

The Business of Independent Schools

A LEADER'S GUIDE

A new edition of *By the Numbers and Beyond:
Independent School Business Operations*

Table of Contents

Contributors and Acknowledgements	iii
Foreword	vii
BY BRAD RATHGEBER, ONE SCHOOLHOUSE	

Partners in Advancing the School

1. The Business Officer as Independent School Leader	1
BY JEFFREY SHIELDS, NBOA	
2. The Business Officer-Head of School Partnership.....	11
BY JAMES PALMIERI, NBOA, AND TIM FISH, NAIS	
3. Enrollment Management.....	19
BY HEATHER HOERLE, EMA	
4. Advancement.....	33
BY ANN SNYDER, CASE	
5. The Board of Trustees.....	47
BY JENNIFER OSLAND HILLEN, NBOA	

Finance

6. The Independent School Business Model	58
BY JAMES PALMIERI, NBOA	
7. Budgeting and Financial Reporting	72
BY SANDI PIERCE, CATE SCHOOL	
8. Endowment Management	86
BY GEORGE SUTTLES, ALLISON KASPRISKE, STEVE SNYDER AND TIM YATES, COMMONFUND	
9. Debt Management	101
BY CHAD CHRISTOFF AND DEV TALVADKAR, STIFEL	
10. Not-for-Profit Tax Issues	115
BY LIZ MAHER, NBOA, AND SARAH REICHLING, JOHN TOSCANO, ET AL., CLIFTONLARSONALLEN	
11. Financial Health and Monitoring	126
BY MARY KAY MARKUNAS, NBOA	

Human Resources

12. Employee Compensation and Benefits	137
BY MATTHEW BATASTINI, SCHWARTZ HANNUM PC	
13. Personnel Administration	153
BY GRACE H. LEE, VENABLE LLP, AND AMBER STOCKHAM, NBOA	

Risk Management

14. Risk Management	171
BY JOE E. CARTER AND LIZA KABANOVA, UNITED EDUCATORS	
15. Safety, Security and Emergency Management	185
BY MARCUS DEPONTES, STONEGATE ASSOCIATES, LLC	
16. Preventing Sexual Abuse in Schools	195
BY CANDACE COLLINS AND CHRISTY SCHILLER, PRAESIDIUM	

Business Operations

17. Facilities	208
BY STEVE GLAZNER, APPA	
18. Technology	226
BY CHRISTINA LEWELLEN, ATLAS	
19. Auxiliary Programs	240
BY NAT SALTONSTALL, SPARC; BETSY MACIVER NEIVA, AFTERSCHOOLPLAYBOOK; KAREN MCCANN MCCLELLAND, SIDWELL FRIENDS SCHOOL	
20. Transportation	255
BY LOUISE D. MANN AND LEE CONNER, WOODWARD ACADEMY	
21. Food Service	264
BY TINA RODRIGUEZ, SAGE DINING SERVICES	
22. Outsourcing	276
BY LIZ MAHER, NBOA	
Afterword	283
BY ROSE NEUBERT, STUART COUNTRY DAY SCHOOL OF THE SACRED HEART	
NBOA Member Resources	287

Foreword

By Brad Rathgeber, *One Schoolhouse*

Independent schools are vibrant and joyful places of learning. Students thrive in our schools, as they are surrounded by adults who care deeply for their well-being and who cultivate their unique contributions to the world. Make no mistake about it, the business office is a lynchpin to the school's ability to do this work.

It used to be that the educators in independent schools ran the academic side of the house, and the business office ran the business side, and that there was no expectation that either "side of the house" needed to understand the other. That changed about 20 years ago, as both the cost of running an exceptional school rose steeply, and tuition rose correspondingly. The need for collaboration across the entire school became even more pronounced following the financial crisis of the late aughts and the COVID-19 pandemic.

I got a taste of that challenge when I left my position teaching history to take on my first administrative role in a school, as a director of technology, in 2006. Suddenly, I went from never having to think about school finances to managing a \$600,000 budget. I was in over my head. Thankfully, my school had a dedicated and patient controller who helped walk me through everything, and a head of school who understood that I was growing in my role.

It was about that time that I was introduced to the wonderful work of the National Business Officers Association (NBOA). In many schools, then, as now, the business office oversees the technology operations of the school. There is a kinship between the business office and the technology office. When run well, both supercharge the work of the school. They enhance teachers' abilities to reach kids in meaningful ways. They ensure kids are safe. They are also highly detailed jobs. Everyone in the school building relies on the business office and the technology office to get the details right, whether it is making sure that school facilities are well-maintained or that the learning management system is up and running. In my years directing school technology, I gained an incredible amount of respect and admiration for the business officers at schools.

Both the business office and technology office are effective when the people working in those offices understand the very human nature of their work. Independent schools are intensely relational. The more that the business officer is omnipresent and chooses to engage in the life of the school, the more effective they will be in their jobs. It may not seem like attending the school play or swim meet is

an essential job requirement for a business officer, but it very much is. Being present builds empathy and trust. Your colleagues will know that you are working in tandem toward reaching the school’s mission the more present that you are, and they will trust the decisions that you are making more, even when the choices are hard.

I’ve had the opportunity to meet many, many business officers in my current job as the head of school for an online independent school, One Schoolhouse, and through my service on the board of directors for NBOA, where my admiration of those in the profession grew. Business officers are some of the most dedicated people in our schools, who have lent their immense talents in business and operations to serving kids.

Through this service, I also came to learn that business officers have an incredibly tight-knit community of peers. Colleagues share openly. They welcome newcomers to the industry with open arms. They take the time to mentor, coach and support one another. Walk into the opening reception at the NBOA Annual Meeting, and you will see delight, excitement and hugs — yes, hugs, at a conference! — as old friends reunite.

I’ve thought a lot about why the business officers of independent schools are a particularly tight-knit group, and at least a good part of the answer lies in the pages ahead. The work is complex and the scope large. In one school, the business officer may be tasked with overseeing everything from HR to investments to legal compliance to food services. Moreover, business officers must manage a complex web of relationships that stretches across the internal administration (advancement, admissions and the head of school) to external stakeholders (trustees, vendors and neighbors). The job is not easy. The community of colleagues developed by NBOA helps significantly. Use the network, and you will find great success.

And, finally, as you read through this book, the number of responsibilities and tasks will seem large. You are responsible for a lot. But, even when in the depths of an audit, the intricacies of benefit plans or a security check, don’t lose sight of the big picture: this work is about a higher purpose and has great meaning. All of us in a school are working together to create incredible learning experiences for kids. That’s the challenge that you agreed to when you joined the business office in an independent school.

BRAD RATHGEBER is the head and CEO of One Schoolhouse, a consortium that brings an independent school approach to online learning and develops high-quality professional development for educators and administrators. Rathgeber has experience in higher education as a major gift officer at the University of North Carolina and a summer dean at the Harvard University Secondary School Program. He later served as a teacher and administrator at Holton-Arms School in Maryland before founding One Schoolhouse. Rathgeber is a graduate of independent schools and holds an undergraduate degree from the University of North Carolina at Chapel Hill and a graduate degree from Dartmouth College.