

Region 1 appreciates the opportunity to submit this proposal in response to the Edina Public Schools Request for Proposal for an ERP SaaS solution.

For over 50 years, Region 1 has provided software solutions that help Minnesota schools manage critical human resources, payroll, finance, and administrative functions with accuracy, efficiency, and reliability. Our solution is designed to simplify daily operations while providing the security, performance, and support required by Minnesota school districts.

Our HR/Payroll & Finance platform delivers a fully integrated solution that enables districts to manage employee information, payroll, budgeting, purchasing, accounts payable, accounts receivable, general ledger, reporting, and other essential business functions within a single system.

Key benefits of our solution include:

- Integrated HR, Payroll, and Financial Management
- Secure, reliable, and scalable architecture
- Intuitive user experience that minimizes training requirements
- Responsive customer support provided by experienced professionals
- Regular software enhancements and ongoing product development
- Proven implementation methodology focused on minimizing operational disruption

Region 1 is committed to building long-term partnerships with our customers. Our implementation team works closely with district stakeholders to ensure a smooth transition, comprehensive training, and successful adoption of the system. Following implementation, our customer support team remains available to provide ongoing technical assistance, product guidance, and software updates.

We appreciate the opportunity to present our solution and look forward to the possibility of partnering with Edina Public Schools to support its human resources and financial management needs.



Company Profile

Company Name:	Region 1
Headquarters:	Moorhead, MN
Year Founded:	1976
Number of Employees:	21

Region 1 is a software company specializing in the development, implementation, and support of Human Resources, Financial Management, Student Information & Library solutions for Minnesota schools. Our organization is dedicated to delivering reliable, secure, and user-friendly software that helps customers improve operational efficiency while maintaining compliance with applicable business and regulatory requirements.

Core Products and Services

Our organization provides software & support in many areas including:

- Human Resources Management
- Payroll Processing
- Financial Management
- Budgeting
- Purchasing
- Accounts Payable
- Accounts Receivable
- General Ledger
- Reporting and Analytics
- Software Implementation
- Training
- Technical Support
- Ongoing Product Maintenance and Enhancements

Experience

Our team includes experienced software developers, implementation specialists, trainers, and customer support professionals who work collaboratively to deliver high-quality software and responsive customer service. We are committed to continuous product improvement through ongoing software development, regular maintenance releases, and customer-driven enhancements.

Customer Support

Customer support is provided by knowledgeable staff who are familiar with both the application and the operational needs of our customers. Support includes technical assistance, issue resolution, software updates, and guidance on product functionality. We pride ourselves on being an extension of the district's business-office.

Commitment to Quality

Software quality is maintained through structured software development, version control, quality assurance testing, controlled release management, and ongoing product maintenance. We continuously evaluate customer feedback and evolving technology to enhance system functionality, security, and performance.

Our goal is to build long-term partnerships by providing dependable software, responsive service, and a commitment to continuous improvement.

Proposal Submission Worksheet

Your Company

Company Name	Region 1	Contact Name	Erik Hiedeman
Address	3031 17 th Street S	City	Moorhead
State	MN	Zip	56560
Application Name:	Region 1 – SMART Proposal for Edina Public Schools		

Your Team

Role	Name	Title	Email
Account Manager/Executive	Erik Hiedeman	Executive Director	erik@region1.k12.mn.us
Sales Manager/Supervision	Mara Schwartz	HR Coordinator	maras@region1.k12.mn.us
Implementation Manager	Angie Potas	Payroll Coordinator	angie@region1.k12.mn.us

Your References

District Name	Contact Name	Contact Title
Moorhead	Kam Wingenbach	Director of Business Services
Walker-Hackensack-Akeley	Kyle Bergem	Business Manager
Detroit Lakes	Kylie Johnson	Human Resources Director

Qualifiers and Certifications

Question/Data Point	Yes / No
Have you reviewed & agree with all terms, conditions, specifications, and requirements as described?	yes
Is your application recognized as an approved solution by MDE for integration with MDE's Ed-Fi data reporting?	yes
Do you certify you comply with FERPA?	yes
Do you certify you comply with COPPA?	yes
Do you certify you comply with all applicable Minnesota laws?	yes

General System Requirements

Question	Yes / No	Notes/Exceptions
Is your proposed application fully SaaS hosted (no District-hosted software/infrastructure required)?	yes	
Does your proposed application support ROLE-based security?	yes	
Does your proposed application support multi-factor authentication?	yes	
Does your proposed application support SSO (SAML/OIDC)?	yes	
Does your proposed application provide comprehensive audit logging?	yes	
Does your proposed application provide configurable workflow automation?	yes	
Does your proposed application provide API-first architecture?	yes	In our web product (some examples Online shopping vendors, Twilio for our text messages and IRS direct connections)
Does your proposed application support mobile devices?	yes	Web based product does for TimeTracker
Does your proposed application support unlimited historical data retention?	yes	

Functional System Requirements

Area/ Section	Question	Yes / No	Notes/Exceptions
Finance	Does your proposed solution address all of these required functions? GENERAL LEDGER BUDGETING ACCOUNTS PAYABLE PURCHASING ASSET MANAGEMENT GRANTS MANAGEMENT BANK RECONCILIATION FINANCIAL REPORTING	Yes	Grants Management is not its own section, but there are multiple options for tracking or doing grant items depending on what is trying to be accomplished.
Human Resources	Does your proposed solution address all of these required functions? EMPLOYEE RECORDS POSITION CONTROL BENEFITS ADMINISTRATION RECRUITING ONBOARDING PERFORMANCE MANAGEMENT PAYROLL	yes	RECRUITING/ ONBOARDING – we have some options to assist with pieces of these projects but may need more clarification of exact needs. Not a full applicant hiring site. But do have vacancy tracking and some basic applicant information tracking prior to automatically moving into employee information at hire.
Payroll	Does your proposed solution address all of these required functions? PAYROLL PROCESSING TAX MANAGEMENT DIRECT DEPOSIT GARNISHMENTS LEAVE TRACKING	yes	Compliant for IRS and MN revenue requirements, various other states for remote workers, PERA/TRA, Wage theft, MN UI/ESST/MN Paid Leave, OSHA compliant, TimeOff plan years, rolling personal TimeOff plan years for MN Paid Leave/FMLA intermittent tracking.

