



MeASBO

Maine Association of School Business Officials

<http://www.measbo.org/>

April 26, 2019

Minutes

Le Club Calumet

Colin Walsh	Shirley Waning	Sandy Padham	Brigette Williams
Debra Martin	Donna Lodge	Barbara Grindle	Lynn Gray
Susan Bell	Kris Pottle	Sherrie Small	Brenda Murray
Bridget Hopkins	Alan Kochis	Hollis Cobb	Holly Eggleston
Carla Franzose	Jackie Smith	Haley Redman	Scott Vaitones
Adam Hanson	Lori Glidden	Heather Lanpher	Katie Gourley
Luci Milewski	Dawn Pooler	Teresa Scott	Karla Miller
Catherine Messmer	Barb VanDeventer	Terry Gauvin	Peggy McKenzie
Kelly Wentworth	Stacey Webster	Sherry Moody	Diane Boucher
Joe Chadbourne	Donna Ferenc McGorty		

1. Association Business

- a. Welcome – Introductions
- b. Approval of Minutes, March 1, 2019 – motion & second – correction by Scott Vaitones to add him to the minutes as present – amended minutes approved
- c. Approval of Treasurer's Report – motion & second – question by Scott Vaitones as to plans for the fund balance; will be discussed at the summer executive meeting – motion approved
- d. Committee Reports
 - i. Tri-State - conference May 14-17 in Whitefield, NH, need more Maine attendees
 - ii. Certification – one training this past year with Walter Beesley on Food Service; will be meeting this summer to look at applications
 - iii. Technology – keeping the website updated & relative
 - iv. Legislative – Vicki Wallack coming for a presentation later today
 - v. Executive – Colin spoke about volunteering – everyone here should try to get one additional person to volunteer to help with our organization
 - vi. Approval of Officers & Committee Members for 2019-2020 - motion & second as proposed & amended (add Jackie Smith to Tri-State, remove Luci Milewski from Legislative, open position for 1st Vice President) – motion approved
- e. Dave Holden Award Presentation – Presented by Luci Milewski to Colin Walsh
- f. Other Association Business - none

2. Vendor Spotlight – Androscoggin Bank – Lena Hann, Jason Simcock, John Simko – spoke about changes that have come to Androscoggin Bank; they are a Maine mutual saving bank; expanding to the Portland area; growing in government banking; new president Neil Kylie; former president transitioned to the Chairman of the Board; Cecile Plourde now in government banking; Karen Haden came from People's United and has experience in cash management & relationships; redesigned the website; reached the \$1B level; they operate as a “team”; they will help fill out credit card applications for districts that need them.

3. Accounting & Auditing Update and Planning for Year End – RKO - Hank Farrah & Parker Madden – (powerpoint was sent out)

Uniform Guidance Planning - finance department should always have copies of all grants even if the grant administration is in a different department; try to segregate carry over grant funds from current year grant funds;

prepare a SEFA listing internally and do not expect the auditors to do this; look back at prior year findings and see if findings have been addressed; prepare for current year testing (some items will be given to you ahead of time and others will be asked for when doing the site work); Uniformed Guidance Procurement policies need to be in place now; pass through federal funds monitoring.

Internal Control Planning - review management letter and change internal controls as recommended; request from auditors areas that will be tested for controls to inform other departments that may need to prepare; update checklists & write-ups to make sure you are following your policies; always provide updated policies; common control issues in payroll – pay rates for non-union employees, stipend documentations, health insurance withholdings and making sure back up paperwork matches their coverage level; bidding should have a clear policy, make sure exceptions used to the “formal” bidding process are actually listed in the policy.

Revenue & Receipts – Decentralized collections (school lunch & activity funds) should be deposited within 10 business days of receiving a collection, adjust process when this is not being done; credit card deposits usually takes 2-3 days to actually show up in bank accounts.

Green Book – an internal control guide that adopts many key concepts of the 2013 COSO Internal Control Integrated Framework and adapts them for a government environment; this was specifically designed for federal entities but can be applied to state & local.

Account reconciliations for balance sheet accounts should be done for all accounts, not just the ones you think the auditors will be looking at; establish month end reconciliations, not just year end reconciliations; planning meetings with all departments that will be involved with the auditors; review previous year’s audit adjustments; learn to draft and identify errors before auditors come.

Cash & Investments – prepare list of authorized signers for all cash & investment accounts; bank reconciliations should be simple; excess insurance for balances over FDIC; bank accounts tracked outside of the accounting software should be done throughout the year, not just at year end.

Accounts receivable – usually pretty clean for school districts; establish a cutoff date (recommend 60 days); if using a “billing system” it should be reconciled monthly.

Inventory – schedule year end counts; if inventory is kept in an excel spreadsheet double check the formulas to make sure they are correct.

Capital Assets – review prior year listing and make sure disposals are removed; keep a folder during the year with copies of invoices of new purchases and paperwork on disposals.

Accounts payable – establish a cutoff date; review previous year listing; make sure general ledger is matching the accounts payable listing.

