

**Policy FINO-000: Professional Certification for NC School Finance Officers**

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**NORTH CAROLINA STATE BOARD OF EDUCATION**  
**Policy Manual**

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## **SECTION 1 - PERFORMANCE STANDARDS**

### **1.1 Statutory Authority**

Section 115C-435 of the North Carolina General Statutes establishes the position of the school finance officer as follows:

"Each local school administrative unit shall have a school finance officer who shall be appointed or designated by the superintendent of schools and approved by the board of education, with the school finance officer serving at the pleasure of the superintendent. The duties of school finance officer may be conferred on any officer or employee of the local school administrative unit or, upon request of the superintendent, with approval by the board of education and the board of county commissioners, on the county finance officer. In counties where there is more than one local school administrative unit, the duties of the finance officer may be conferred on any one officer or employee of the several local school administrative units by agreement between the affected superintendents with the concurrence of the affected board of education and the board of county commissioners."

The 1985 Session of the General Assembly appropriated funds to support the position of school finance officer. It further provided that "Beginning July 1, 1986, each school finance officer, regardless of the source of funding, shall meet standards hereinafter adopted by the State Board of Education." The State Board of Education adopted standards for the position at its March 1986 meeting. This manual includes the adopted standards as revised by the State Board of Education.

### **1.2 Duties and Responsibilities**

The LEA Finance Officer is responsible for all fiscal affairs of the school system, including the State, federal and local funds, the enterprise funds, and capital operations. The finance officer shall install and maintain an integrated system to plan fiscal operations to ensure sound decisions, accountability, and transparency.

This legislatively required position, per G.S.115C-435, must be able to interpret and follow fiscal regulations prescribed by the North Carolina General Statutes, State Board Education, federal agencies, the Local Government Commission, and other funding entities. This position is the financial leader of the school district and is required to have a comprehensive accounting knowledge including the ability to interpret and implement new accounting standards, per GASB. This position is a critical component of the leadership team of a school district.

#### **Essential Job Functions include but are not limited to the following:**

- Provides district leadership, the Local Board of Education, building-level administrators and others with appropriate guidance, policies and procedures related to financial matters.
- Prepares and maintains the school district annual budget; analyzes and costs the local boards and local superintendent's initiatives and ensures appropriate and allowable funding sources. Manages all activity for a balanced budget that is in compliance with the School Budget and Fiscal Control Act.
- Analyzes various financial, personnel and student data and records for leadership decision-making. These analyses are used in preparation of reports as required for submission to local, state, federal oversight agencies and/or superintendent and board.
- Maintains a payroll system in compliance with state and federal laws and regulations, including the Fair Labor Standards Act and the Internal Revenue Service Code, as well as procedures related to salary and absence data required by the State Board of Education.
- Oversight of the school system purchasing and contract procedures to ensure compliance with local, state, and federal policies.
- Ensures compliance with the Federal funding expenditures to ensure compliance of federal regulations including Uniform Grant Guidance and specific grant requirements.
- Maintains the general ledger system, including adjusting journal entries, budget adjustments, chart of account maintenance, and reconciliation of general ledger accounts to ensure accurate account balances and

adherence to general accepted accounting principles (GAAP). Utilizes a complex chart of accounts and recognizes and researches appropriateness of accounts codes on payroll expenditures, payroll collections, and non-salary expenditures and determines required steps for resolution.

- Responsible for the year-end financial statements for the annual independent audit and the school system's Annual Comprehensive Financial Report (ACFR). Provides auditors (independent, state and/or federal) all required reconciliations and other client prepared materials.
- Maintains all system-wide bank accounts and ensures timely and accurate reconciliation of all bank and balance sheet accounts.
- Ensures the quality of fiscal operations at the individual schools, through periodic audit reviews of fiscal records and ensures corrective action is taken, as necessary.

### **1.3 State Salary**

G.S. 115C-12(16) requires the State Board of Education shall classify the finance officers in terms of uniform pay grades included in the salary schedule of the State Human Resources Commission.

The salary of the finance officer is aligned to the Accounting Director I and II,

- Minimum pay grade at NC24
- Maximum pay grade at NC25

The maximum salary paid from State funds shall not exceed the maximum allowable per legislation paid from State funds for the superintendent at the Local Education Agency.

## **SECTION 2- Qualifications**

### **2.1 Education and Experience**

After June 30, 2023, the minimum qualifications of candidates for finance officer are five years of professional experience in finance operations combined with one of the following:

1. a baccalaureate degree from an accredited four-year college or university with a minimum of 15 semester hours in accounting, or
2. a licensed Certified Public Accountant.
3. certified by the State Board of Education as an LEA school finance officer prior to July 1, 2023.

