

OFFICE OF THE SUPERINTENDENT

Millburn Public Schools

INFORMATION ITEM

October 19, 2009

To: Board of Education Members

From: Ellen E. Mauer, PhD

Subject: Payroll Outsourcing

To summarize, we were looking at outsourcing payroll to give Mary time to do long-term forecasting. This is something that a business manager can do, but would have been very challenging for an accountant. Gary White retired making a salary of \$70,657 and we did advertise for an accountant starting at \$40,000. The goal of having a business manager was for long-term financial forecasting and some additional support and oversight in buildings & grounds and transportation. Mary's job consists right now of what Gary used to do plus the oversight of transportation and we want her to be able to use some new software for forecasting. She does not have any other assistance.

We do have the option of outsourcing the forecasting to a company like PMA; however, they charge quite a bit and it would be more cost-effective to use Mary in this capacity. Outsourcing the payroll is a little more straightforward and much less costly. I typically would not bring service contracts to a BOE meeting for approval if they are under \$25,000, but I do think this may be a shift in thinking for the community and I did not want anything to go by unmentioned.

I contacted several companies and found the following estimates for 240 paychecks per year plus the W-2s:

- Amcheck Payroll \$16,900
- ADP \$13,728

- America's Paycheck \$10,804 plus overnight shipping there and back 26 times.
- Gary White \$11,200 (and he will do all of our TRS)

None of these companies include TRS except Gary and they will probably end up charging more when they see what goes into the bus timesheets. The idea was for me to compare to make sure Gary's prices were in line with what a company would charge us and they are better for us.

I am recommending that we outsource something to free up some time for forecasting. Whether that is payroll or not is one option. We can certainly look into outsourcing bills payable or even the forecasting if you'd like. A formal vote and motion are not needed as this falls under the contracted services category. I just do not want to do anything that BOE members are not comfortable supporting in public. I do see a need to look very long-term for our needs.