

Guidelines for Interpreting and Scoring Benchmarks

10.8: *The governing body and leader/leadership team ensure that appropriately developed financial plans and budgets are implemented using current and effective business practices as a means of providing good stewardship of resources.*

I. What does this benchmark indicate for school performance?

Benchmark 10.8 is focused on the responsibilities of the leadership to ensure the activation and utilization of financial plans and budgets. Assessing the quality of this implementation is key and the practices should be compared to or measured by the standards associated with effective business practices (profit and non profit) that are associated with successful, effective, responsible management of resources.

II. As a review team member, what evidence do I look for?

Evidence to be reviewed should include those documents (plans, meeting minutes, agendas, public communications etc.) and conversations that answer key questions such as:

- Is there a clear financial planning document with suggested strategies for implementation and monitoring?
- Do the position descriptions of the leadership team include the expectation to activate and utilize all financial plans prepared in collaboration with the governing board?
- Are the financial plans inclusive of all facets of school life, with notations regarding the multiple kinds of resources necessary to manage?
- What governance board documents describe board expectations for committee oversight and assessment of leadership's implementation of financial plans?
- Is there documentation of leadership's management strategies and assessments of outcomes?

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- What are the key business practices that are employed and why?
- What are the benchmarked best practices of other (nonprofit and for profit) businesses? Where can they be found?
- What businesses are selected and used as benchmark businesses? Do they make sense?
- Who is responsible for developing and executing the financial plans and how involved is the school leadership team?
- Is the information regarding the financial plans, the budget and the allocation of budget shared with key constituents and staff? How?
- Are there examples of assessments regarding practices that have generated a change in the approach to managing the financials for the school?
- What are the strategies for revising and redrawing planning documents over designated periods of time?

III. What are the key differences between the levels of the rubric?

At level **3-Fully meets Benchmark**,

the leadership team is managing the resources of the school, utilizing best business practices as recommended and provided for by the governing board. There is documentation that verifies the implementation process is evaluated and assessed on a regular basis as part of the annual review of the leadership team and as part of the oversight provided by the board finance committee. Finally, all assessments of the practices focus on the quality of work as well as the effectiveness of the realization of the financial plan to provide the necessary resources to support the effective articulation of mission and vision.

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At level 4-Exceeds Benchmark,

the plan that is executed is mature, and effective and based on best practices as demonstrated by the benchmark institutions chose to be points of reference of assessment and evaluation. The planning process, over time, is evaluated and adjusted to better provide for the changing vision and context of the school. This is a flexible, adaptive and creative planning process. All constituents are included in the larger planning process which is informed by mission and allows for the continuous changing nature of the vision – what the school does and how they will do it. The financial plans are tied to the vision and not stand alone documents but rather integral to the planning of curriculum, instruction and all services provided to families and staff.

At level 2-Partially Meets Benchmark,

The board and the leadership team engage in financial planning and budgeting, but it is not based on school planning and all stakeholders do not inform this financial plan. The plans are not developed in collaboration with school leaders and usually not tied to the planned curriculum and instructional outcomes associated with the primary work of the school. Or there is no continuous planning process, rather it is a once a year static event. Or there are well-developed plans, but there is no mechanism to ensure that the leadership is implementing the plan and no mechanism to gather feedback once it is implemented.

At level 1-Does Not Meet Benchmark,

There is no evidence of a continuous structured planning process, with multiple stakeholders and communications with all participants. Planning is ad hoc and done by a few who are either on the board or comprise the leadership team, or are parish finance persons. There is no reference to non-profit best business practices, but rather an adherence to “our” way.

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IV. What are some key suggestions for improvement?

To move from level 1 to level 2,

- Develop a process for continuous financial planning with work focused on budgets, oversight of implementation, continuous accounting by all parties and revisions.
- Research and find the best practices to use as benchmarks and models for planning. Look at other schools, systems, or nonprofits for models.
- Find experts to consult and with who can instruct and assist with the work.

To move from level 2 to level 3,

- Incorporate industry best practices for the planning models created and implemented, including best practices for assessment and oversight.
- Develop and post target dates and calendars for all planning steps for approval by board members.
- Delineate and share clear assessment of leadership team's activities related to budget oversight and implementation. Share with all members of the leadership team. No surprises.
- Seek out the support and consultative advice of industry experts.

To move from level 3 to 4,

- Develop a flexible, robust planning process that is adaptive to change in environment.
- Insure an ongoing planning process which is continuously evaluated.
- Continuously evaluate the efficacy and feasibility of all planning documents.
- Include all stakeholders in the planning process.
- Include the leadership team as significant leaders and integral to the success of the planning process.
- Integrate all members of the leadership team into all facets of the planning process.
- Inform the leadership team at all levels regarding finances, especially those items related to department budgets, including personnel and resources.

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V. What are key terms for common understanding? (Refer to NSBECS Glossary for terms listed below.)

Financial plans
Budgets
Non-profit organization
For profit businesses
Resources