

FINANCIAL CONSIDERATIONS FOR THE COVID 19 CRISIS

What should we be doing?

PRESENTED BY BONNIE GRANGER, ESQ., CPA

YOUNG LAW GROUP

the
excellencegroup
LLC

FIXED ASSETS



- Make sure to maintain up to date fixed asset records for all equipment (band and computer equipment) that has been checked out by employees and students. This will be extremely important for getting equipment back from students, especially seniors, and employees who are leaving the district
- Some districts are implementing procedures with the graduation process to ensure the return of computers, etc. for seniors

MAIL



- Determine which employees will check the mail to make sure all invoices from vendors are routed to Accounts Payable so that bills can be paid
- Consider setting up a “Billing@schooldistrict” email account that vendors can submit bills to and several people can check it without deleting invoices. This is a good way to keep bills from getting lost in someone’s email or in a stack of unopened mail

CONTACT INFORMATION



- Make sure all employee's contact information is up-to-date for both email and postal service mail.
- This could be very important for contracts and Cafeteria (Section 125) Plan issues

CONTACT INFORMATION

CONTRACTS

- If employees do not report back to work before the end of May, unemployment could become an issue and good contact information will be critical
- Some districts are considering mailing contract information while others printing the last four digits of the employee's Social Security number on the contract/at-will agreements to lessen privacy and cyber security issues



CONTACT INFORMATION

CAFETERIA (SECTION 125) PLAN



- If the district has a cafeteria (Section 125) plan year that begins before September 30 and new forms have not been completed, rolling over the current amount may not be the best option for the employees and IRS compliance. Deduction amounts may need adjusting for many reasons, such as spouses who are out of work or children reaching school age. Deductions for unreimbursed medical or childcare may need to also change
- It is more important than ever that each employee have a current signed election form on file verifying their benefit choices even if the election is done virtually
- Correct contact information is imperative for communicating with employees concerning contracts and at-will agreements as well as deductions

PURCHASE ORDERS



- Make sure all purchase orders are being processed and are up-to-date for all outstanding purchase orders
- Purchasing is typically curtailed in April, so many districts may have already begun closing out purchase orders
- It is imperative to document the cancelling of purchase orders and backorders
- Make sure all travel reimbursements and hotel bills are turned in to support expenditures or audit purposes

CASH



- Deposit all change cash for athletics and possibly petty cash. Activities are over for this school year
- Any child nutrition change cash should be deposited

PHYSICAL PLANT



- Consider turning all air conditioners to 78 to 80 degrees so that rooms will not sweat. Also, it is suggested to have someone look for all items that can be unplugged that do not need to be using electricity at this time
- Review your garbage collection contracts to see if you can reduce pickup to save money
- Some services may can be drastically cut if all trash can be quickly removed from buildings

INVENTORY (District and Child Nutrition)



- Make sure to have accurate inventory counts for June 30
- Normally, schools try to use up as much inventory as possible during the last weeks of school. Since schools had no notice of the current school closures, inventories may be high and currently sitting unused. Districts may receive a modified opinion on their audit if the yearly auditor does not physically verify the count.

Therefore, inventories of closed schools should be taken and the auditor should be notified in advance to plan to verify it near June 30.

CHILD NUTRITION



- If your district is running a sack lunch program, pay careful attention to the Child Nutrition budget due to funding changes
- If your district is not running a sack lunch program, districts are incurring expenditures for salaries without revenues to cover them. This can cause significant fund balance declines which can affect how much indirect cost will be available. Minimum fund balance should be two months of operating expenses per MDE guidelines

AD VALOREM COLLECTIONS

- Start looking at Ad valorem collections to project whether you will have a shortfall once the March collections are entered. Normally April, May and June are much smaller.



TEXTBOOK INVENTORY AND KEYS



- Textbooks will need to be collected from students before the end of May so that a textbook inventory can be completed
- Consider including any teacher resource kits and manuals that need to be collected, as well as keys to the buildings and automobiles, for employees leaving the district

SPECIAL EDUCATION



- Private placement facilities (Educable Child) services – After not receiving services for ten (10) days, students can be withdrawn. MDE will only pay for days that students receive services
- If private placement facilities are providing materials and instructional services, those days need to be claimed on the Educable Child reimbursement, but the district needs to maintain documentation proving services were rendered

DEPOSITORY BIDS



- If depository bids are expiring at the end of June, make sure to advertise and bid them

INSURANCE



- Insurance renewals should be carefully considered. Due to an increased number of recent tornados, you may want to start early on property insurance as rates appear to be going up
- Also, talk to your agents and read policies carefully as terms may change resulting in coverage “gaps”

DUNS NUMBER



- Make sure the district DUNS number is up-to-date in sam.gov. Federal funds are becoming available and an out of date DUNS number could delay your funds.

NEW FUNDING SOURCES

YOUNG LAW GROUP

the
excellencegroup
LLC

FEMA/MEMA



FEMA/MEMA funding will be available for sanitizing buildings. It is recommended that districts use a separate fund or program code for expenditures related to sanitizing buildings as funding will require invoices and possibly payroll information to document work completed



CARES ACT

CARES (Coronavirus Aid, Relief, and Economic Security) Act – The Mississippi Department of Education will be releasing information in the coming weeks on various sources of funding under the CARES Act.

The Office of the State Auditor has also published information outlining procedures for auditing these federal funds coming to the State of Mississippi.

Aside from the above mentioned considerations, the current situation will likely create new funding sources for districts.

As those are released, Young Law Group and The Excellence Group will work diligently to understand these sources and the requirements they bring with them so that we can provide districts fast, up to date, and accurate information.

YOUNG LAW GROUP

the
excellencegroup
LLC

This presentation is not intended to be legal advice or an all-inclusive list but rather a starting point that we hope will remain a living document that we can add to as districts work through the next few months

YOUNG LAW GROUP



QUESTIONS?

601-354-3660

JIM@YOUNGLAWMS.COM

WARREN@YOUNGLAWMS.COM

WILSON@YOUNGLAWMS.COM

BONNIE@YOUNGLAWMS.COM

ARTHUR@EXCELLENCEGROUP.COM

YOUNG LAW GROUP

