

**ASBO International**

# Certified Administrator of School Finance and Operations<sup>®</sup> (SFO<sup>®</sup>)

Practice Questions for Preparation of the SFO<sup>®</sup> Certification  
Exam Part 2: School Business Management



[www.asbointl.org/certification](http://www.asbointl.org/certification)

## Practice Questions for Preparation of the SFO Certification Exam

### Part 2: School Business Management

The questions presented are practice questions for the Part 2: School Business Management exam of the Certified Administrator of School Finance and Operations (SFO) certification program. They do not represent the exam content to its exact percentages of the domains presented in the exam content outline. These were created as a more extensive set of questions to use in assisting candidates in the preparation of the exam. Answers to these practice questions can be found on the page 10.

### Context of the Part 2: School Business Management Exam

The Part 2: School Business Management exam of the SFO Certification is written from the perspective of the professional who has at least three years of experience in school business management. The knowledge and skills covered in this exam represent what this professional would learn over the course of at least three years on the job.

The domains and content areas covered on this exam are as follows (percentage of the exam is provided in parentheses):

#### **Conduct Financial Planning and Analysis (27% to 32%)**

- Serve as a School Leader
- Review Financial Impact of Strategic Planning Goals
- Develop Financial Goals
- Evaluate Funding Options for Debt Management
- Develop Outside Funding Sources
- Analyze Economic Data
- Analyze Demographic Data
- Develop Multi-Year Forecast
- Estimate Real Estate Property Tax Revenues

#### **Conduct Budgeting and Reporting Activities (15% to 20%)**

- Project Student Enrollment
- Evaluate Instructional Program(s) Costs
- Develop Annual Budgets
- Manage Grant Activities
- Prepare for Annual Audit

#### **Conduct Risk Management Activities (10% to 15%)**

- Evaluate Existing Risks
- Address Results of Risk Audit
- Conduct Annual Evaluation of Insurance Plans
- Manage Insurance Plans

## PRACTICE QUESTIONS PART 2: SCHOOL BUSINESS MANAGEMENT

**Manage School Facilities (7% to 12%)**

Update Facility Master Plan  
Oversee the Operation and Maintenance of School Campuses  
Oversee New Construction and Renovations

**Manage Information Systems (4% to 6%)**

Assist in Developing a Technology Plan  
Maintain Technology Systems/Oversee Telecommunication Systems

**Manage Human Resource Functions (15% to 20%)**

Manage Hiring of New Employees  
Develop Compensation Structure  
Manage Staff Development and Training Programs  
Manage Evaluation Process  
Manage Personnel Administration  
Manage Employee Benefit Programs

**Manage Ancillary Services (7% to 12%)**

Manage Transportation Services  
Manage Food Service Programs  
Manage Purchasing Process  
Manage Other Service Programs

There are 100 multiple-choice items in total for this exam, with an allotment of 2.5 hours in which to take it at the Pearson VUE testing center near you.

Canadian equivalents are provided in [] within each question as needed to provide clarification.

For more information about the exam and the SFO program,  
visit [www.asbointl.org/certification](http://www.asbointl.org/certification)



## Practice Questions for Part 2: School Business Management Exam of the SFO Certification

### 1. New construction, personal income, and retail sales are indicators in which kind of forecast?

- A. Economic
- B. Enrollment
- C. Educational programming
- D. Environmental impact

### 2. Preventive maintenance planning refers to which service area?

- A. Facilities
- B. Food services
- C. School administration
- D. Transportation system

### 3. How would a school business official know if a job description for the elementary building secretary needs to be revised?

- A. When the job description no longer resembles a neighboring school district's job description
- B. When it is different from the high school secretary job description
- C. When the secretary's annual evaluation is always reported as excellent
- D. When the job description is no longer relevant to the evaluation process

### 4. Which is a best practice for personnel management?

- A. Praise and discipline in public
- B. Praise in public and discipline in private
- C. Reward and reprimand in a private setting
- D. Praise and reprimand in writing

## PRACTICE QUESTIONS PART 2: SCHOOL BUSINESS MANAGEMENT

**5. Which of the following should be covered by the personnel department during a new employee orientation?**

- A. Instructional methods to be used
- B. History of the school district
- C. Enrollment trends of the school district
- D. Explanation of insurance benefits

**6. Which element is a cornerstone in the development of a performance improvement plan?**

- A. The narrative of the plan
- B. The timeline
- C. The method of monitoring
- D. The format of the plan

**7. When managing a program, what information should be on the report that allows you to determine whether the program is within budget?**

- A. Budget, expenditures, and encumbrances
- B. Prior year budget, current year budget, expenditures, and encumbrances
- C. Revenues, expenditures and encumbrances
- D. Current month revenues and expenditures and encumbrances

**8. Which should be included in the building construction estimates for a replacement school building?**

- A. The increased cost of building insurance
- B. The cost associated with the transportation of students to the interim building
- C. A contingency for the cost of unexpected site conditions
- D. The cost of moving furniture from the existing building

## PRACTICE QUESTIONS PART 2: SCHOOL BUSINESS MANAGEMENT

**9. Which grant activity should be performed on at least a quarterly basis?**

- A. Calculation of expenditures of budgeted funds
- B. The submittal of an application for additional funds
- C. A budget revision for all grants
- D. The preparation and submittal of reimbursement claims to date

