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Tagged: [Newsletter](#) • [Dec](#) • [2007](#)

**By:** Stephanie Eagen, CPA, CFO , Port Huron School District and President of MSBO

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[1](#) [2](#) [3](#) [4](#) [next ›](#) [last »](#)

## President's View...Stephanie Eagen - Purchase Card Pointers

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**By:** Stephanie Eagen, CPA, CFO , Port Huron School District and President of MSBO

Many school districts have implemented purchasing card programs in recent years. Over 125 districts are using the [MSBO](#) program. One of the nice features of this program is the assistance with procedures; policies and forms are available from the schools that have spent significant time researching these issues and are willing to share. In Port Huron, the purchasing card process was recently introduced through a board resolution to initiate the program. I would like to share several issues/opportunities which arose that may be helpful to others.

### **Internal Controls**

Much discussion surrounded the internal controls related to purchasing cards at our school board meeting. There was some concern that the proposed initial steps would not be monitored on a continuous basis. This is interesting given that school districts are required to document and maintain an internal control system to protect school district assets. There are many restrictions that may be placed on individual purchasing cards to enforce your district's internal controls. No matter how busy each business office may be, controls must be maintained on an ongoing basis. Audit requirements are not becoming simpler, but rather are more complex in the internal control monitoring and documenting area. This provides some strength to the purchasing card process. We can't do "C" work in the school finance area and be successful, even if there is a lack of time or staff. A properly implemented purchase card program will provide some assurance to board members that the controls in place will be maintained by district staff and tested at some level by the external auditors.

### **Local Businesses**

Another opportunity that will arise following the implementation of purchasing cards relates to increasing your support of local businesses. Previously, the school district only conducted business with those entities sophisticated enough to accept purchases orders and invoice the school district. Now with the use of a purchasing card, local businesses that accept MasterCard are now available as vendors. In this difficult economy, many of our smaller local businesses are happy to have this opportunity. This program will allow your staff more flexibility to support your local economies.

### **Tracking of Purchases**

The ability to provide detailed information related to purchases in an electronic format is another great feature of the purchasing card program. Under the current system, it is difficult to monitor which vendor purchases are initiated by individual employees. This could take a great deal of time to track. With purchasing cards, electronic reports will be available to track spending by cardholder. This will provide a great deal of information to supervisors and central office staff.

Individual purchasing cards may be managed to create spending limits to allow for limited spending and careful budgeting. Rather than reducing budgetary control, it can actually be enhanced by using this tool. If you have been considering implementing this program and have not done so, these features as well as others, make it quite beneficial.

## Executive Director's View...Tom White - Term limits ... are they working?

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**By:** Tom White, Executive Director, MSBO

How would you feel about having major surgery at a hospital at which all doctors and nurses have six years or less experience? Would you support a health care system that required all doctors and nurses to leave their jobs after six years? How about getting on an ocean liner with a crew none of which had more than six years of experience at sea, with many on them being on their first voyage?

I don't think that would sell.

Likewise, it doesn't make any more sense to limit our Legislators' time in office to just six or eight years.

To be sure, there are many differences between practicing medicine, sailing the sea and making laws, but there are also many similarities. The business of government — understanding numerous multifaceted issues, complicated state budgets, the politics of compromise, and the art of wise government — is in its own way every bit as complex as practicing medicine or operating an ocean liner. In medicine, seamanship and government much of what is learned comes from experience ... and that takes time.

The lack of experience of our Legislators as a collective body was, in many people's minds, the reason behind their openly clumsy efforts to fund our K-12 education system and fix our state budget. Despite knowing for several years about revenue shortfalls coupled with excessive expenditures and the use of one-time budget fixes, the Legislature took eight months and finished only when faced with a serious deadline in their efforts to come up their "solution" to Michigan's budget crisis. And now they're going back to correct what they so in-artfully did.

Whatever your politics please be advised that term limits aren't working.

