

# MEMO and MEETING MINUTES

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MEETING: 8 **AGENDA MEETING 1 FINANCE SUB COMMITTEE : 8**

The Finance Sub Committee met on the 28<sup>th</sup> September, for the following [Agenda given below](#)

## **Meeting participants:**

Mr. Coelho, Ms. Laura Reinholm, Sara Cuthbertson, Deepika Sawhney

## **Meeting start and end time:**

The meeting began at 3.55 pm and concluded at 5.08 pm in Mr. Coelho's office

## BUDGET GUIDELINES:

The gist of the discussions is given below:

### **Draft goals for LPS budget for School Committee consideration**

Two goals were edited substantially and one new goal was added. The final language will be presented at the school committee meeting, meanwhile the draft edited goals now read

7. ~~Continue to identify~~ Identify funds, funds and strategies and resources to measurably to ~~continue implementing diversity, equity, and inclusion efforts and to increase the cultural proficiency of our school community~~ improve academic outcomes for students of all races and abilities. This will continue the diversity, equity, and inclusion efforts and increase the cultural proficiency of our school community while beneficially impacting student outcomes of the historically marginalized.

Logic for requested change:

We have been working on DEI for about five years now the LPS community has understood and embraced these values. The community has made much progress in changing hearts and minds while educators and administration continue to evolve their instructional and curriculum practices. However, the educational outcomes of many of our students from historically marginalized communities are not doing as well as could be hoped for with such a multi year focus. The pandemic has slowed down the beneficial impacts of these efforts on academic outcomes. We need to directly focus on improving these through budget and time investments **by focusing on measurable outcomes.\***

\*addition from community member

10. Continue to explore possible ~~alternatives and improvements~~ and flexibility of to-school programs at all levels, the scope and sequence of ~~science classes~~ classes at the secondary level, and continue the research and implementation of graduation requirements **for all student's benefit.**

Logic for requested change:

There are two types of scheduling and space challenges for the highschool classes and programs.

- 1) the current pressure of high enrollment
- 2) the impact of construction (future)

However, these are operational, while graduation requirements are aspirational and inspirational in nature.

To have the graduation requirements be guided by scheduling or personnel issues and not what student needs are or the tools they need to be equipped for at graduation, is not ideal. Our operational issues can not limit the goals of an LPS education. An LPS education equips our students for a future that is informed by the world they will be

stepping into, not the world they are stepping out of. The motivation for the continued emphasis on focus on science subjects only while other subjects too may require efficiencies in scope and sequence is not clear.

**14. Study student academic outcomes, especially for students who have been most impacted by the pandemic (4th to 8th grade) and are not on par with like peers. Identify opportunities for improving the outcomes through focused initiatives.**

Logic for requested change:

The goal is to identify which students are not doing as well as their peers, two-three years past the pandemic. The current 3rd graders (2023-24) were in preKindergarten in 2019-2020. Therefore next year LPS would have at the last 4 years of data to see how the cohort-year is doing. Once students have been identified, LPS can then look to see how they can be supported more to bring their outcomes to the same level as their typical peers. It's basically pandemic effect mitigation so that no child falls through the cracks because on aggregate we seem to be bouncing back ok.

In addition there was some discussion on how the guideline 4 on identifying cost savings could be operationalized and resultant savings highlighted through SC meetings. This is especially important as the school budget increases year after year and the new high school will require significant outlay of funds raised through taxes.

## AUDIT/MONITORING CONTROLS:

(Based on discussion at meeting)

Major audit points during a school year are the following

1. Most specific - invoices are reviewed in MUNIS by finance depts, gathered in 30/40 groupings before a batch report is generated and sent to us for review and approval
2. End of the year report (EOR) is sent to DESE every year by June 30th every fiscal year
3. In Feb/March DESE has an independent auditor come in who looks at all the entries and trace back expenses in the MUNIS system to ensure that they have been recorded correctly. The job of this auditor is to ensure that the right items are in the right lines in the system and overall the expenses were within budget. Not to flag any questionable items.
4. Single MUNIS audit to ensure that the government grant money received for our SPED students needs is correctly accounted for.

mechanisms which are facilitated by the MUNIS platform for assessing the spend in any individual bucket.