Submission Checklist

Area/ Section	Question	Yes / No	Notes/Exceptions
Minnesota School District Experience	Have you included a <u>report of all of your Minnesota School Districts ERP client list (7/1/2019-5/30/2026)</u> including? GO LIVE DATE MODULES IMPLEMENTED TERMINATION DATE (IF APPLICABLE)	Yes	Please see attached report
Security	Have you included a <u>report disclosing all cybersecurity incidents</u> disclosed (2021-2026) including? DATE NATURE OF EVENT IMPACT NUMBER OF CLIENTS AFFECTED REMEDIATION ACTIONS	N/A	No cybersecurity incidents to report
	Have you included your <u>current SOC 2 Type II report</u> including? DATE OF AUDIT AUDITING ORGANIZATION SCOPE OF CERTIFICATION SUMMARY OF FINDINGS	No	Region 1 has not completed SOC 2 Type II reporting
	Have you included the following information about your <u>Security Practices?</u> SECURE CODE REVIEW DEPENDENCY SCANNING VULNERABILITY TESTING PENETRATION TESTING	Yes	
Infrastructure & Hosting Architecture	Have you included the following information about your <u>Hosting Environment?</u> CLOUD PROVIDER(S) DATA CENTER LOCATION(S) GEOGRAPHIC REDUNDANCY	Yes	Region 1 does not support any cloud-hosting. Our data-center is located at our offices in Moorhead, MN and backed up offsite at 702 communication
	Have you included the following information about your <u>Database Architecture?</u> DATABASE PLATFORM REPLICATION STRATEGY HIGH AVAILABILITY DESIGN	Yes	SQL Server 2022 – Migrating to SQL Server 2025 in Spring 2027 Our databases are backed up hourly and can be restored to a specific timestamp
	Have you included the following information about your <u>Backup and Recovery?</u> BACKUP FREQUENCY RETENTION SCHEDULE RECOVERY POINT OBJECTIVE (RPO) RECOVER TIME OBJECTIVE (RTO)	Yes	Logs are backed up hourly and our databases are backed up every night. Backup retention is currently 20 days Database can be restored back to specific point in time
	Have you included the following information about your <u>Disaster Recovery?</u> DR ARCHITECTURE FAILOVER PROCESS TESTING SCHEDULE	Yes	Offsite backups housed at 702 communications. Systems can be restored timely

Submission Checklist

Area/ Section	Question	Yes / No	Notes/Exceptions
Application Development & Deployment	Have you included the following information about your <u>Source Code Management</u> ? REPOSITORY PLATFORM OWNERSHIP BRANCHING STRATEGY	Yes	SMART Systems Development - Owned by Regions 1-5 Visual SVN – source control Apache subversion Isolated copies
	Have you included the following information about your <u>Deployment Process</u> ? DEVELOPMENT ENVIRONMENT TEST ENVIRONMENT PRODUCTION ENVIRONMENT RELEASE PROCESS	Yes	SMART Systems Development - Owned by Regions 1-5 Development/Test/Production (simulated) servers and software at SSD Test/Production at each region Testing software is released to region to test for period of time. End to End testing prior to release week. Software is released to regions. Regions choose when to install within 3-week timeframe of release.
	Have you included the following information about your <u>Change Management</u> ? RELEASE SCHEDULE EMERGENCY RELEASE PROCESS ROLLBACK PROCEDURES	yes	SMART Systems Development - Owned by Regions 1-5 Feb/March – mandatory release 941s/W4 May – end of fiscal year items/Payoffs Sept – back to school items/MDE STAR Dec – Mandatory release W2/1099s/ACA Other things are included in releases as ready, but that general timeline stays the same due to mandatory items. Hotfixes are released as needed; previous version is always available to roll back to. Backups are done prior to any major release in case.
Sub-Processors	Have you included the following information about your <u>Current Sub-Processors</u> ? COMPANY NAME SERVICE PROVIDED DATA SHARED STORAGE LOCATION SECURITY CERTIFICATIONS	N/A	No Sub-Processors
	Have you included the following information about your <u>Sub-Processors Standards and Requirements</u> ? DATA TRANSMISSION METHODS ENCRYPTION STANDARDS MONITORING CONTROLS VENDOR RISK MANAGEMENT PROCEDURES	N/A	No Sub-Processors

Submission Checklist

Area/ Section	Question	Yes / No	Notes/Exceptions
Data Ownership & API Access	Have you provided information about how you meet the district's <u>REQUIRED features</u>? DISTRICT SHALL RETAIN FULL OWNERSHIP OF ALL DATA UNRESTRICTED ACCESS TO ALL DISTRICT-OWNED DATA ABILITY TO EXPORT DATA AT ANY TIME NO RESTRICTIONS ON THIRD-PARTY INTEGRATIONS ABILITY FOR DISTRICT TO GRANT API ACCESS TO ANY THIRD-PARTY VENDOR	Yes	District shall retain full ownership of all data and our support staff can work with district personnel on any customized reports Our support staff can assist data export accommodations via FTP sites per request While we are able to assist with customized third-party integrations, we are unable for the district to grant API Access to any third-party vendor
	Have you included the following information about your <u>APIs</u>? API DOCUMENTATION RATE LIMITS AUTHENTICATION METHODS EXPORT CAPABILITIES	N/A	
Integrated Time Clock	Have you included the details about the capabilities of your <u>Integrated Time Clock</u>? MOBILE CAPABILITIES GEOFENCING SUPERVISOR APPROVALS PAYROLL INTEGRATION REPORTING CAPABILITIES HARDWARE REQUIREMENTS – <i>not sure if this is related to the clock – but that is how answered</i>	yes	Clocking in is available on any mobile device. We have the ability to restrict to the district's IP addresses or require people to be on their WIFI to clock in. Customizable down levels to a person. Customizable by district: Supervisor approvals, TimeTracker data integrates into Payroll, TimeOff and ACA. Many reports and automatic notifications available in SMART & SMART eR. No physical timeclock required. Runs on a computer, Chromebook, iPad – whatever is chosen by district to clock in.
Implementation Plan	Have you included the following information about your <u>Implementation Management Team</u>? PROJECT MANAGER SUPPORT TEAM NUMBER OF MINNESOTA-BASED SUPPORT STAFF NUMBER OF ERP-DEDICATED SUPPORT STAFF	Yes	Our implementation team will also continue forward as your support representatives. We believe there is a large benefit to having those who help build and create your database to also support it. We have two IT specialists, four finance support specialists and five payroll/HR support specialists – all based in Moorhead, MN.
	Have you included the details about your <u>Implementation Plan</u>? DATA MIGRATION STRATEGY TESTING STRATEGY/PLAN CUTOVER PLAN	Yes	We are unable to migrate any past records into SMART Systems. Please see proposed implementation timelines attached.

