
President's View...Stephanie Eagen—Choosing Leaders

Tagged: [Newsletter](#) • [Apr](#) • [2008](#)

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

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By: Fred Hailer, Jr. CPA, Assurance Partner, Plante & Moran, PLLC and Associate Member Representative of MSBO Board of Directors

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MSBO Board Member View—403(b)'s A Business Office Perspective

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By: Jeffrey Crouse, CFO, Chief Financial Officer, Charlevoix-Emmet ISD, and MSBO Board Member

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

The [MSBO](#) Board made a significant change in process for Board elections this year. We hope you are aware of this new process and that you will take time to participate in the governance of your professional organization.

What's the big change? Actually, there are two:

1. [MSBO](#) will be conducting our Board elections electronically this year using an online system; and
2. all [MSBO](#) members will be able to vote this year, regardless of whether or not they attend the [MSBO](#) Annual Conference.

The system itself is fairly simple and is the same as what ASBO International has been using for the last two years. In fact, they are allowing us to piggyback on the process they have established. This will result in both a cost savings for [MSBO](#) and increased opportunities for our members to vote.

The only downside - if you consider it such - is that our members have to adapt to a new system. Our lives are already filled with change but we hope you will view this as a small, worthwhile change for the better.

The process is easy. On Monday, April 21, you will receive an e-mail that invites you to vote and provides you instructions. You will be able to vote any time before you go to the conference, or you may vote at the conference on your own computer or from one of the computer stations set up in our computer lab or elsewhere. You will only need to be able to access your e-mail account.

[MSBO](#) will make arrangements for those of you who don't use e-mail, and there will also be paper ballots available at the conference.

Even though the voting will be easy, there is still some effort required on your part. You have to get to know the candidates! You can do that online by simply going to the [MSBO](#) website and checking into the biographical information we have on the candidates.

[MSBO](#) has at least one more candidate than we have positions open. That is always hard because it means a good person has to "lose." No matter how you prepare yourself, that hurts on some level. So please do the candidates justice by learning a little about each of them and making an informed decision.

As the President of [MSBO](#) this year, I take pride in our being an "early adopter" of this electronic voting system. We will be the first state to use this system through ASBO. Like so many things in a membership organization, this will only work if the members embrace it.

We are here to serve you. Let us know what you think about this new system. We look forward to seeing you in Grand Rapids!

Executive Director's View...Tom White–Partnerships

Tagged: [Newsletter](#) • [Apr](#) • [2008](#)

By: Tom White, Executive Director, MSBO

A number of years ago the [MSBO](#) Board made the decision to try to leverage [MSBO](#)'s resources by utilizing partnerships to help achieve our goals. I felt then, and still believe, it was a wise decision.

We partner with many organizations in many ways. First and foremost is our partnership with the Michigan Association of School Administrators ([MASA](#)) and the Michigan Association of School Boards ([MASB](#)). For those of you who haven't been to our offices, [MSBO](#) shares a building complex with [MASA](#), [MASB](#) and the Michigan Association of Secondary School Principals ([MASSP](#)). We share a conference room and our kitchen/break facilities with [MASA](#). We are currently adding 3,000 square feet of office space and enlarging/renovating our conference room because the Michigan Institute of Educational Management ([MIEM](#)), which is a partnership between [MSBO](#) and [MASA](#), is growing so much.

We partner with [MASA](#) and [MASB](#) on a number of business services and products. One of the largest of these is the Michigan Liquid Asset Fund (MILAF) which provides investment services for schools and has assets in excess of \$1 billion. We call it the "Sleep Well Fund" because it takes a conservative approach to protecting school district funds. A board comprised primarily of business managers actively oversees MILAF. We also do purchase cards, an electronic payment service and a number of other things together. Additionally, we meet with these organizations on a regular basis about legislative matters. They help us in many ways and we, in turn, help them.

[MSBO](#) also partners with private companies to bring innovative products to our members. We are very, very excited about our newest partnership with a company called RFP Depot. They have an incredible web-based purchasing product that is being used by large consortia and municipalities across the country. We had about 15 of our members review it before we agreed to work with the company. They gave it rave reviews. We'll tell you more about RFP Depot in the future, but from my perspective, it is the most exciting company we've worked with in my time at [MSBO](#). I anticipate that it will help our members do their jobs at a higher level AND reduce prices and transaction costs. If you want to learn more know, visit their [website](#).

