

Business Office Update August 1, 2011

Playground Safety Issues

- Playground equipment that was determined to be a hazard has been taken out of service. We are in the process of obtaining quotes so that we can make the necessary repairs to the playground.

Water Damage to room 204 at Central School

- On Wednesday, July 27, 2011, Belfor Property Restoration cleaned room 204 at Central School. An air scrubber and dehumidifier will remain running for 2-3 additional days. The insurance company has also agreed to have Belfor replace the ceiling tile and strip and wax the floor.
- Some of the damaged materials, supplies, and technology equipment has been ordered. We are in the process of ordering any remaining replacement items.

Modification of Account Structure

- The Millburn District 24 accounting structure has been converted effective July 1, 2011 to be in compliance with the Illinois Program Accounting Manual (IPAM)
- This new structure will allow us to begin to track expenditures in much more detail than we have been able to track in the past.
- I will do a short presentation detailing the new account structure and how the changes in the account structure will allow the district to better monitor our expenditures throughout the budget year.

Budget

- The tentative budget will be presented at the August 15, 2011 meeting and will be placed on public display.
- The budget hearing and budget adoption will take place at the September 19, 2011 meeting.

Tax Anticipation Warrants

- At the August 15, 2011 meeting, I will be recommending that the board adopt a resolution to authorize the purchase of Tax Anticipation Warrants (TAW's) for Fiscal Year 2012.
- During fiscal year 2011, the board authorized up to \$4 million in TAW's. The district only had a need to borrow \$3 million.
- I will be doing an estimated monthly cash flow for FY2012 prior to the August 15 board meeting. I will make a recommendation on the amount of TAW's based on the cash flow that I will share with you.
- Unfortunately, the State of Illinois' problems with paying monies owed to the district in a timely fashion would make uncomfortable in getting authorization for anything less than \$4 million. I will be attending a workshop on August 12 that will give me more information on the impact of state funding on school district budgets.

Education and Facilities: Learning Environments

- I will be conducting a presentation with Michael Elliott from Kluber, Inc. at an Illinois Association of School Business Officials seminar on September 13, 2011 in Downers Grove, IL. The presentation will focus on research regarding how improving learning environments can be accomplished by making minor modifications to school renovation plans. Additionally, techniques will be discussed that can be used to involve stakeholders in a collaborative process so that they become partners in the planning process.

- **Purchase Order System**

- Currently, Millburn District 24 uses a purchase order system that isn't tied to the district financial software. This doesn't allow me to have a good snapshot of what has been promised to vendors through the issuance of purchase orders. I would like to have the board consider purchasing two additional components for the current financial software that would incorporate purchase orders into the financial system as an encumbrance (promise to pay) to a specific account(s) when the purchase order is issued.

- **CURRENT PROCESS**
 - The teacher completes a supply requisition that is approved by the building principal
 - The requisition is submitted to Donna Gonzalez in the district office or Patricia Szuhay @ West who then issues a purchase order that is generated from a spreadsheet template.
 - The purchase order is submitted and the original goes into a drawer waiting for delivery. No record of the "encumbrance" is recorded in the financial system.
 - During the interim, no record of the amount that has been promised for payment is recorded in the financial system.
 - Once the item(s) and the invoice are received, an entry is made into the financial system to generate a check for board approval.

- **PROPOSED PROCESS**
 - The teacher completes a supply requisition that is approved by the building principal
 - The requisition is submitted to Donna Gonzalez in the district office or Patricia Szuhay at West who then issues a purchase order that is generated through the financial software.
 - The purchase order is submitted and the amount of the purchase order is recorded as a part of the purchase order process in the financial system as an "encumbrance".
 - During the interim, reports can be run that show the current budget, amounts expended and amounts encumbered (promised through PO's).
 - Once the item(s) and the invoice are received, payment is generated from the purchase order in the financial system and the encumbrance changes to an expenditure. Once the purchase order is paid, the purchase order is automatically closed.

- **COST FOR PURCHASE ORDER REQUISITION & TRACKING SYSTEM**
 - Software Components \$3,250.00
 - Installation/Configuration \$ 560.00
 - Training \$ 700.00

 - TOTAL ONE-TIME COST \$4,510.00

 - ONGOING ANNUAL MAINTENANCE COST \$ 815.00