	Have you included the details about your <u>Post-Implementation Plan</u>? CHANGES TO CONTACTS FOR SUPPORT PROCESS TO REPORT BUGS PROCESS TO REQUEST TRAINING	Yes	There are no changes to your support contacts. Bugs are reported to your support representatives. Items added to our SSD development timeline to determine steps for resolution. To request training, our support representatives can work with district personnel to schedule virtual/live training sessions
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Submission Checklist

Area/ Section	Question	Yes / No	Notes/Exceptions
Ongoing Support	Have you included the details of your support <u>Support Staffing</u>? NUMBER OF SUPPORT PERSONNEL NUMBER OF MINNESOTA-BASED SUPPORT STAFF NUMBER OF ERP-DEDICATED SUPPORT STAFF	Yes	We have two IT specialists, four finance support specialists and five payroll/HR support specialists – all based in Moorhead, MN.
	Have you included the following information about your <u>Support Performance Metrics</u>? AVERAGE RESPONSE TIME AVERAGE RESOLUTION TIME ESCALATION PROCESS SLA COMMITMENTS	N/A	We do not utilize a formal ticket system for our software support. Our dedicated team is available from 8:00am – 4:30pm and prides ourselves on our renowned service. We are generally able to solve issues the same-day, or work with our Software Development team to find customized solutions.
	Have you included the details about your capabilities for <u>Onsite Support</u>? PROVIDE ONSITE SUPPORT CONDUCT TRAINING ASSIST WITH MAJOR INCIDENTS	Yes	We are available for onsite support at the request of our district users. Most of our support correspondence is handled via phone/email communication. Many of our support requests are diagnosed and resolved remotely. We are available at the district request for both onsite training & major incident resolution
	Have you included the following information about your <u>Support Platform</u>? CUSTOMER PORTAL TICKETING SYSTEM KNOWLEDGE BASE SERVICE STATUS MONITORING	Yes	We do not have a formal ticketing system. We have dedicated representatives specific to Finance & Payroll/HR who would be assigned to your district. Our team currently supports over 90 MN districts & charter schools. Software issues/ideas reported by district to region are taken to statewide committee. If approval tasks are created and scheduled, Regions notify users about new features with user notes each release.

Proposed Pricing/Cost Estimates

Annual Subscription Costs

These spaces are provided for additional feature/module descriptions that aren't associated with the ones provided.

Feature/Module Description	Proposed Amount	U/M	Est Qty	Fixed?	Notes
Financial Management	\$47,244.45			\$4125	\$4.95 per ADM
Payroll/Human Resources	\$53,116.60			\$4335	\$5.60 per ADM
Employee Self Service	\$0				SMART ER included with SMART HR/Payroll
Workflow	\$0				
Reporting/Analytics	\$0				

Proposed Year Changes

Year	Maximum % Increase to Subscriptions or Fees
1	2%
2	2%
3	2%
4	2%
5	2%



SMART is owned and supported by Regions I-V, serving over 500 Minnesota school districts and charter schools.

SMART is structured as a series of modules that allow the district to decide which modules to implement to meet their needs. Security levels by user are established to protect confidential information. A key feature of SMART is the "date effective" entry of data. This allows the user to record entries and changes when received, knowing they will not take effect until the date is reached. District data is kept indefinitely, so it is available if ever needed.

SMART eR is a web-based application that allows employee access to relevant personal data. District staff, such as Principals, are able to access more information about employees in their building without accessing all districtwide staff. SMART eR can be opened directly and securely from the SMART application in certain windows. Approval processes are available for employee ordering and business reimbursements. There is also a transportation tracking module that feeds information to Finance. Employee data is always accessible in SMART eR (even terminated): Pay Stubs, W2, ACA forms, Contracts/Notice of Assignments, Wage Statements, YTD payroll info, etc.

SMART supports a paperless environment, has real-time data lookups, and customizable menus and reporting per report/user. All reports created in SMART and SMART eR can be saved to Excel or pdf if needed. Notifications and updates are sent instantly, hourly and overnight depending on setup.

SMART Module Descriptions:

Finance

Finance is a financial accounting system designed to meet the needs of Minnesota school districts. It includes modules for General Ledger, Budgeting, Requisitions and Purchasing, Accounts Payable, Accounts Receivable, Fixed Assets, and Administration. General Ledger balances flow between payroll and finance with a Bank reconciliation option available. There is an AP direct file payment process available with Old National bank for bill pay.

Payroll

• **Payroll** performs all the functions related to paying people and then reporting this information to the various agencies: IRS, State Revenues, MN UI/MN Paid Leave, STAR, Social Security Administration, MN New Hire, and retirement pension reporting. All standard pay, deduction, board benefit and tax calculation are calculated for the IRS and multiple supported states. Payroll calculations are performed on a real-time basis with the capability to recalculate and review the payroll results as many times as necessary before any checks or reports are ever printed. Retroactive pay options and summer payoff choices are also available. The system allows for payroll direct deposit with an option to print the complete payroll check on plain check stock. Viewing of pay stub information, ESST and Paid Leave requirements, and wage statements is done in SMART eR. Many employee payroll changes can be made directly in SMART eR including: Direct Deposit, W-4, employee information, and W-2/ACA form preferences.



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- **TimeOff** is integrated, yet independent from payroll processing. Leave usage data is entered as time permits and is not required to be done as a part of each payroll cycle. It allows the district to define the various types of leaves and accrual methods. If desired, the leave data can be printed on the pay stub or direct deposit notice and also be available to employees in SMART eR. TimeOff is designed to track Earned Sick and Safe Time (ESST), accrue ESST by payroll, and has rolling personal TimeOff plan options to track MN Paid Leave and FMLA. TimeOff is integrated into the TimeTracker module.

HR

- **HR** provides the functions that are needed to track employee events throughout their tenure - starting with hiring and ending with retirement or separation. The majority of these windows allow for employees to enter and view information in SMART eR. Employee data examples include: name/address changes, property tracking, education, seniority based on employee, training, safety training and immunizations. Events examples include: immunization tracking, performance reviews, wellness programs, and grievances.

- **SMART Communications** provides information from employees to the business office and vice versa. Announcements and notices from business office can be sent to employee dashboard in SMART eR. District form posting (i.e.: district policies, MN Paid Leave notice, teacher agreement, etc.) and employee view/signature tracking is available. Secure customized questionnaires can be created and sent to all or specific groups. Notifications about employee activity in SMART can be setup and automatically sent to the SMART User dashboard. Workflow routing can also be done within SMART and sent to the SMART dashboard. Also, tracking to-do list and create quarterly/yearly reminders for mandatory items.

- **Employee Management** is broken into two main components: Assignments and Permissions. Assignments provide a way to manage FTEs by daily assignment(s) for employees outside of the payroll process. It is easy, allowing for a process to create assignments in groups instead of by individual employee. It includes the ability to have FTE, multiple bargaining units, seniority tracking, and vacancies by assignment. There is a quick and efficient way to create Employee Contracts based on MSBA templates and other formats of reports. It has the ability to roll assignments from current year to next, automatically generate vacancies, and transfer previous employee's assignment to a new replacement employee.