In another sense, we partner with government entities like the Michigan Department of Education (MDE). We jointly sponsor a conference with them each year and they provide us many speakers for many functions. We provide MDE with input through groups like the Bulletin 1022 Committee and for ad hoc issues, like the food services management contract. We also work with the Center for Educational Performance and Information (CEPI) as part of a steering committee. These are partnerships in which we represent our members and provide what is hopefully useful feedback.

We also see our relationship with you as a partnership. [MSBO](#)'s dues are relatively low and only support about 12% of our operations. To earn your respect and support, we must offer programs, products and services that you value. We work with our regional groups to solicit member feedback on a regular basis. We want to serve your needs and to do that we have to listen to you.

The point of all this is to tell you a little about how a small organization like [MSBO](#) can do many things. We rely heavily on partnerships to create a synergy that allows us to go beyond what we could do on our own.

Working together we can all accomplish so much more than if we work alone. This is not really a zero-sum game. Partnerships are the basis for reducing a winners and losers mentality, and for building a better world together.

See You in Grand Rapids!

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This is our annual “BIG NUDGE” to get those of you who are planning to attend the [MSBO](#) Annual Conference, April 29 through May 1, in Grand Rapids to complete your registration.

Why attend the [MSBO](#) Annual Conference?

Get vital updates and information

Learn from and with your colleagues. “Walk the walk” on the importance of education!

We have more topics and more clinic sessions than any time in the history of [MSBO](#) . Not only do we have more sessions than ever, but we have put together new programs aimed at all levels of experience from those just starting out to veterans.

It is important that you register now so we can get an accurate count for meals and our clinic sessions. We are also assigning rooms based on the number of people we expect to attend each session. If you registered as part of the Early Bird you still need to complete your registration by telling us which clinics you plan on attending.

[Register online](#) or fill out a [registration form](#) (part of our conference brochure) and fax it to (517) 327-0768.

If You Feel You Can't Attend the Annual Conference

...because of your school's difficult financial situation, we offer two thoughts:

1. The Conference offers many valuable sessions with great ideas that will more than pay for your attendance.
2. [MSBO](#) may be able to meet you half way (financially).

We still have registration scholarships available if:

you haven't registered yet;
your district has not already received a registration scholarship this year; and
you want to attend.

This scholarship covers your registration for the Conference and includes two breakfasts and two lunches as part of the program.

Our bottom line is you! We believe this is the best professional development value available to Michigan School Business Officials and we want to make attending as easy as possible. Take a look at the [conference brochure](#).

Here is a partial list of Conference topics:

Analyzing Your Business Operations and Considering Collaborative Services
Pooling Health Care Solutions
Designing and Implementing a Sound Internal Control System
Cash Flows Made Easy

Winning Bond Elections
Writing Accounting Policies for Your District
Purchasing Policies and Procedures
RFP Development and Purchasing Best Practices
Finding and Using Available State Data
Intelligent Scanning and Automated Data Capture
Being Chosen: "Branding" Your District
Dusting Off and Updating Your Emergency Preparedness Plan
Understanding School Employment Laws
Bargaining and Bidding Your Health Insurance
Human Resources Metrics: Keeping Track of What Counts
MPSERS for You and Your Staff
Revitalizing Athletic Fields
Cost Savings Alternatives to State Aid Borrowing
Bond Refunding 101
Getting Ready to Bargain
Saving Dollars Saving Energy
Electronic Payment Systems
Responsible Construction Contracting
403(b) Cooperative Services
Early Retirement Plans: To Be or Not to Be?
Taming the E-mail Beast
Best Practices for Purchasing Electricity and Gas
Establishing a School Foundation
Hiring Subs by Contract
Enhancing Your Software Skills and Increasing Personal Productivity
An Exhibit Show for Networking, Gathering Information and One Stop Comparison Shopping

If you have questions about scholarships or how to register online, please contact [Marte Cadwell](#).

Board Election Nominees

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April is election time for Michigan School Business Officials ([MSBO](#)). This year - for the first time ever - members with a valid e-mail address are able to cast their votes electronically for [MSBO](#) Board of Directors' positions.

The Nominations Committee presented the following slate of candidates to the [MSBO](#) Board of Directors. Elections will be held for President-Elect and two director positions. Click the names of [MSBO](#) Board candidates for more information on the candidates.

President-Elect

[Mike Adamczyk](#) (current board member) is running unopposed.

Board of Directors

Members will also vote for two open [MSBO](#) Board of Directors seats, each with a three-year term. Three candidates are running for the two seats. The candidates are:

[Jeff Crouse](#) (incumbent)

[Mary Reynolds](#)

[Dan Romzek](#)

Also, current President-Elect Robert Burgess (Lakeshore Public Schools) will be installed as [MSBO](#) President at the Annual Conference and current President Stephanie Eagen will become Immediate Past President.