Department heads, building heads etc are the budget managers and are allocated a certain sum every year which they use to buy materials, software licenses etc. These are depleted as the academic year progresses. Within each school building the purchase orders generated are reviewed by the person who is in charge of the building budget. The Central Office finance department monitors any unusual invoices (those that do not fall in the pattern by amount, or goods bought etc.)

Typically an expense will go through the following steps

- >Identified Need
- >generate Purchase Order (PO)
- > review by supervisor or building head
- > review by Central office staff if over a certain \$ limit
- > generation of invoice by vendor
- > shows up in MUNIS
- > cleared for payment by staff
- > gathered into warrants which are mostly organized by date, or by type of expense
- >approved by Mr. Coelho and me
- > approved by SC at a meeting
- > Municipal finance department pays it

For the purchase orders there is an approval threshold set up in the central office finance department.

>\$2500 Mr. Coelho approves it (checks that the dept. account still has allocation left and the item is being purchased from the right account, expense is legitimate etc

>\$200-2490 Ms. Laura checks it

<\$200 checked by Accounts payable clerks in the finance office

This prevents a building manager contracting with a vendor for an expense which is very large or not a valid expense. However, given that small dollar amounts can add up quickly these are monitored carefully too.

For most things the state has an approved list of vendors which the school department has to purchase from. Therefore these are known vendors for the most part and are set up in MUNIS as such.

Budget managers such as school building heads have a MUNIS view which allows them to track how much of their funds they have spent and how much is left. In addition if a

manager goes over budget in one line (Supply line, equipment line, contracted services, dues, memberships etc) then the central office finance dept can work with them to switch funds around within their bucket.

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FYI - most software licenses are bought at the building level. Only large system wide software licenses are consolidated under Mr. Martellone's department.

Additional monitoring processes are that every month - over ages are monitored across the system. Sometimes the municipal side can also flag an expense and refuse to clear it till the school side has reviewed it. The School dept would look at descriptions, vendors chosen etc.

At present most of the invoices are electronic and come directly into the system so the big binders of yesteryear are a thing of the past.

Additional questions asked are at the front of this document  
compliance-supp From MASS DESE.docx

## MUNIS

The MUNIS platform is owned by the Company <https://www.tylertech.com/>. There are a number of training resources and guides available on the web. Like every other enterprise software it too has a number of available reports which can be generated periodically or with some customization can be generated to suit our needs. For example this consolidated balance sheet for a different municipality

# Consolidated Balance Sheet

KDE DATABASE



CONSOLIDATED BALANCE SHEET FOR 2013 13

This report  
should match  
the Statement  
of Net Assets.

OBJ	OBJ DESCRIPTION	NET CHANGE FOR PERIOD	ACCOUNT BALANCE
<b>ASSETS</b>			
6001	CASH IN BANK	.00	5,188,228.81
6053	ACCOUNTS RECEIVABLE	358,235.86	358,235.86
6081	PREPAID EXPENSES	68,587.00	78,770.24
6201	LAND	.00	366,778.00
6211	LAND IMPROVEMENTS	102,117.00	418,466.68
6212	ACCUM DEPR - LAND IMPROVEMENTS	-12,951.40	-217,825.05
6221	BUILDINGS & IMPROVEMENTS	96,103.70	21,484,188.66
6222	ACCUM DEPR - BUILDINGS	-773,787.34	-13,568,155.08
6231	TECHNOLOGY EQUIPMENT	.00	2,018,681.15
6232	ACCUM DEPR - TECH EQUIPMENT	-286,272.63	-1,449,714.12
6241	VEHICLES	98,335.00	1,417,325.00
6242	ACCUM DEPR - VEHICLES	-68,886.54	-955,320.56
6251	GENERAL EQUIPMENT	.00	1,166,607.03
6252	ACCUM DEPR - GENERAL EQUIPMENT	-38,793.45	-1,402,124.17
6261	CONSTRUCTION WORK IN PROGRESS	218,048.97	220,494.80
6302	REVENUES CONTROL	-313.33	.00
	<b>TOTAL ASSETS</b>	<b>-259,377.15</b>	<b>12,484,279.24</b>
<b>LIABILITIES</b>			
7421	ACCOUNTS PAYABLE	-30,470.59	-30,470.59
7461	ACCR SALARIES & BENEFIT PAYABLE	-44,226.01	-44,226.01
7481	UNEARNED REVENUES	-683,893.91	-683,894.04
7602	EXPENDITURES CONTROL	-6,637.13	.00
7603	PURCHASE OBLIGATIONS	-9,670.73	.00
	<b>TOTAL LIABILITIES</b>	<b>-774,298.37</b>	<b>-1,418,590.64</b>
<b>FUND BALANCE</b>			
6302	REVENUES CONTROL	21,248,877.77	.00
7602	EXPENDITURES CONTROL	-17,175,977.49	.00
8710	INVESTMENT IN GOVTL ASSETS	672,837.15	-11,859,044.34
8723	NONSPENDABLE-PREPAIDS	-3,701.72	-78,770.24
8732	RESTRICTED-SICK LEAVE	.00	-200,000.00
8734	RESTRICTED-SFCC ESCROW-PRIOR	-300,443.12	-300,443.12
8738	RESTRICTED-SFCC ESCROW-CURRENT	300,443.12	.00
8745	COMMITTED - FUTURE CONSTR	.00	-550,000.00
8747	COMMITTED - OTHER	-135,601.00	-135,601.00
8753	ASSIGNED-PURCH OBJL - CURRENT	9,670.73	.00
8757	ASSIGNED - OTHER	-331,000.00	-331,000.00
8770	UNASSIGNED FUND BALANCE	-3,270,829.91	-3,270,829.91
	<b>TOTAL FUND BALANCE</b>	<b>-3,270,829.91</b>	<b>-3,270,829.91</b>
	<b>TOTAL LIABILITIES + FUND BALANCE</b>	<b>-774,298.37</b>	<b>-1,418,590.64</b>

