



CERTIFIED ADMINISTRATOR
OF SCHOOL FINANCE
AND OPERATIONS

ASBO International



**Sample Assessment
Questions**

Overview

This assessment was developed to help candidates become familiar with a multiple-choice exam format and practice their test-taking skills. It is not designed to be used as the sole source for SFO® exam preparation. The questions are not part of a live test form and do not represent the exam content to its exact percentages of the domains (as presented in the test content outline). Answers to these practice questions can be found on [page 11](#).

The knowledge and skills covered on the SFO® exam are based on a nation-wide job task analysis (or role delineation) that identifies the roles, responsibilities, and skill requirements for school business administrators. This helps to ensure that the SFO® knowledge content remains current and accurately reflects job requirements. All candidates must pass an exam demonstrating mastery of these nationally recognized performance standards.

The SFO® exam domain content consists of 150 multiple-choice questions covering Accounting and School Business Management domains. Canadian equivalents are provided in brackets [] within each question as needed to provide clarification. Candidates have 3.5 hours to complete the exam, which is administered by Pearson VUE testing centers throughout North America.

SFO® Exam Domain Content:

- Management of Accounting Systems (13.33%)
- Management Accounting Functions (26.67%)
- Financial Planning and Analysis (15.33)
- Budgeting and Reporting Activities (10.67%)
- Risk Management Activities (7.33%)
- Management of School Facilities (7.33%)
- Management of Information Systems (4%)
- Management of Human Resource Functions (10.67%)
- Management of Ancillary Services (4.67%)

View the SFO® [Exam Guidebook](#) to review competency areas covered in the exam and chart your study outline.

For more information about the exam and the SFO® program, visit www.asbointl.org/certification

In adherence to the best practices for certifying bodies, Certification Commission volunteers and certification staff are not involved in the development of any SFO preparatory program.

Sample Assessment Questions

1. **What information is required to process an accounts payable invoice for payment?**
 - A. Verified budget authority for item, accuracy of price, items received, and correct account code
 - B. Accuracy with purchase order price, amount ordered, and correct account code
 - C. Verified receipt of goods, price charged, and correct account code
 - D. Authorization to pay, goods received, accurate pricing, and correct account code

2. **What is the purpose of a requisition system?**
 - A. To acquire goods and services by purchase order and verify budget authority
 - B. To purchase goods and services through a formal bid [tendering] process and follow legal compliance regulations
 - C. To manage the compliance of purchasing goods and services for the different departments within the school district
 - D. To verify all purchases are completed within the parameters of the budget and meet the bid [tender] process laws

3. **What primary factor should be considered when disposing of fixed assets?**
 - A. The item is of no further use in its current location
 - B. There is an updated version of the item from the current vendor
 - C. The item has exceeded its useful life and is of no further use to the school district
 - D. A similar version of the item is available from another vendor

4. **What factors should be considered in managing the budget for the year?**
 - A. Compare current year's revenues and expenditures to a 10-year average for consistency
 - B. Compare estimated revenues and expenditures to projected actual revenue and expenditures for the year
 - C. Compare current year's revenues and expenditures to last year's to determine if the budget is on track
 - D. Compare current year's budget to other school district budgets in the state [province] to check for consistency

5. **What is an example of a "proprietary fund"?**
 - A. A trust fund
 - B. A general fund
 - C. A capital projects fund
 - D. An enterprise fund

6. What information should be provided in a financial report so the governing body can determine the local education agency's [authority's] financial position?

- A. A comparison of budget to actual revenues and expenditures and fund balance
- B. A comparison of current year budget to prior year budget
- C. A comparison of expenditures that have been approved by the school board
- D. A comprehensive comparison of revenues and expenditures for the current year

7. What procedure should be in place for collection of unpaid accounts?

- A. Prepare an aging list by customer and send letters, email, or call regarding collection on past due accounts
- B. Immediately refuse any future services until the bill is paid
- C. Prepare an aging list by customer and publish it in the local newspaper
- D. Keep the invoices on the books and wait for payment