Before I go further, I have a confession to make. I voted for term limits. And here's a second confession ... I made a big mistake.

I've worked in and around Lansing politics for 20 years. When imposing term limits was placed on the ballot I remember thinking, "It can't be any worse than it is now and it might be better." I was wrong.

All the well-intentioned logic about terms limits, like: they'll allow people to take back their government; they'll reduce the influence of special interests; and it'll be good to get "fresh thinking" into the Legislature — turned out to be wishful thinking. The actual effects of term limits seem to be almost exactly the opposite of what we hoped for.

For evidence, examine how our Legislature has mishandled Michigan's economy and budget problems. In the past few months I have spoken about this with reporters, lobbyists, legislative staff, former Legislators and representatives of groups as diverse as the Michigan Education Association (MEA) and the State Chamber of Commerce. There's a remarkable uniformity in their message — term limits aren't working, we need to rethink this.

Even our Legislative leaders have essentially said, "Give us some time. Managing a financial crisis is complicated. We don't have much experience with these issues and how to resolve them." Point taken.

The Legislature lacked the institutional history and knowledge to deal more forthrightly with the complex issues they faced and will face. It takes time to develop that knowledge and even more time to develop

personal relationships of trust between Legislators that allow for handling controversial, important issue.

Instead of returning power to the people, term limits seem to have concentrated power in Lansing. Interest groups have more influence than ever. Legislative staff becomes the keepers of institutional knowledge and history. Legislative leaders have more power. Legislators themselves have less power and make rookie mistakes.

I know a few Legislators and for the most part they are intelligent, thoughtful people, even those I disagree with over public policy issues. But the structural change to the system brought by term limits has failed them and the citizens of Michigan. Even the interest groups in Lansing that benefit from this tragedy admit it and support change. The reporters who cover Lansing also agree. Past Legislators of both parties agree.

I don't recall a situation in Lansing where so many knowledgeable people of such different political views — from the State Chamber of Commerce to the MEA — agree on one thing: we need to change Michigan's Constitution to create a more sensible approach to term limits.

What to do? At the very least we should extend the time Legislators can stay in office. They should be allowed to have at least twelve years in office; both in the House and Senate. If people think that twelve years is too much they should be reminded that the voting public has always had, and continues to have, the ability to term limit any Legislator at elections that are held every two years.

Based on some recent polls, the public at large seems to favor term-limits, as I did years ago — before we actually had them. It's time to term limit, term limits. Support sensible change. This is important.

We shouldn't leave our ship of state in the hands of an untested, inexperienced crew, especially in these turbulent times.

## MSBO Board Member View - Making Change Comfortable

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**By:** Angie McArthur, CFO, Business Administrator/Elementary Coordinator, Engadine Consolidated Schools and Board Member of MSBO

Recently, I was driving downstate to a meeting and listened to part of Tom Peters' book *Re-Imagine*. He quoted General Eric Shinseki, Chief of Staff of the U.S. Army who said, "*If you don't like change, you're going to like irrelevance even less.*" This quote hit me like a Mack truck.

I think it's a given that most people do not like change. But if you're unable or unwilling to change, you'll become irrelevant in terms of your career. So how can change be less uncomfortable or daunting for you or those you work with?

We're in times of constant change. Many of us have been in this business for several years. There has been significant change over the last fifteen years. No longer can we do business as we have always done. Whether we're facing change as a result of "sharing services," budget crunches, changes in software or edicts from the state, we face changes.

When at all possible, it's important that we *act* in the face of change, not *react* to change. This involves keeping all parties knowledgeable of what is currently happening. For instance, let's look at sharing business services. I've always been rather hesitant to bring this up to my superintendent and the board of education, primarily because it's a bit like farming out my own job. Rather uncomfortable!