- **Permissions** (for SMART eR) uses assignment detail to assign employees to correct supervisor(s). Managers will only be able to see other employees they manage in SMART eR – not all unless needed. Employees will only be able to see the specific account codes they are able to see in SMART eR unless they are the administrator in that area.

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• **Benefits** will track the various activities related to Benefit Tracking and Retiree and COBRA Insurance. The required COBRA paperwork can be generated, decisions tracked, and invoices created in SMART Finance.

Agency

Compliance includes agency related items that need to be done for each payroll. *Quarterly* houses items that are done on a quarter basis like 941 reporting. *Periodic* includes Payroll related items that happen once a year such as GASB 101, STAR or PERA/TRA audit reports or when contacted by an Agency.

ACA includes tracking hours for proof, ALE determination, lookback measurement tracking, employee ACA info tracking, covered individual file import and maintenance, affordability, creating form data, and options for sending corrected forms to the IRS. The ability to file with the IRS directly and get file statuses back from them is included in SMART eR; as well as printing 1095B or 1095C forms, IRS error letters and viewability to employees.

Injuries and Workers Comp will track all of the information starting with Supervisor report of Accident (also in SMART eR), FROI form generation, OSHA Form 300 for posting, and creation of a file to upload for OSHA Filing 300A.

Agencies/Requirements

- | | |
|------------------------------------|-------------------------------|
| • TRA / PERA and auditor reports | • FROI/OSHA file upload |
| • MDE – Licensure/STAR | • CRDC |
| • Flex/Cafeteria/Section 125 Plans | • EEO5 tracking and reporting |
| • GASB101 | • IRS – 941, W4, ACA, 1099 |
| • MN UI/Paid Leave/ESST | • SSA-SSN Verification, W2 |
| • UFARS Reporting | • Wage Theft |
| • SEDRA Reporting | |

Budgeting

Budgeting provides districts with the ability to create and run one or multiple scenarios for personnel budgeting. The approach uses a concept called “Annual Payroll” and takes the relevant data out of the SMART HR production database and puts it into a “play” Budget. The budgeting database allows the district to roll up steps and lanes, and to adjust pay, benefits and distribution codes. The district can verify results with payroll reports and automatically import into SMART Finance.

TimeTracker

TimeTracker provides the functions needed for employees to record hours worked and make TimeOff requests. The TimeTracker Module gives the employer the tools needed manage employee time and attendance. TimeTracker captures employee time in SMART eR, allows employee/supervisors to enter TimeOff requests, supervisor(s) approval in eR, processing the data for errors and importing final approved data into SMART HR for processing timecards, TimeOff and ACA Hours.



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Generic Regional Services

- Software Support & Training
- Payroll, Taxes, ESST/Paid Leave support
- UFARS and Mandatory reporting support
- Secure software access; district defined
- 1099/W-2 Electronic Filing to Agencies
- In-house Server, Database Backup and

Security

- Software Releases during year
- Auditor Access if Authorized



The Finance Module is a financial accounting system designed to meet the needs of Minnesota school districts. It includes modules for General Ledger, Budgeting, Requisitions and Purchasing, Accounts Payable, Accounts Receivable, Fixed Assets, and Administration. This module provides the windows and reports needed to calculate, create and submit data to ensure all filings and payments comply with state UFARS and federal reporting.

Accounts Payable

Accounts Payable provides flexible payment processing and detailed disbursement information allowing the company to successfully control vendor relationships while managing cash flow and controlling expenses. It streamlines the flow and processing of data by providing online approvals, predefined expense distributions, and invoice allocations. It supports complete vendor payment history and invoice analysis.

The full cycle of the accounts payable process includes receiving the purchase order (PO), receipt of the vendor's invoice, cross-referencing the PO with the invoice, and ultimately authorizing the final payment to vendor. Accounts Payable also supports multiple payment options including checks, wire transfers and electronic funds transfers. Default accounts payable and expense accounts can be setup for entering invoices.

Other features include: Unlimited vendor addresses, user-defined categories, defaulting of data, payment controls, vendor and invoice hold processing, bank reconciliation, automatic duplicate invoice checking (prevent unauthorized payments), and many standard reports.

Accounts Receivable

Accounts Receivable deals with the school district receiving money from customers or entities. Example of a transaction would be for a school district to send an invoice to a former employee requesting money for continuance of their health insurance (COBRA situation). Once that money is received, the amount is entered into the receipt system. Other examples of money being received by a school district would be from the government (federal and state), community education, school lunch program, and grants. At the end of the process, AR journal entries are generated in order to record the money received (revenue).

Administration

Administration deals with setup and maintenance of the finance system. The administration windows and reports are used to process specific administrative tasks. The Application Setup menu is usually only used during the setup of new district which allows application setup menus to create default setting used throughout the system. The Administration menu is used more often to create and update default settings including auto comments, data extraction, process control, report maintenance, routing approval and note locations.

Budgets

Finance is a flexible system providing the user with many options for setting up a budget or budgets. A budget can be entered three different ways: Chart of Accounts, Budget Import from Payroll or Budget Workpapers. If you are unsure of the best way to setup the districts' budget, would like to consider encumbrances, or locks to prevent changes, please contact your Regional Center. Finance is designed to handle multiple budget files that may be used for a variety of district purposes. The user assigns each file a Budget Code that can be used in certain reports or the Account Analysis screen. Some **EXAMPLES** of Budget Codes and their purposes are:

- Budget code **27ADP**. This file contains the original adopted expenditure and revenue budget approved by the school board without modifications. *The budget (adopted) is normally entered in around March/April timeframe for the July 1 start of the fiscal year.*
- Budget code **27REV**. This file is a working copy of your revised budget. Changes can be made to this file as needed. This file can become budget code 26BUD after board approval. *Throughout the fiscal year, the school district will make revisions to this budget under this category.*
- Budget code **27BUD**. This file contains the latest revised budget (Revenues and Expenditures) approved by the school board the 2026-27 fiscal year. *Changes would be made to this file after board approval. Certain windows and reports will display the budget amount for each account code along with giving actual amounts encumbered and recorded to the general ledger.*

Budget files are not part of the chart of accounts and must be maintained independently. The system will create a zero-dollar budget amount to the default budget code found in the Fiscal Year Maintenance screen for the start period of the account code. The budget amount can be edited as needed.

Fixed Assets

The Fixed Assets menu allows tracking of assets within the school district. This includes such things as computers, athletic equipment, audio/visual equipment, the school building(s), etc. Districts have the ability to set thresholds to track assets value. A district may only want to keep track of items in the district that have a value greater than \$3000 dollars. Thus, the district would not enter a science teachers' desk into the system but might record the microscope utilized in the classroom. This module also generates FA journal entries to denotes these items into account code information to keep track of the monetary value of the item.