Therefore if the School Committee so choses, generation of certain report types periodically should be easy, especially if they are made available in the baseline implementation of the Enterprise Resource Planning (ERP) system.

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## CALENDAR OF QUARTERLY BUDGET REPORTS

From [FY 2025 Budget Guidelines and Calendar](#)

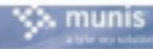
December 12 FY 2024 First Quarter Financial Report & FY 2023 EOY Report Update  
February 27 School Committee: FY 2024 Second Quarter Financial Report May 7  
School Committee FY 2024 Third Quarter Financial Report

## DESIRED IMPROVEMENTS IN QUARTERLY REPORTS

Have a section on the accumulated expended totals to date also. It could be included in the summary section. These can be generated from the summary reports available through MINUS. Some examples from screen shot from a web search

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KDE DATABASE



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6200	LAND	.00	366,778.00
6213	LAND IMPROVEMENTS	303,137.00	418,486.68
6212	ACCUM DEPR - LAND IMPROVEMENTS	-32,953.40	-257,825.05
6223	BUILDINGS & IMPROVEMENTS	96,303.70	23,484,388.66
6222	ACCUM DEPR - BUILDINGS	-773,787.34	-33,568,355.08
6233	TECHNOLOGY EQUIPMENT	.00	2,058,583.15
6232	ACCUM DEPR - TECH EQUIPMENT	-286,272.63	-1,449,754.12
6243	VEHICLES	98,135.00	2,437,325.00
6242	ACCUM DEPR - VEHICLES	-68,888.54	-855,320.56
6253	GENERAL EQUIPMENT	.00	3,586,607.03
6252	ACCUM DEPR - GENERAL EQUIPMENT	-38,793.45	-1,402,324.17
6260	CONSTRUCTION WORK IN PROGRESS	218,048.97	220,434.80
6302	REVENUES CONTROL	-313.13	.00
	<b>TOTAL ASSETS</b>	<b>-24,932,961</b>	<b>-24,932,961</b>
<b>LIABILITIES</b>			
7423	ACCOUNTS PAYABLE	-30,470.59	-30,470.59
7460	ACCR SALARIES & BENEFIT PAYABLE	-44,226.01	-44,226.01
7480	UNEARNED REVENUES	-683,893.93	-683,894.04
7602	EXPENDITURES CONTROL	-6,617.13	.00
7603	PURCHASE OBLIGATIONS	-9,670.73	.00
	<b>TOTAL LIABILITIES</b>	<b>-748,278.36</b>	<b>-748,278.36</b>
<b>FUND BALANCE</b>			
6302	REVENUES CONTROL	21,248,877.77	.00
7602	EXPENDITURES CONTROL	-17,175,977.49	.00
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8745	COMMITTED - FUTURE CONSTR	.00	-550,000.00
8747	COMMITTED - OTHER	-135,601.00	-135,601.00
8753	ASSIGNED-PURCH OBL - CURRENT	9,670.71	.00
8757	ASSIGNED - OTHER	-331,000.00	-331,000.00
8770	UNASSIGNED FUND BALANCE	-3,270,629.93	-3,270,629.93
	<b>TOTAL FUND BALANCE</b>	<b>-10,000,000.00</b>	<b>-10,000,000.00</b>
	<b>TOTAL LIABILITIES + FUND BALANCE</b>	<b>-848,278.36</b>	<b>-848,278.36</b>