For more information on electronic voting, read [Stephanie Eagen's](#) column.

Will You Be Ready for a New Auditor Communication?

Tagged: [Newsletter](#) • [Apr](#) • [2008](#)

By: Fred Hailer, Jr. CPA, Assurance Partner, Plante & Moran, PLLC and Associate Member Representative of MSBO Board of Directors

By now most of school business officials are aware of the new auditing standards (SAS #104 to #111) that take effect for the June 30, 2008 audit. We also want to make certain that everyone is aware of the new auditor communication standard (SAS #114) that will also take effect on that date. This new communication standard (SAS #114) replaces the previous communication required by SAS #61.

A few districts have received the letter required under SAS #61 - "Communication with Audit Committees" - and will notice little change. Since most districts do not have formal audit committees, they have not previously received this letter. This changes for the June 30, 2008 audits. SAS #114 requires formal communication with all governing bodies both before and after the audit.

Here is a brief outline of what is required to be communicated to the board:

Before the audit begins:

The auditor's responsibility under Generally Accepted Auditing Standards

An overview of the planned scope and timing of the audit

An inquiry (conversation) with the board as to any information the board feels is relevant to the audit

At the completion of the audit:

A formal letter outlining the following:

The auditor's views about significant accounting practices

Any difficulties encountered during the audit

Any uncorrected misstatements

Any disagreements with management

Any material audit adjustments

Representations the auditor is requesting from management

Any consultations by management with other accountants

Any significant issues arising from the audit that were discussed with management

Obviously the intent of this new standard is to increase the level of communication between the auditor and the school board. While most of the new disclosures will only rarely have a significant impact on districts, we do want to call your attention to the requirement to share the list of uncorrected misstatements (often referred to as the passed adjustment list or PAJE list) with the board.

This list includes possible adjustments that management concluded were not material to the financial statements and the auditor concluded were not necessary to be recorded in order to issue an opinion on the financial statements. Prior to this year, this was basically a document shared between the auditor and district accounting personnel (everyone having a basic level of accounting knowledge).

With this information now going to the school board and as part of an official communication, we would encourage you to review the list of PAJE's from last year's audit and give careful consideration to eliminating items for June 30, 2008 in order to avoid unnecessary questions and concerns by the board or community.

MSBO Board Member View—403(b)'s A Business Office Perspective

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By: Jeffrey Crouse, CFO, Chief Financial Officer, Charlevoix-Emmet ISD, and MSBO Board Member

After nearly three years of hearing about the “proposed” changes to the IRS’s 403(b) rules, the deadline is sneaking upon us very quickly. Are you and your district holding out, waiting for the perfect solution to this problem to be delivered to your door? I would caution you to not wait much longer as this might be a much longer process for your district than you are expecting.

With the new regulations taking effect January 1, 2009, now is the time to be sure your district has a plan to become compliant with the new regulations. We have all been inundated with literature including sample plan documents, exchange agreements, and even offers to run our 403(b) programs for free. How does a district sort all of this information out to be sure to do the right thing for the district and all of their employees?

One of the requirements of the new regulations is that a district must have a plan document in place. If your inbox is anything like mine, you have probably been collecting plan documents like I collected baseball cards as a kid, by the dozen. How do you know which document is right for you and your district? Unfortunately, there is no one perfect document for all districts. The IRS has released a sample plan document that districts may utilize. However, we have determined that the initial IRS sample document doesn’t even meet all the needs of our district. For example, it doesn’t even address board paid annuities. Can one of these free plan documents be right for your district? As with any district plan it is probably in your best interest to have legal counsel review any program you plan to put in place. There are school attorney firms in Michigan that have already made plan documents available in very affordable packages to districts. Some of these IRS-approved documents provide important components, such as indemnification agreements, that act in the best interest of the district as opposed to the interests of the vendor that provided the free plan documents. They can provide you with sample vendor letters, agent agreements, vendor agreements, universal availability agreements, and even solicitation guidelines.

There are several group plans and consortiums that are springing up all across the state to help districts deal with the impending requirement changes. One of the major changes in the code is the plan record keeping requirement that will be placed on districts. A consideration that districts must make going forward is whether they have the capacity to track employee contributions, withdrawals, transfers, loans, and other transactions from now until eternity. This capacity will require time, technology, legal liability, and especially expense. This is the major reason that many districts are organizing and turning to Third Party Administrators (TPA) to help meet the requirements. TPA services can range from record keeping and single source remitting of all 403(b) deposits to employee education on the fees associated with various investment options.