General Ledger-Fin

The General Ledger-Fin menu is used to track a record of financial transaction including assets, liabilities, revenues, expenses, income and equity. It also is a tracking system for budgeting and of encumbrances. An encumbrance is a way for the district to track an expense prior to the transaction being posted to the account code. Then the system will keep track of (or encumber) account code transactions in the online requisitions (optional), purchase order, voucher and journal entry areas. This is also to manage any transactions with the SMART eR Transportation module and to reconcile bank statements.

Purchase Orders

The Purchase Orders menu is used to process requisitions and purchase orders that are imported from SMART eR or entered manually. SMART eR allows for a requisition to be entered or online shopping directly on a company's site. The cart is then transferred back into SMART eR for approval. The requisitions and purchase orders outline exactly what the order should contain and when it should arrive and includes quantity of items, detailed descriptions of the items, the price, date of purchase, and payment terms. Some of the school districts utilize the receiving menu item so when a district receives the supplies from the vendor, it is noted on the system.

Functions that are needed to track employee events throughout their tenure - starting with hiring and ending with retirement or separation. The majority of these windows allow for employees to enter and view information in SMART eR. Events examples include: performance reviews, wellness programs, and grievances.

1) Tracking of new employee data:

- a. Employees can transfer data securely from SMART eR to the Business office
- b. Forms for updating information directly in SMART eR:
 - Education, continuing education, licensure, Safety/other training, competency and skills*
 - W4, Direct deposit, contact, address, and other employee info*
 - Employee medical information, Immunizations, Medical Exam Authorization*
- c. District can easily update teacher licensure from data automatically loaded monthly from MDE.
- d. Verification window for data entered in SMART eR by business office
- e. Can build electronic personnel files in SMART with district specific folders and subfolders

2) District property tracking including:

- a. District credit cards, equipment, or whatever needs tracking
- b. Employee Vehicle Requests for district vehicles: Waiting list, Vehicle calendar, maintenance list, mileage log, feeds finance expenses
- c. Online shopping and order request for school needs in SMART eR

3) Event data tracking:

- a. Business expense tracking in eR with routing process for approval and payment in payroll
- b. Employee leave of absence:
 - 1. Leave request form in SMART eR transfers from employee to SMART
 - 2. Place employee on leave/return from leave
 - 3. *Feeds information to the PERA Annual Leave Reporting report per fiscal year*
- c. Employee non-renewal:
 - 1. Termination statistic reports
 - 2. Turnover reports
 - 3. Feeds PlanSource for benefit termination
- d. Seniority process by employee:
 - 1. *Maintaining the tenure date, seniority date, number and code.*
 - 2. *District can also easily archive the seniority report yearly for reference.*
- e. Medical and Wellness information (*Emp medical info, Immunizations, Medical Exam Authorization*)
 - 1. *Exam Notice report to track testing needed by employees*
 - 2. *Information in this area is restricted by user class due to HIPPA rules*
- f. Career Planning reviews

SMART Communications

- Announcements and notices from business office to employee dashboard in SMART eR
- Employee data always accessible in SMART eR (even terminated): Pay Stubs, W2, ACA forms, Contracts/Notice of Assignments, Wage Statements, YTD payroll info, etc.
- Form posting (i.e.: handbook, teacher agreement) and employee view/signature tracking
- Secure customized questionnaires can be created and sent to all or specific groups
- SMART User dashboard:
 1. District staff can securely email (and attach window) within SMART about personnel issues.
 2. System notifications can be triggered by activity throughout SMART.
 3. Track to-do list and create quarterly/yearly reminders for mandatory items.

COBRA

Allows the employer to setup and track COBRA for workers and their families who lose their health benefits and choose to continue group health insurance, and other benefits as allowed by the policy and employer policies, for limited periods of time. COBRA windows and reports allow the user to:

1. Generate tracking records
2. Print notices
3. Maintain tracking records

4. Setup invoices for billing
5. Generate the invoices to be sent to the COBRA participant
6. Invoice payments are tracked in finance.

Employee Management

Employee Management is broken into two main components: Assignments and Permissions. *Assignments* provide a way to manage FTEs by daily assignment(s) for employees outside of the payroll process. It is easy, allowing for a process to create assignments in groups instead of by individual employee. *Permissions* (for SMART eR) uses assignment detail to be able to assign employees to a correct manager.

1) Assignments Features:

- Process to create assignments in groups instead of by individual employee
- Ability to have multiple bargaining units per employee
- Seniority tracking per assignment (reporting)
- Ability to synchronize assignment codes with distribution codes
- Quick and efficient way to create Employee Contracts and/or Notice of Assignment and extra assignments or other forms employer may need using this data

- Ability for employees to view their Contract/Notice of Assignment/other Assignments in SMART eR
- Ability for employee to electronically sign Contracts/Assignments in SMART eR
- Ability to retain employee assignment history
- Ability to track vacancies and transfer previous old employee's assignment to a new replacement employee/applicant
- Way to run reports to compare two years staffing changes or assignment comparison.
- Ability to roll assignments from current year to next if minimal changes

2) Permissions Features:

- Creates a hierarchy of all employees in the district
- Managers will only be able to see other employees they manage in SMART eR – not all anymore
- Employees will only be able to see the specific account codes they are able to see in SMART eR
- It will also drive what account codes a specific SMART Finance user can see and use
- Ability to stop access to the software and assignments based on an expected termination date
- Ability to setup Routing for Approvals: Reimbursements and Online Ordering

3) Applicant Features:

- Ability to track applicants to a vacancy or setup an assignment
- Ability to have multiple bargaining units
- Ability to create initial Notice of Assignment or Contract (based on existing employee template if desired)
- Ability to see linked applicant contracts in SMART eR after becoming an employee
- Auto-transfer applicant information from Employee Management into Payroll through the New Hire window
- Makes a link from the Applicant ID to the Employee ID

Benefit Tracking

Allows for simple tracking of benefits to a more integrated import option.

- Create/Maintain employees eligible for benefits
- Flex plan eligibility
- Nondiscrimination testing for pre and post plan year
- Enrollment data can be mapped from an outside system and imported
- Imported data can be transferred to setup Payroll deductions

The Payroll module provides the functionality needed to implement established policies and payroll procedures for calculating employee pay and benefits for the organization. This module provides the windows and functions needed to ensure all employees are paid accurately and timely using date-effective pay, deductions, benefits, taxes, retirement and direct deposit entries. The Payroll Module provides the functions and reporting requirements needed to comply with state and federal reporting. The module uses reports and electronic files to ensure withholding and deductions are remitted in a timely manner.

