting tuition payments to managing vendor, employee and enrollment contracts. She is on the financial aid committee and handles human resources functions. "When you say it, it sounds like a lot," she explains. "But I work with a great group."

Cayer credits her ability to manage all these duties to streamlined structures and processes. Her predecessor moved the business office from paper-based to digitized records and implemented a customer relationship management (CRM) system. This system houses and organizes historical and current data about employees, families and vendors. Cayer uses the CRM as a task manager — it even links to her email so she can easily send bulk emails.

Cayer prioritizes her work in sync with the school year calendar and knows which tasks are most important to complete at any given time. When organizing daily tasks, she leaves time for problem solving or answering questions.

Until recently, Bishop Feehan was under the auspices of the local Catholic diocese, which provides some support, such as researching and selecting employee health benefits. Cayer will use the school's year of transition into becoming a financially independent entity as a time to find even more efficiencies. She wants to make payments online rather than cutting checks, for example. These efforts should give Cayer more time to think strategically about the school's bigger financial picture.

office of 1 FTE (or fewer), these directors of finance and operations have a large workload. They have an average of 18 responsibilities from managing all financial accounts to processing payroll and many other accounting, operations and human resources tasks. These business offices generally do not outsource more than average — their average is 2.7 school operations, similar to the average for all schools in this study.



## FACTORS IMPACTING BUSINESS OFFICE STRUCTURE

School leaders were asked to describe in their own words the factors that most often affect the structure, size and composition of their business office. By far, the most common factor was the workload or number of responsibilities the business office must manage. Some schools increased the size of the business office in recent years with the addition

of new programs, like an auxiliary program or an expanded financial aid program, increased human resources-related compliance duties or significant facilities and maintenance issues that come with aging buildings or bringing new buildings online.

Other schools have instituted operational efficiencies, automation or technology that have allowed the business office to be effective with few staff. One school automated their accounts payable process, while another found that digitizing information made their office more efficient. It is not only important to have the appropriate number of staff to complete the work but also to employ the staff with the right skills for the tasks at hand. Some schools outsource when they cannot find the staff with the necessary skills for those functions.


Other common factors that affect the structure of the business office included the budget and student enrollment levels. Independent schools often consider the business office to be an overhead cost and strive to keep these costs low by keeping the business office small.

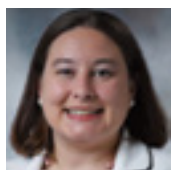
## WHAT DO DIFFERENT SIZE BUSINESS OFFICES LOOK LIKE?

Here are portraits of what the typical business office of each size looks like, based on how most schools in each group described their structure. There was some variation among the schools in each group, so the description may not exactly describe every school in the group. Schools were categorized into three groups based on FTEs.



Growing enrollment can increase the size of the business office because of the increase in the volume of transactions.

Looking to the future, it will be interesting to see how technology may change the FTEs or roles and responsibilities in the independent school business office. As one business officer noted, “Historical operations have dictated the size and structure; operational efficiencies will impact future size and structure.” 



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### RELATED CONTENT

**Demographics of the Independent School Business Office: Key Research Findings 2020 (report, 2020)**

**Time for Cloud 9: Automating the Business Office (Mar/Apr 2021)**

**Business Intelligence: A Dashboard for Staff Expenses and Productivity (Jan/Feb 2019)**

## SMALL BUSINESS OFFICE: 2.9 FTEs or Fewer

### The Data

**Number of schools in group:** 51

**School type:** 84% day, 16% with boarding

**Average student enrollment:** 295 (ranging from 30 to 1,000)

**Typical budget range:** \$1 million–\$8 million

### Roles and Responsibilities

#### **Director of Finance and Operations**

**Titles (in order of most to least common):**

Director of Finance and Operations, Business Manager, Chief Financial Officer

**Job structure:** Full-time, reports to head of school

**Responsibilities:** Average of 14

- Manage business office staff and all business office financial accounts
- Member of school leadership
- Oversee school's annual audit
- Negotiate and maintain benefits contracts
- Establish and maintain employment policies
- Respond to employment law changes
- Maintain purchasing and vendor contracts/insurance records
- Manage benefits enrollments and budgets
- Oversee government requests for information
- Manage operations (e.g., facilities, IT, food service, security, risk management, transportation)
- Manage endowment investments
- Manage enrollment contracts and family interactions related to tuition or student accounts
- Maintain personnel files
- Represent the school in legal matters
- Maintain and balance the general ledger

#### **Accountant**

**Titles (in order of most to least common):**

Accountant, Business Office Assistant, Controller

**Job structure:** Full-time, reports to chief business officer

**Responsibilities:** Average of 6

- Accept and process payables/receivables
- Process payroll
- Track time and attendance
- Maintain and balance the general ledger
- Maintain personnel files
- Manage enrollment contracts and family interactions related to tuition or student accounts