## DESIRED IMPROVEMENTS IN BUDGET DOCUMENT

The finance department is looking into reformatting the information provided to make it more easily accessible for town residents. Suggested that a 1-2 page summary document highlighting key points would be very helpful.

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## PENDING INFORMATION REQUESTS

- Impact of the LEA unit A contract at a summary level, so that the amounts encountered in salary warrants payable are understandable. If a forward looking (over the three years of the contract) can be provided that would be very helpful. • Also increases for other finalized contracts.

## EXPLANATION OF COMMONLY OBSERVED DATA IN A WARRANT

This is a sample warrant page that has been taken from a recent set of warrants received for approval. Here is an explanation of the various data units see here.

A number of MUNIS training resources are available on the web. For e.g.

<https://www.framinghamma.gov/DocumentCenter/View/44397/Accounts-Payable>







Abbreviations list

[https://docs.google.com/spreadsheets/d/1vNXiDUa08TO6\\_VGLvllpifRGbn63o38L0j1aPdWtahc/edit?usp=sharing](https://docs.google.com/spreadsheets/d/1vNXiDUa08TO6_VGLvllpifRGbn63o38L0j1aPdWtahc/edit?usp=sharing)

and this

[https://docs.google.com/spreadsheets/d/1WWbIGxkqhbVpl1JnIUf70xKCmpuS\\_WK6/edit?usp=sharing&ouid=106106275678882487224&rtpof=true&sd=true](https://docs.google.com/spreadsheets/d/1WWbIGxkqhbVpl1JnIUf70xKCmpuS_WK6/edit?usp=sharing&ouid=106106275678882487224&rtpof=true&sd=true) and this

[https://docs.google.com/spreadsheets/d/1WWbIGxkqhbVpl1JnIUf70xKCmpuS\\_WK6/edit?usp=sharing&ouid=106106275678882487224&rtpof=true&sd=true](https://docs.google.com/spreadsheets/d/1WWbIGxkqhbVpl1JnIUf70xKCmpuS_WK6/edit?usp=sharing&ouid=106106275678882487224&rtpof=true&sd=true)

## AGENDA MEETING 1 FINANCE SUB COMMITTEE :

28th September 2023 3.30 pm. Central Office Finance Department

## Finance sub committee for Lexington School Committee

**28th September 3.45-5.45 pm** *This meeting will be conducted in person at the LPS Central Office*

Anticipated Attendees: Deepika Sawhney, Sara Cuthbertson, Mr. Coelho, Finance Department staff as needed.

### Anticipated/desired Outcomes

- Draft goals for LPS budget for School Committee consideration
- Draft Memo on audit controls for fund balances over the fiscal year to share with School Committee
- Draft calendar of budget quarterly reports for school committee meetings
- Checklist of desired improvements in communication of budget related details for regular School Committee meetings

### Key topics

I. Preliminary Budget Priorities for 2024-2025 year. Previous year's priorities linked here ([for reference](#))

II. Discussion on funds, expenses and balances through the fiscal year

- Current procedures for monitoring expenses and balances
- Procedures for new expenses, or unusually increased expenses
- Known budget increases due to finalized union contracts, any anticipated/unknown increases for remaining contracts
- Audit mechanisms and auditing entities at the dept., school, district level

III. Calendar for quarterly reports for School Committee presentation

- Sequence of reports and what will be covered
- Any additional information to be incorporated
- Previous years quarterly reports ([for reference](#))

IV. Ideas for improving the financial communications for greater transparency

- Warrant approval documents
- Reports to the School Committee
- Budget document
- Budget communications to community

V. To be done in future meetings

- Any discussion needed on 24-25 draft budget