The payroll module offers a companion web-based application-SMART eR, allowing distinct user access for system administrators, managers and employees. All users log onto the same online portal, with access restricted by job responsibility. Employees can see personnel items including current and past pay stubs, calendar year-to-date totals, fiscal year-to-date totals, contract information, time off, flex information, ACA Form 1094 or 1095, and Forms W-2/W-4.

SMART eR provides the employee access to view or update personal information, including tax withholding and direct deposit, if the employer allows access. Managers can use SMART eR to access their own personal information, manage assigned employees and run reports or process approvals. Human Resources, or other system administrators, have full access to items the employers allow in SMART eR.

Employee Setup

Employee Setup menu provides general information about an employee that an employer would record in an employee's personnel file including new hire/rehire information and ongoing date-effective status changes. Windows allow user to record salary, pay authorization, distribution of payroll for general ledger, deductions, benefits, tax information, retirement, termination, check delivery (direct deposit), pay detail, MN STAR reporting, and ACA information. Multiple proofing and date-effective reports are helpful to view employee information for accuracy.

Payroll Processing

Payroll Processing menu allows the user to process a payroll from beginning to end. This menu provides windows for timecard entry, timecard import, calculation of payroll, a current check option to view employee gross to net pay calculation one at a time, proofing reports, a window to create a payroll, print checks, create the direct deposit of payroll file, print direct deposit notices and reconcile checks. Retro pay options and multiple summer payoff options are also available. Wage Theft notices can be created for employees that can be printed and mailed to the employee or signed in SMART eR. It will do reminder emails to track notifications automatically.



The payroll-processing menu provides access to a number of windows and reporting processes used to record and calculate exceptions to payroll including hourly or unit pay, dock-in-pay, lane change, and overrides to pay, deduction or benefits. Multiple proofing reports are available to be used during the payroll process as well as for reporting purposes after payroll is processed.

General Ledger-Pay

General Ledger-Pay menu provides automation to create the general ledger file for direct import into the Finance Module. This menu provides a process to correct distribution errors found in creating the general ledger file. Includes a window to stop invalid account codes and an important process to keep data as clean as possible to avoid unnecessary errors. Several general ledger reports assist in reviewing general ledger details for accuracy.

Payroll Setup

Payroll Setup menu provides the windows and reports used to initially setup and maintain setting in the Payroll Module. General employer information is entered and updated including bank, fed entity and location information. Payroll system setting details are entered for use in the payroll process. The setup windows create the dropdown list boxes available on many data input windows. Changes are allowed to be made to existing pay codes, deduction codes and other setup information. Multiple reports are available for review during the setup process.

Payroll Utilities

Payroll Utilities menu provides the windows needed to resync data, print a blank check, extract data, manage SMART eR settings, complete lane/step rollup, issue SMART eR announcements, change a hire date recorded in error or to assign a pay calendar for an employee pay adjustment. The management window is used to grant or update system access to an employee.

YTD Reports

YTD Reports menu provides reports for fiscal and calendar year-to-date totals of pay, deductions, benefits and retirement. The menu includes reports of archived data, check and direct deposit history, earnings registers, a retirement wage tally, timecard archive detail and TSA/Deferred compensation amounts.



TimeOff

TimeOff provides the functions needed to do the recordkeeping for employees who earn and use time off such as Sick, Personal, Professional, Vacation, Bereavement, Emergency, etc. The TimeOff Processing menu provides the functions needed to track employees' time off setup by applying the rules for maximum earning, how time off is lost, number of hours, units or days to be accrued each year and how the accrued time off can be used. It includes a window Includes a window for processing forfeited TimeOff. A personal rolling year may be created per employee for MN Paid Leave/FLMA as it is unique to each individual and may help with intermittent leave tracking. TimeOff can also may be accrued per calendar based on time worked or accrued according to Earned Sick and Safe Time (ESST) rules.

TimeOff reports allow the end-user to review employee activity rows saved in the database which were created when an accrual is processed, time off usage is entered, an import file is processed or a manual entry is saved. There are multiple activity, extract and summary reports to assist in the administration of recording and maintaining employee time off.

Functions that are needed to track employee timesheet or clock hours and enter TimeOff requests. Employee entry and approval functions are done in SMART eR. Many district setup choices and not all items are required to make it work.

1. TimeTracker will use starting information based on what is in SMART HR currently.

- Active employees from Payroll/HR
- Active Pay Codes and locations from Payroll
- Active TimeOff Plan/TimeOff Reason combinations from TimeOff

2. As employees are hired and terminated in SMART HR, it will automatically adjust TimeTracker.

- New hire will build employees assigned to a group and basic defaults OR can be copied from another employee. It will also assign them to a location.
- Rehire will automatically build the new location in TimeTracker.
- Terminate will automatically stop all of the employee's TimeTracker settings. It will also delete any future dated items and notify if the employee is currently an active supervisor for employees.

3. TimeTracker Settings will be setup in SMART HR.

- **Clock Setup**
 - Expensive, physical clocks are not needed...just a web browser.
 - IP Addresses can apply to clocking restrictions.
 - Tracking of actual time or rounded time can be chosen.
 - Pay codes can be assigned descriptions employees will understand; one pay code can have many descriptions.
 - Automatic breaks can be setup to be taken automatically after a certain amount of time.
 - Early restriction rules apply only to the first clock in of the day. If an employee works more than one job, it does not apply to the second clock in or if an employee leaves the building for an appointment and clocks back in. **Example:** Employee clocks in at 8:00 am, leaves for an appt at 9:00 am, then tries to clock back in at 10:00 am, they will be able to.
 - Split Schedule will automatically split out an employee's time at the end of the day into the schedule segments setup (as long as consecutive) with only one clock in and clock out.
 - Schedule exceptions can be setup to pay to a different code if a person works more than what they are normally scheduled to work.
 - A customizable, date effective message can display to employees who clock in.
 - Many other pay setup options are possible.
- **TimeOff Request Setup**
 - Not all TimeOff Plans/Reasons need to be allowed in TimeTracker. Customizable by district.
 - Districts can assign employee friendly descriptions to help employees know what they are choosing.

- TimeOff Codes can be setup to not allow negative usage, require a specific increment length, minimum increment, or both.
- Employees and Supervisors will see real-time balances from SMART HR, already approved, and submitted in TimeTracker.
- Overtime can be automatically converted to comp time in TimeOff.
- Many other pay setup options are possible.
- **Timesheets**
 - Can be entered manually day by day or populated based on a schedule.
 - Affidavit required upon employee submission of time.
 - Unsubmitted timesheets are viewable by Payroll role to help avoid missed pay.
- **All**
 - Employee groups can be created if helpful.
 - Employee groups can be setup to specific locations.
Example: Teacher could be the group. Elementary, Middle and High School could be defined as locations if needed for approval.
 - Future TimeOff Requests and Timesheets can be restricted to a certain number of days.
 - Employee approval can be required prior to supervisor approval.