#### **Accounting Assistant**

**Titles (in order of most to least common):**

Accounting Assistant, Business Office Coordinator

**Job structure:** Part-time, reports to chief business officer

**Responsibilities:** Average of 4

- Accept and process payables/receivables
- Process payroll
- Track time and attendance
- Maintain personnel files

## AVERAGE BUSINESS OFFICE: 3–3.9 FTEs

### The Data

**Number of schools in group:** 33

**School type:** 82% day, 18% with boarding

**Average student enrollment:** 458 (ranging from 125 to 1,000)

**Typical budget range:** \$4 million–\$12 million

### Roles and Responsibilities

#### **Chief Financial Officer**

**Titles (in order of most to least common):**

Chief Financial Officer, Business Manager, Director of Finance and Operations

**Job structure:** Full-time, reports to head of school

**Responsibilities:** Average of 11

- Member of school leadership
- Manage business office staff and all business office financial accounts
- Manage endowment investments
- Represent the school in legal matters
- Oversee the school's annual audit
- Negotiate and maintain benefits contracts
- Establish and maintain employment policies

- Manage operations (e.g., facilities, IT, food service, security, risk management, transportation)
- Oversee government requests for information
- Respond to employment law changes
- Maintain and balance the general ledger

### **Controller**

**Titles (in order of most to least common):** Controller, Business Manager, Accountant

**Job structure:** Full-time, reports to chief business officer

**Responsibilities:** Average of 5

- Maintain and balance the general ledger
- Accept and process payables/receivables
- Process payroll
- Manage enrollment contracts and family interactions related to tuition or student accounts
- Track time and attendance
- Maintain personnel files

### **Finance Assistant**

**Titles (in order of most to least common):** Finance Assistant, Business Office Associate, Specialist, Coordinator

**Job structure:** Full-time, reports to chief business officer or controller

**Responsibilities:** Average of 4

- Accept and process payables/receivables
- Process payroll
- Track time and attendance
- Manage enrollment contracts and family interactions related to tuition or student accounts
- Maintain personnel files

### **Office Assistant**

**Titles (in order of most to least common):** Office Assistant, Payroll Coordinator, AP/AR Coordinator, Human Resources Associate

**Job structure:** Part-time, reports to chief business officer or controller

**Responsibilities:** Average of 1

- Responsible for one specific task, such as processing payroll, or for a few smaller office tasks, such as answering the phone, managing petty cash or assisting with collection of past due accounts

## **LARGE BUSINESS OFFICE: 4+ FTEs**

### **The Data**

**Number of schools in group:** 60

**School type:** 82% day, 18% with boarding

**Average student enrollment:** 742 (ranging from 170 to 1,500)

**Typical budget range:** \$10 million–\$50 million

### **Roles and Responsibilities**

#### **Chief Financial Officer**

**Titles (in order of most to least common):** Chief Financial Officer, Director of Finance and Operations, CFO/COO

**Job structure:** Full-time, reports to head of school

**Responsibilities:** Average of 9

- Member of school leadership
- Manage business office staff and all business office financial accounts
- Manage operations (e.g., facilities, IT, food service, security, risk management, transportation)
- Manage endowment investments
- Represent the school in legal matters
- Oversee government requests for information
- Negotiate and maintain benefits contracts
- Oversee school's annual audit
- Establish and maintain employment policies

#### **Controller**

**Titles (in order of most to least common):** Controller, Business Manager, Accountant

**Job structure:** Full-time, reports to chief business officer

**Responsibilities:** Average of 5

- Maintain and balance the general ledger
- Oversee school's annual audit
- Manage business office staff and all business office financial accounts
- Manage enrollment contracts and family interactions related to tuition or student accounts
- Oversee government requests for information

### **Director of Human Resources**

**Titles (in order of most to least common):** Director of Human Resources, Human Resources Manager

**Job structure:** Full-time, reports to chief business officer or head of school

**Responsibilities:** Average of 6

- Maintain personnel files
- Respond to employment law changes
- Coordinate hiring and termination processes
- Establish and maintain employment policies
- Manage benefits enrollments and budgets
- Oversee performance review process

### **Accounting Manager**

**Titles (in order of most to least common):** Accounting Manager, Accounts Payable/Receivable, Assistant Controller, Human Resources/Payroll Specialist

**Job structure:** Full-time, reports to chief business officer or controller

**Responsibilities:** Average of 3

- Accept and process payables/receivables
- Maintain purchasing and vendor contracts/insurance records
- Manage enrollment contracts and family interactions related to tuition or student accounts

### **Accounting Assistant**

**Titles (in order of most to least common):** Accounting Assistant, Payroll Assistant

**Job structure:** Full-time, reports to chief business officer or business manager

**Responsibilities:** Average of 2

- Accept and process receivables/payables
- Manage enrollment contracts and family interactions related to tuition or student accounts

### **Business Office Assistant**

**Titles (in order of most to least common):** Business Office Assistant, Accounts Clerk

**Job structure:** Full-time, reports to chief business officer or controller

**Responsibilities:** Average of 2

- Accept and process payables/receivables
- Process payroll