8. What represents the strongest control for processing payments?

- A. An accounting employee pays from original invoices only, not from copies of invoices
- B. Transactions are handled by the same employee from initiation to authorization
- C. An accounting employee maintains a list of sequential check numbers to ensure all checks are accounted for
- D. The employee who authorizes the transaction is not the same employee who initiated the transaction

9. What is an important consideration when developing a data recovery backup plan?

- A. The backup information will be securely stored on a separate server in the same location with the capability to run the software
- B. The backup information will be securely stored in an offsite location with the capability to run the software at an alternate location
- C. The backup information will be securely stored and accessible only to individuals who have the technical knowledge to run the software
- D. The backup information will be securely stored and accessible to a third-party vendor who has the technical knowledge to run the software

10. What activities affect cash flow?

- A. Investing and timing of receipts
- B. Budgeting and timing of receipts
- C. Depreciation of assets and investing
- D. Financing and depreciation of assets

11. To assure proper internal controls when processing timesheets for payment, what information is needed in addition to time worked and rate of pay?

- A. Budget authority, amount approved, and employee signature
- B. Account code, description of work completed, and employee signature
- C. Supervisor approval, employee signature, and account code
- D. Budget authority, source of funds, and account code

12. Request for Proposals (RFP) must include which of the following items?

- A. Payment terms
- B. Project budget
- C. Proposal due date
- D. Manufacturer and brand

13. What is necessary to ensure that a public bid [tendering] process is successful and provides the desired goods or services?

- A. Ensure that appropriate vendors receive notice of the bid [tender] request
- B. Require an independent legal review of the bid specification documents prior to the bid [tender] release
- C. Ensure that the bid [tender] opening is performed in public with all bidders present during the opening
- D. Develop a comprehensive bid [tender] specification and establish a fair rating system to evaluate bids received

14. How should a budget be monitored throughout the fiscal year?

- A. By ensuring that the balance sheet accounts are in balance
- B. By reviewing for variances in the revenue and expenditure accounts
- C. By comparing current year activity to prior year activity
- D. By accumulating the necessary data to prepare a trial balance

15. In an organization with no central purchasing function, who should be responsible for general ledger coding of purchase requisitions?

- A. The individual who is responsible for paying the invoice
- B. The individual who is responsible for receiving the merchandise
- C. The individual responsible for managing the specific budget being accessed
- D. The individual consuming the merchandise

16. What accounts appear on a balance sheet?

- A. Income, assets, and liabilities
- B. Assets, liabilities, and equity
- C. Income, expenses, and equity
- D. Assets, expenses, and equity

17. What information does the Management's Discussion and Analysis (MD&A) provide?

- A. A statement that compares current-year revenues received with expenditures for the same time period on a fund-by-fund basis
- B. A management report including all financial transactions on an accrual basis accounting
- C. A narrative introduction and overview to the annual financial statements prepared by school district personnel
- D. An opinion of the auditor as to the viability of the school district

18. What is an example of an accounts receivable for a school district using modified accrual basis accounting?

- A. Student activity receipts
- B. School fees for the next school year
- C. An unpaid invoice
- D. School fees for the current school year

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

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

20. Preventive maintenance planning refers to which service area?

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

- 21. 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
- 22. 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
- 23. 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
- 24. 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
- 25. 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

- 26. 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
- 27. 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
- 28. At a minimum, how often should the fixed asset inventory for the local education agency [authority] be updated for additions and disposals?**
- A. On an annual basis
 - B. On a semi-annual basis
 - C. Once a month
 - D. Every two years
- 29. 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
- 30. Which item may be asked for in a job application process?**
- A. Gender
 - B. Year of birth
 - C. Education
 - D. Age of dependents

31. 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

32. 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

33. 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

34. 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

35. 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

36. 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 work 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

37. 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

38. 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

39. 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

40. 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

41. 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

42. 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

Answers to the Sample Assessment Questions

1. D
2. A
3. C
4. B
5. D
6. A
7. A
8. D
9. B
10. A
11. C
12. C
13. D
14. B
15. C
16. B
17. C
18. D
19. A
20. A
21. D
22. B
23. D
24. B
25. C
26. D
27. B
28. A
29. D
30. C
31. A
32. B
33. C
34. B
35. D
36. A
37. A
38. B
39. C
40. A
41. D
42. A