4. **Employees can enter information directly from the Home page in SMART eR**

- Employees do not need to fully login to SMART eR to clock in/out, unless they would like to, then they could continue to SMART eR after clocking. Employees will only see the clock if it applies to them.
- If an employee is allowed to do timesheets, they can enter information.
- Employees can enter TimeOff requests, but only if they are allowed to.
- Negative TimeOff Usage can be stopped for an employee; but a supervisor can override.
- Real-time TimeOff balances will display to employee prior to entering a request.
- They will receive notifications automatically if something needs to be done and information saved will also generate notifications automatically to their supervisors.
- They can view statuses of their requests at any time including history.

5. **TimeTracker Management in SMART eR**

- Many user role choices for access to TimeTracker: Payroll, Admin, Approver, Editor, View only, etc.
- Supervisors can view TimeOff requests of employees in a calendar or list option and also enter on an employee's behalf.
 - They will be able to see current TimeOff balance information prior to approving a request.
 - They can adjust an approved TimeOff request until it is processed.
- Supervisors can approve time/TimeOff Requests as they are entered, or be required to approve in a specific order.
- Reminder notifications to Supervisors and Employees can be setup to send automatically.
- Quick links available from a supervisor's dashboard.

- Proxy options if someone on a long vacation or extended leave.
- Absence reports can be automatically emailed overnight to a person setup to receive them.
- Third party leave can be imported into TimeTracker to be added into the OT calculation or pay.

6. Close Period

- Can close TimeOff prior to a pay period ending or TimeOff and Hours together.
- Closed data is automatically moved in the TimeOff Import for both usage and comp time.
- Closed data is automatically moved in the Timecard Import to pay.
- Closed data is automatically moved in the ACA Hours Import if tracking contract time.

7. Audit Trail

- All entries by users and supervisors for hours and TimeOff are tracked by date, time and ID.
- All changes and deletions for hours and TimeOff requests are tracked by date, time and ID.
- Data is processed and assigned batches as it moves to different modules.
- Auditors can see what was entered in SMART eR vs what was paid per calendar for discrepancies.



Security Overview

Cybersecurity

Region 1 and SMART Systems are proud to share that we have had no cybersecurity incidents to date.

SOC 2 Type II Reporting

At this time, Region 1 and SMART Systems do not maintain a SOC 2 Type II report. This is a business decision based on our organizational structure, hosting model, and risk management approach.

We regularly assess our security controls and practices to protect the confidentiality, integrity, and availability of customer information. We are committed to meeting the security requirements of our customers and are available to discuss our security program and provide supporting documentation regarding our security controls upon request.

Application Security Practices

Security is integrated throughout the software development lifecycle (SDLC) to identify and remediate vulnerabilities before software is released to production. The organization follows a defense-in-depth approach that follows secure development practices.

Secure Code Review

Source code is reviewed throughout the development process using established secure coding standards and peer review procedures. Code reviews are designed to identify security defects, logic errors, and adherence to coding best practices before changes are merged into production. Developers receive guidance on secure coding principles, including input validation, authentication, authorization, session management, and protection against common application security risks.

Dependency Scanning

Third-party libraries and open-source components are annually scanned for known vulnerabilities using automated software composition analysis (SCA) tools. Vulnerabilities are evaluated based on severity and risk, and security updates are prioritized according to established vulnerability management procedures. Dependencies are routinely updated to maintain a secure and supported software environment.

Vulnerability & Penetration Testing

Our HR & Finance solution is a desktop/client-server application that is deployed within the customer's controlled network environment rather than as a public-facing web application. Because the application is not exposed directly to the public Internet, our security program emphasizes preventative development practices and customer-managed network security over formal penetration testing.

The company does not currently perform routine automated vulnerability scanning or independent penetration testing of the application. Instead, security efforts are focused on secure software development practices, peer code reviews, dependency management,



prompt application of vendor security updates, and thorough quality assurance testing prior to each software release.

The application relies on the customer's existing network security controls—including firewalls, endpoint protection, access controls, and network segmentation—to provide additional layers of defense. Administrative access to the application and database is controlled through authenticated user accounts and role-based permissions.

As customer security expectations and industry best practices continue to evolve, the company periodically reviews its security program and evaluates additional security testing practices that are appropriate for the application's architecture and deployment model.

Database Platform

The HR & Finance solution utilizes SQL Server 2022 as its enterprise relational database management system. The platform is designed to support high transaction volumes, concurrent users, and large datasets while maintaining data integrity, security, and performance. The database architecture is fully ACID-compliant and supports advanced indexing, query optimization, automated maintenance, and secure backup capabilities. SMART Systems will migrate to SQL Server 2025 in Spring 2027.

Replication Strategy

The production database employs an asynchronous replication strategy to ensure data durability and support business continuity. Replication continuously maintains one or more secondary database instances that can be used for disaster recovery and failover purposes. Replication is monitored continuously, with automated alerts for replication health and synchronization status. Database backups are performed on a scheduled basis and retained according to established data retention policies. Backup and replication processes are regularly tested to verify recoverability and minimize potential data loss.

High Availability Design

The production environment is protected through comprehensive backup and disaster recovery processes. Database backups are performed on a scheduled basis and securely stored in a geographically separate data center to protect against hardware failure, site outages, or other catastrophic events.

Backups are monitored, verified, and retained in accordance with established retention policies. Recovery procedures are documented and periodically tested to ensure that systems and customer data can be restored within defined recovery objectives.

The use of an off-site data center provides geographic redundancy for backup data and supports business continuity by enabling restoration of services in the event of primary site disruption.



Backup and Recovery

SMART Systems employs a comprehensive backup and recovery strategy designed to protect customer data and support business continuity.

Backup Frequency

- Full database backups are performed daily.
- Incremental or transaction log backups are performed every hour to minimize potential data loss.
- Backup operations are automated and monitored to ensure successful completion.

Retention Schedule

Backups are retained in accordance with established retention policies. Standard retention includes 20 days.

Backup data is securely stored in a geographically separate data center to provide protection against hardware failures, natural disasters, or site-level outages.

Recovery Point Objective (RPO)

The target Recovery Point Objective (RPO) is 1 hour representing the maximum amount of data that could be lost in the event of a catastrophic failure.

Recovery Time Objective (RTO)

The target Recovery Time Objective (RTO) is 8 hours representing the estimated time required to restore database services and return the application to normal operation following a major service disruption.

Recovery procedures are documented and periodically tested to validate backup integrity and ensure timely restoration of services when required.