However, as I've assumed the duties of the elementary coordinator, I found that I don't have the time to perform all functions of both jobs to my satisfaction. As a competent business manager, I analyze programs and practices in the district. When something isn't working, we change it. We're at a point where we need to change the current situation. Educating the board is the next step for my district's superintendent. Sharing part of our business service with a neighboring district may make sense at this time. We need to involve all parties to assess the situation and find the best solution.

Once a decision has been made to change, it's imperative to plan. An American proverb sums it up best: *It doesn't work to leap a twenty-foot chasm in two ten-foot jumps.* Be forthright with everyone involved about what's happening. I recently forgot to share a teacher personnel change with a classroom paraprofessional who was directly affected. It wasn't intentional, but my oversight caused great consternation on the part of our aide. Had I followed my own advice on change and made sure everyone was notified, I would have avoided a rather uncomfortable situation.

There are times where change cannot be anticipated. Gather as much knowledge as possible about the situation, confer with your team, and make the best decision possible. And remember, it's a lot easier to bend with the change than to break! Enjoy life for all the changes it sends your way! Have a great holiday season.

## Complete the Facilities Benchmarking Survey by December 17

Tagged: [Newsletter](#) • [Dec](#) • [2007](#)

Data driven decisions? What data are we using when we look at our facilities operation? With all that's happening now with collaboration/consolidation issues and continuing efforts to understand our costs and efficiencies in facilities, it's important to have current information regarding this area of our operations. [MSBO](#)'s 2007 Facilities Benchmarking Survey can help.

Benchmarking is a powerful tool for initiating and sustaining continuous improvement. Good decisions begin with good information and benchmarking provides a framework, structure, and methodology to gather essential analysis.

Benchmarking is also a powerful tool for change because it generates credible, comprehensive, comparative information that moves from a debate about what's wrong to a discussion of how to improve.

The Michigan School Business Officials ([MSBO](#)) is collecting data for their [7th School Benchmarking Survey](#) this fall. All Michigan public K-12 districts are asked to participate in this survey to provide comprehensive information on school facilities and the costs of maintaining them. [MSBO](#) will publish the survey in comparison groups based on size of district and region of the state. ***Individual school district information will not be released.***

Gathering this information regularly helps to ensure current data for comparing costs, and analyzing trends.

This survey provides useful financial benchmarking information to schools for understanding and managing their infrastructure resources. The Facilities Benchmarking Survey can help you answer two important questions:

- Where can I reduce resources and have the least negative impact?
- Where can I invest resources to have the greatest positive impact?

(Take a look at the [2005 benchmarking survey](#) results on the [MSBO](#) Web site.)

All [MSBO](#) members in the area of facilities and business office operations have been sent an e-mail about this project. The [survey form and instructions](#) are posted on the [MSBO](#) Web site.

Districts have until **December 17** to complete the survey. The information obtained will provide school districts with valuable data to assess their operational costs. Please make sure your district is a part of this important benchmarking study.

## MSBO Awards & Scholarships Deadlines Draw Near

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Apply today for one of [MSBO](#) 's awards:

Meridian Award (*deadline 12/31/07*)

Distinguished Service Award (*deadline 12/31/07*)

Stebbins Scholarship (*deadline 12/31/07*)

Wally Piper Scholarship (*deadline 12/31/07*)

School Business Official of the Year Award (*deadline 1/31/08*)

[Download the awards program booklet](#) or visit the [MSBO](#) website for more information.

## Got surplus?

Tagged: [Newsletter](#) • [Dec](#) • [2007](#)

Got an old mower your district needs to get rid of? How about an old bus or lockers? Have you tried using [Public Surplus](#)?

[MSBO](#) partnered with Public Surplus in 2005 to offer school districts an opportunity to sell their old items without having to hire an auctioneer.

Imagine this...

You have a couple of old school buses you want to sell. You don't think you'll get much for them but you decide to post them on the [Public Surplus](#) website to give it a try.