Accrued payroll – contract remaining report may give you the entry that needs to be made.

Accrued compensated absences – vacation & sick balances on 6/30 each year.

Long term debt – have all amortization schedules put together before the auditors arrive; internal schedule of long term debt should be maintained;

Other long term debt – OPEB/Pension – GASB 75 Accounting & Financial Reporting for Postemployment Benefits Other Than Pensions, address accounting and financial reporting by government employers.

Inter-fund accounts – due to/from accounts should be kept in balance; inter-fund transfers should always be posted to an inter-fund transfer line.

Fund balance – biggest issue for a school is for encumbrances (which are different than payables); reserve activity and other direct fund balance posts can be maintained separately; have next year's budget available for the auditor to look at the 3% rule and designated reserve for the next fiscal year.

Revenue & expenditure – review budget to actual; review current year vs prior year; review the P100 – all prior to the auditors coming.

Town/City to School reconciliation – can be avoided if school district has their own checking accounting and/or using the same accounting system; can be made easier if reconciliations are done every month.

Other/Miscellaneous – defined contributions plans; construction commitments; legal issues needing to be disclosed.

Hank Farrah – new GASB 84 Fiduciary Activities (scholarships & student activities) this starts with FY20 and will require changes to how some accounts are tracked & reported in the audits & GASB 87 Leases this will not change capital leases where equipment/asset is being purchased, but will change for a "lease asset" (right to use asset) for items that will never be owned.

4. Legislative News & Update – Vicki Wallack, MSMA

Legislature is the busiest she has ever seen – in education & labor – she has a hand out for people to take back to their communities. Summary of some legislation: "An Act to Help New Teachers" – will change the probationary time for teachers from 3 years back to 2 years; "Teacher Evaluation" - changes on what is part of the system & who is on the committee; age 7 to 6 for mandatory attendance at school – this is passing; food shaming – food service debt – this is passing; increase school counselors/social works to offer direct & indirect services to students – signed by the governor; science & social studies standards has passed; ban to use Native American names as mascots; health center funding – it will land on the table & expects to find a way to fund this; immunization bill – largest public hearing held – only medical exemption will be allowed for students to attend public schools – bill to watch; restore system administration funding (LD412) – which was reduced in the ED279 formula – this will take away the penalty for not being a member of a RSC – she expects this will pass (next Wednesday); RSC Flexibility – would allow school boards to approve and not take a vote of the citizens; RSC withdrawal – makes it easier to withdraw and could also make it more attractive for districts to join because no longer concerned with not being able to get out of an RSC (ESC); bill about minimum receivers, but would cost \$23M and currently there are no additional funds available, this may not be funded but it will not go away; violent student behavior in the classroom – teachers showed up to testify – but does not affect students with special needs, which is what most of these students are identified as; FMLA bill is 8-10 pages long which would mandate paid sick time and would require participation and a payroll deduction, this would not replace what is already in place but would add to it, this will be very expensive, this would be funded by an employee deduction of .5% to 1% deduction into a "pool"; location option sales tax would supplement the property tax; RRF bond is still alive for up to \$50M, this will not be decided until the very end; \$40,000 minimum salary for teachers, there is a plan in the Governor's budget, this plan would be very costly and could cause property taxes to go up drastically & budgets to be voted down; a bill to mandate offering 26 pays per year.

Here is where MSMA needs our help – handout – 3 labor bills. Binding Arbitration on all public sector labor relations would be the mostly costly proposal and would allow an arbitrator to set the budget – will lose local control & budget control. Negotiate educational policy – originally was for all policy, but has been scaled back to just a few specific policies – she thinks this one might pass. Right to strike – this would hurt the most vulnerable students.

5. Fiscal Update from DOE and Questions – Tyler Backus, Department of Education

Eight items he wants to review – 1) some items currently not uploaded to State will need to be updated due to new GASB requirements; 2) 3% reserve rule is now back in effect and will need to have a school board approved plan on how the funds will be used; 3) budget transfers between warrant article will need to be specific to dollar amount and which warrant articles – will also need to do an additional budget upload to the State; 4) If LE application is substantially approved, but not final approved by 11/15 of the FY then the application will be denied; 5) old files uploaded in NEO needs to be deleted; 6) created a reserve using taxpayer money needs authorization to expend and should then be moved to general fund to expend; 7) removing the budget upload date to 8/2 each year to separate from the actual upload which will be 8/23 – these dates are needed in order to give DOE time to

check the data before ED279 are generated; 8) audit reconciliations need to be in to the State by Nov 1 (make sure your auditors are doing this), because the State only has until Dec. 1 to check everything before the Dec. 1 pull of data for the ED279.

- 6. Closing Remarks** – Colin asked for ideas to be considered for next year meetings. Would like auditors back at the September meeting to discuss the GASB changes concerning student activity & scholarship accounts.

Thank you to Lena, Jason and John from Androscoggin Bank for being our Breakfast Sponsor!