Many of our current investment vendors offer TPA services as an “arm” of their business. If a district is interested in TPA services, it is important for the district to decide if it wants to use a completely independent TPA or a full service company. The consideration would address the independence of information and any advice a TPA firm might provide if it was also acting as an investment vendor on your approved list. You need to ask the question, “Are these services free?” You will get widely varying answers on this question. Some of the full service companies have touted their solution as free, as long as they are an approved vendor. Some independent TPAs have suggested passing any costs onto employees, sales agents, or even the vendors. Whatever your approach becomes, be sure to do your due diligence on the firm you choose and have ALL fees disclosed...we all know nothing is truly “for free.”

Hopefully, these regulation changes will have a positive effect on the world of 403(b) investing. The changes will provide our employees and us with valuable investment information on fees along with investment return information that likely was not provided in an organized and useful format. It may allow your district the

opportunity to shorten your list of approved vendors/agents down to a list that have a genuine interest in the district and your employees. It may also provide an opportunity to streamline some payroll processes in your office by utilizing new services such as single remitter of contributions or by offering employees the opportunity to make automatic changes to contributions online.

Congratulations to 2008 MSBO Meridian Award Winners!

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Four districts will be honored with MSBO 's 2008 Meridian Award of Excellence. This award program was created to recognize successful practices and publications in school management and education. Each district received scholarships for their winning entries.

This year's awards go to the following districts for their exceptional programs:

Winners:

Publication: "Farmington Public Schools Energy Management Manual"

Jim Pearse, Farmington Public Schools

\$1,500

Practice: "Oakland County Regional Special Education Transportation"

Oakland Schools

\$1,500

Honorable Mentions:

Publication: "DOT Bus Driver Annual Physicals: Physician Review of Driver Essential Functions"

Marilyn Nieman, Walled Lake Consolidated Schools

\$1,000

Practice: "MI-CASE: Michigan Collaborative Administrative Solutions for Education"

Kalamazoo RESA

\$1,000

MSBO Facilities Benchmarking Survey Results Available

Tagged: [Newsletter](#) • [Apr](#) • [2008](#)

[MSBO](#) has published the seventh Facilities Benchmarking Survey Results. This report should be very valuable in helping assess facilities operations costs in relation to other districts around the state.

The [complete report](#) is available.

The data is displayed by district student population and by geographic region. It displays the median number, along with further breakouts into the lowest, middle and highest third of the data collected. There are 22 different measurements provided.

In addition to the report, a “[self calculating worksheet](#)” is provided. This worksheet is designed to allow a district to transfer raw data from the original survey form into the worksheet, which will then provide the individual district calculations for each reported category. This allows districts that participated in the survey to quickly determine where they fall in the comparisons.

Another valuable feature included in the report is the “year-to-year” comparison charts that show the changes in the median data for each category over the course of the last six survey years.

Please note that the survey asked a new question this year regarding districts privatizing their custodial operations. According to our survey, 10.7% of the respondents have privatized all, or most of, their custodial operations.

For the first time, this past year [MSBO](#) developed a Transportation Benchmarking Survey. The plan is to alternate every other year between the transportation and facilities surveys. Reports such as these are only valuable with significant school district participation. Please continue to support these benchmarking efforts by taking the time to fill out the survey forms each year.

This is a very comprehensive tool provided by [MSBO](#) at no cost to our members. For more information, contact [Scott Little](#), 517.327.2582.

Save the Date: Educational Facilities Conference

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It's not too soon to post the American Institute of Architects (AIA) Michigan 16th Annual Educational Facilities Planning Conference on your calendar! This year's conference will be held September 18-19, 2008 at Grand Traverse Resort, located just north of Traverse City.

The Educational Facilities Planning Conference is held each year to provide architects, engineers, educational planners, school administrators, construction managers, and other interested professionals with the latest available information, which will assist them in planning, designing, constructing and maintaining educational facilities.

2008 Conference Theme: "Green, Sustainable Design: It's the Smart Thing to Do"

Who Will Attend:

Public and Private School Educators
Architects and Engineers
Construction Managers and Builders
College and University Educators
Facilities Directors
and more!

What You Will Learn:

Improving Student Learning Environments
Systems that Save Energy Dollars
Real Green Project Lessons
Building as a Teaching Tool
LEED for Schools Initiatives

This is a great opportunity for those who care about both education and the environment! Check the [AIA website](#) for details.