The auction begins and you see a lot of interest. You end up selling the buses to a school in Central America. Not only do they purchase the buses, but they come to your district, pick them up and drive them back to Central America.

All thanks to Public Surplus LLC. *This scenario really happened to Paul Hain of Farmington Public Schools.*

Public Surplus is the only system in the world that "exclusively" provides public agencies with both an online auction and the tools to organize, automate and simplify the entire process.

At Public Surplus, simplicity is their motto. This site is so easy to use you can be set up and ready to begin auctioning in less than one hour.

[MSBO](#) was introduced to Public Surplus through the Purchasing Committee. As a result, [MSBO](#) serves as a lead agency to offer Michigan districts a discounted fee when an item sells.

Districts using Public Surplus are generating 30 to 60 percent more net revenue than using conventional methods, which include live auctions.

### **Other things to note about Public Surplus:**

There's **no cost** to register, list or re-list items for sale.

There is a 7.5 percent fee payable when an item sells. (The fee was slightly higher before [MSBO](#) became a lead agency.)

No commitment is required.

Be sure to register to sell items on [MSBO](#) 's [Products & Services page](#) so that your district receives the appropriate rebate. If you need help registering, selling or navigating the site, contact [Jared Ewell](#) (800/591-5546, 152) or [Darryl Williams](#) (800/591-5546, 152)

## PaySchools: Simple, Convenient, Cost-effective

Tagged: [Newsletter](#) • [Dec](#) • [2007](#)

[MSBO](#) , [MASB](#) , and [MASA](#) have joined together to offer PaySchools — an online payment system — to Michigan districts. We're inviting you to join us for an hour long online demonstration of PaySchools with Pat Ricci, PaySchools' National Marketing Director. Pat will lead the discussion and demonstrate the system.

What is PaySchools™?

PaySchools™ provides schools with an easy and efficient method to collect fees and receive electronic payments for school lunches, field trips, registration, prom tickets, T-shirts and any other school-related fees. PaySchools makes it possible for all schools to offer parents the convenience of online purchasing without incurring large administration or setup costs.

Parents access PaySchools through a link on the home page of their school district's Web site. They select the items they want to purchase and then pay for them using credit cards or electronic checks. Payments are automatically processed and the money is transferred to the school's local bank account(s).

PaySchools was created by the Iowa Association of School Boards, a not-for-profit organization serving the needs of Iowa schools, and local school district personnel.

How do I register for this FREE online demonstration?

All you'll need is a computer with Internet-access. Then, choose from one of three dates to experience this online payment system:

- 12/07/2007 9:00–10:00 AM
- 12/12/2007 1:00–2:00 PM

Register online for the FREE live demonstration. ([hyperlink](#))

Questions about PaySchools™?

Contact David Martell at 517.327.2581

## MSBO Welcomes New Administrative Assistant

Tagged: [Newsletter](#) • [Dec](#) • [2007](#)

**MSBO** welcomes its newest employee, Lillie Kopke to the staff.

Lillie is an Administrative Assistant working in the Finance and Support Services areas of **MSBO** . She comes to the association from the Michigan 4-H Foundation where she assisted the executive director and the foundation's board of trustees. Lillie has a Bachelor of Arts in Management and Organizational Development from Spring Arbor University.

"My dad has been a teacher for 30 years," Lillie says, "so I'm excited to work for an association that values education and serves schools."

## Is she gone yet? ☺

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After 6.5 years, Lisa Bond Brewer, [MSBO](#) Assistant Executive Director will be leaving [MSBO](#) to work with the Municipal Employees Retirement System as their Director of Communication.

“Lisa took [MSBO](#) and [MIEM](#) to new levels of professionalism in their communications and marketing,” says Tom White, [MSBO](#) Executive Director. “She piloted our communications efforts through some interesting and difficult times. She grew as a professional with us, and gave us much in return. We’ve enjoyed the opportunity to work with her and wish her much success.”