**10. How does the level of a deductible relate to managing risk for a local education agency [authority]?**

- A. When the deductible is lower then the risk is lower
- B. When the deductible is higher then the risk is higher
- C. When the deductible is higher then the risk is lower
- D. When the deductible is lower then the risk is higher

**11. At a minimum, how often should the fixed asset inventory for the local education agency [authority] be updated?**

- A. On an annual basis
- B. On a semi-annual basis
- C. Once a month
- D. Every two years

**12. What is the first thing a school business official should do when notified by the police of a significant school bus accident?**

- A. Call the students' parents
- B. Call the insurance carrier
- C. Call the school board president
- D. Call the superintendent

## PRACTICE QUESTIONS PART 2: SCHOOL BUSINESS MANAGEMENT

**13. Which item may be asked for in a job application process?**

- A. Gender
- B. Year of birth
- C. Education
- D. Age of dependents

**14. A maintenance director discusses not interviewing an applicant for a custodial position because "everyone on the interview team agrees this person is too old for this job." How should a school business official react to this statement?**

- A. Explain to the team that ability is what is important, not age
- B. Suggest that the committee interview the person and discuss the impact of his or her age on the job
- C. Remind the maintenance director that people are working longer these days
- D. Establish a maximum age limit for future custodial hiring

**15. When is it allowable to ask if a person needs accommodation to perform the essential functions of the job?**

- A. In the job advertisement
- B. In the letter of hire
- C. On the application
- D. During the interview

**16. Which is the leading indicator of the financial health of a school district?**

- A. Property tax levy
- B. Property tax valuations within the local district
- C. Undesignated fund balance
- D. Total assets

## PRACTICE QUESTIONS PART 2: SCHOOL BUSINESS MANAGEMENT

**17. What conditions would trigger the liquidated damages clause in a contract?**

- A. The vendor files for bankruptcy
- B. The vendor does not perform in the time required
- C. A bonding company takes over the project from the vendor
- D. The vendor files suit against the school district

**18. Who is the most important person(s) to be involved in developing an employee safety program?**

- A. Facility manager
- B. School board members
- C. Superintendent
- D. Employee group representatives

**19. A computer technician who does repair and services to computers and reports to the director of technology is a non-exempt employee. What does this mean?**

- A. This position must be paid based on a hourly rate and paid the overtime rate for over 40 hours in a week
- B. This position may be paid on a salary basis, avoiding the need to pay overtime
- C. Vacation and sick leave are required as part of federal law
- D. If the employee works on Sunday, double the hourly rate must be paid

**20. What is the best way to find an advisor for financing a capital improvement program?**

- A. Through a Request for Proposal (RFP) process
- B. Request that the architect recommend a financial advisor
- C. Through referrals from the school board
- D. Request that the local bank recommend a financial advisor

## PRACTICE QUESTIONS PART 2: SCHOOL BUSINESS MANAGEMENT

**21. In addition to acquisition, maintenance, and operation costs, what is the most significant cost of a technology purchase?**

- A. Software upgrades
- B. Replacement costs
- C. Insurance costs
- D. Shipping costs

**22. How is per-student instructional program cost determined?**

- A. Add specific program costs, including staff salary, books, and materials, and divide by the number of participants in the individual program
- B. Add all direct costs of the instructional program and divide by the number of participants in the individual program
- C. Add all direct and indirect costs of the instructional program and divide by the number of participants in the individual program
- D. Add specific program costs and fixed costs and divide by the number of participants in the individual program

**23. A popular five-year business office clerical employee is consistently behind in work assignments and provides incorrect or incomplete results. This individual has been verbally warned and encouraged to improve. What should the school business official do?**

- A. Prepare a written analysis of the problem and recommendations for improvement, then meet with the employee and discuss the necessary steps
- B. Do nothing because further action may result in staff morale problems
- C. Give the employee a written warning of the consequences that will ensue if his or her performance does not improve
- D. Allow the employee additional time in which to perform his or her work or divert some of the duties to someone else

## PRACTICE QUESTIONS PART 2: SCHOOL BUSINESS MANAGEMENT

**24. Why are long-term forecasts generally less accurate than short-term forecasts?**

- A. Because the assumptions used in the long-term projections do not average out over time
- B. Because long-term forecasts are less dependent on variables
- C. Because there are fewer assumptions in long-term forecasts
- D. Because there are more assumptions in long-term projections

**25. How soon should work-related injuries be reported to the insurance entity?**

- A. As soon as the school district officials are aware of the accident
- B. When it is determined to be severe enough
- C. As soon as it is determined that the employee needs medical attention
- D. After the medical service provider has examined the employee

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PRACTICE QUESTIONS PART 2: SCHOOL BUSINESS MANAGEMENT

**Answers to the SFO Exam Part 2: School Business Management Practice Questions:**

1. A
2. A
3. D
4. B
5. D
6. B
7. A
8. C
9. D
10. B
11. A
12. D
13. C
14. A
15. B
16. C
17. B
18. D
19. A
20. A
21. B
22. C
23. A
24. D
25. A