### **2.2 New Finance Officer Support**

All NC Local Education Agency finance officers in their first two years of employment as a finance officer shall be assigned a mentor by the North Carolina Association of School Business (NCASBO) within state funding availability as provided by the NC General Assembly. The mentor shall provide technical assistance and provide feedback to NCDPI related to the skill sets of the new finance officer to inform future professional development opportunities.

## **SECTION 3 - Certification Process**

### **3.1 Certification Process for School Finance Officer**

1. A candidate for school finance officer, must meet the minimum requirements for the position as set forth under Section 2.1 and be certified by the State Board of Education.
2. A candidate must submit a college transcript, a confirmation of the certified public accountant license (if applicable), resume reflecting work history and letter of recommendation from the superintendent of the school district to the Department of Public Instruction (DPI) Chief Financial Officer for review.

If qualifications under Section 2.1 have been met, a recommendation is submitted to the State Board of Education for certification approval.

### 3.2 Interim Finance Officer

It is the responsibility of the local administrative unit to obtain prior approval from the DPI Chief Financial Officer, or his/her designee, to appoint an interim finance officer.

If a vacancy occurs in the position of finance officer in the local administrative unit, an interim finance officer may be appointed. The individual(s) serving as the interim finance officer must have a minimum of two years' experience in public school finance. Without prior approval from the Chief Financial Officer, the interim finance officer position shall not exceed six months. If the six-month period is exceeded without prior approval, DPI shall reduce the state Central Office Administrators allotment for the period of time a certified finance officer is not employed. This loss of allotment will be based on the amount paid to the previous certified finance officer, regardless of the funding source.

The DPI Chief Financial Officer may extend the period of time the local administrative unit employs a noncertified interim finance officer without penalty if there is evidence that all of the following is taking place:

3. The unit is continuously, actively seeking qualified candidates for the permanent position.
4. The unit has contacted the North Carolina Association of School Business Officials (NCASBO) for recruiting assistance.
5. The unit is receiving technical assistance from the NCASBO for the interim finance officer.

### 3.3 Continuing Professional Education (CPE)

1. All certified finance officers must complete 24 contact hours of approved CPE credits during each fiscal year. This shall include at least two hours of conflict of interest training regarding the making and administering of contracts to be completed by the beginning of April 2024 and in every following odd-numbered fiscal year. New Finance Officers must receive an initial conflict of interest training within 90 days, and subsequent trainings in every following odd-numbered fiscal year. Any CPE hours earned in excess of the 24 hour requirement (up to a maximum of 24 hours) may be carried forward only to the next fiscal year.
2. It is the responsibility of the finance officer to complete 24 hours of approved CPE within each fiscal year. The DPI Chief Financial Officer will transmit an electronic report on CPE credit to each finance officer at least semi-annually reflecting credits applied for approved professional education participation. In addition, a monitoring/warning letter will be sent on March 31 to any finance officer who appears in danger of not meeting the 24-hour requirement by the end of the fiscal year.
3. If any finance officer fails to meet the requirement by the end of the fiscal year, and there are no approved extenuating circumstances, a warning letter will be sent on July 31 to both the finance officer and superintendent giving the finance officer one month to obtain required CPE credit. If the situation is still not rectified, letters will be sent on August 31 to the local board chair, superintendent and finance officer as notification that state funds will be withheld. The amount to be withheld from the current year state Central Office Administrators allotment will be the finance officer's salary cost for the entire time of non-compliance in the current fiscal year (regardless of the source of funding for the position). The Department of Public Instruction will require a refund from the LEA, if applicable, for up to one prior year's cost of the non-compliance.
4. Once the CPE requirement is fulfilled, the current year state funding of the Central Office Administrators allotment will no longer be reduced in the amount of the finance officer's salary cost, effective the month following compliance.
5. Because a finance officer may be employed at any time during a fiscal year, the following is a schedule of required CPE hours for the first year of employment:

Employed During:	CPE Required First Year:
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- |                                 |          |
|---------------------------------|----------|
| a. First Qtr. (July -September) | 24 hours |
|---------------------------------|----------|

- b. Second Qtr. (October - December) 16 hours
- c. Third Qtr. (January - March) 12 hours
- d. Fourth Qtr. (April - June) 8 hours

6. Hours earned during the first year of employment in excess of the required hours will carry forward to the following fiscal year. The finance officer is responsible for complying with the full 24 contact hours per year requirement beginning with the second fiscal year of certification.

### **3.4 Certificate Suspension and Revocation**

1. Upon presentation of evidence that a certified finance officer has demonstrated gross negligence or incompetence, the State Board of Education may place the individual on probationary status for up to one year. State funds shall not be used to support the position during the probationary period. Upon demonstrating satisfactory improvement in performance, the State Board of Education may reinstate an individual from probationary status.
  2. In the event the State Board of Education considers the revocation of certification to be necessary, certificates may be revoked in the same manner and for the same reasons as set forth for other licensed professional staff members.
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