Source Code Management

Repository Platform

Source code is maintained in a centralized **VisualSVN** repository utilizing Apache Subversion (SVN) version control. The repository provides version history, change tracking, secure access controls, and a complete audit trail of all source code changes.

Ownership

All application source code is owned and maintained by Regions I-V. Access to the VisualSVN repository is restricted to authorized personnel and is managed using role-based permissions. Repository access is limited to members of the software development team and designated administrators, ensuring that only authorized individuals can modify production source code.

Branching Strategy

Our software development team consists of **five developers (eight employees)** who follow a structured source control process within VisualSVN. Development work is performed in designated development branches or controlled development areas, with changes reviewed before being merged into the main release branch.

Production releases are created from approved code following successful quality assurance testing and validation. This controlled release process provides traceability and maintains version integrity.

All source code revisions are versioned and retained within the repository, providing a complete history of changes and supporting rollback, auditing, and issue resolution when necessary.

Deployment Process

Our software follows a structured deployment process that separates development, testing, and production environments to ensure software quality, stability, and reliability.

Development Environment

Software enhancements, defect corrections, and new features are developed within a dedicated development environment by our software engineering team. All source code is maintained in the VisualSVN repository.

Test Environment

Completed development work is deployed to a dedicated test environment for functional testing, regression testing, and quality assurance. The test environment is used to validate new functionality, verify bug fixes, and confirm compatibility with existing application features.



Production Environment

Only software that has successfully completed testing and quality assurance is promoted to the production environment. Production deployments are performed using approved release packages and established deployment procedures to minimize operational risk and maintain system stability.

Release Process

Software releases follow a controlled release management process. Enhancements, bug fixes, and maintenance updates are developed and tested prior to deployment. Releases are scheduled to minimize customer impact and are communicated to customers in advance whenever practical.

Each release is versioned, documented, and archived within our source control and release management process, providing full traceability from development through production deployment. Rollback procedures are maintained to support recovery should an unexpected issue occur following deployment.

Change Management

Our software development process follows a structured change management methodology to ensure that software enhancements, maintenance updates, and defect corrections are thoroughly reviewed, tested, and deployed in a controlled manner.

Release Schedule

Software releases are planned and scheduled based on product enhancements, customer requirements, and maintenance priorities. All changes are developed, tested, and validated in non-production environments prior to deployment. Customers are notified of scheduled releases and maintenance activities in advance whenever practical. There are typically four scheduled releases annually:

- 1) Feb/Mar – mandatory release for 941's & W4's
- 2) May – end of fiscal year items & payoffs
- 3) Sept – back to school items/MDE Star
- 4) Dec – mandatory release of W2's, 1099's & ACA

Emergency Release Process

Critical issues that require immediate attention are addressed through an expedited emergency release process. Emergency changes are prioritized, developed, and tested to the extent practical based on the severity of the issue. Prior to deployment, emergency releases undergo technical review and validation to ensure the fix addresses the issue without introducing unintended impacts. Following deployment, the change is monitored to verify successful implementation and system stability.



Rollback Procedures

Each production release includes documented rollback procedures. Prior to deployment, appropriate database and application backups are verified to ensure recoverability. If a release results in an unexpected issue that cannot be resolved promptly, the deployment can be rolled back to the previous stable application version, and database backups can be restored when necessary. Rollback procedures are periodically reviewed and tested to support timely recovery and minimize service disruption.

All software changes are tracked through source control and internal change management processes, providing complete traceability from development through production deployment.



Data Ownership

District shall retain full ownership of all data and our support staff can work with district personnel on any customized reports. Our support staff can also assist data export accommodations.

API Integrations

The application does not currently provide public or customer-accessible API integrations for external systems.

This design approach reduces the application's external attack surface by preventing direct API access to application data and business functions. Data exchange with third-party systems, when required, is accomplished through approved import/export processes or other vendor-supported integration methods rather than open API connections. We are able to accommodate customized third-party integrations.

As a result, no public API endpoints are exposed for customer configuration or third-party application access, reducing the risk of unauthorized access and simplifying the security model.



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July 13, 2026

Vicky Kornegor, Sourcing Engagement Manager
Catalyst Sourcing Solutions
2117 Cliff Drive
St. Paul, MN 55122

Vicky,

Per your request, please find below the cost information for the software licensing, training, support and hosting/database administration services for the SMART Systems (finance and HR/payroll) software application for Edina school district.

If your district chooses to use the TimeTracker timekeeping module, there would be a separate annual charge, which I would roughly estimate at around \$5000. We will provide a firmer cost estimate once we understand the make-up of your district's timekeeping needs.

Our fee structure for Finance and Payroll/HR support services, shown below, is adjusted annually based upon our budgeting process; however, annual increases have not exceeded 3% as far back as I can remember. Rest assured that we are committed to keeping fee increases to a minimum and we have been quite successful at doing so. In past history, we have seen a number of years with no fee increases through cost containment measures and increased service offerings. There was a 2% fee increase for the FY26-27 school year.

Annual Software Support/License Fees/Data Admin. Fees (8711 ADM – per MDE FY24-25)

		Semi-monthly <u>Payroll</u>
Finance Support Services -	Flat Fee	\$ 4,125.00
	Per Student (\$4.95)	\$ 43,119.45
Payroll Support Services –	Flat Fee (semi-monthly payroll)	\$ 4,335.00
	Per Student (\$5.60)	\$ <u>48,781.60</u>
Total Estimated Current Annual Services Fee		\$ <u>100,361.05</u>

If you should have any questions regarding the cost information, please do not hesitate to contact me at any time. Thank you, Vicky!

Sincerely,

Erik Hiedeman
Executive Director



Approximate Smart Finance Implementation Timeline for a Fiscal Year 27-28 Implementation

January - February 2027

- Region 1 will gather initial district information to begin building SmartFin database.
 - District number
 - Address, locations with addresses
 - Federal Tax ID number
 - Banking Information – Including Signatures (We will provide Signature Card)
 - PO and Invoice Signatures and Logo (If using e-signatures – We will provide Signature Card)
- District will compile data from current vendor that will be imported and/or entered in SmartFin with Region 1 assistance.
 - Chart of Accounts & Balance Sheet Accounts
 - If you use crosswalks for any segments, please include what those segments are cross walked to.
 - Vendor List
 - At a minimum, we need the Vendor Name and Address.
 - Customer List
 - This can be entered by the District as they are creating new invoices or we can build the customers for the district.

March – April 2027

- Data will be sent to district for proofing. Region 1 and district will make any necessary adjustments to the data.
- Once finalized the data will be imported into SmartFin by Region1.

May - June 2027

- Region1 will train district finance staff on SmartFin and release AP for district to create FY28 Purchase Orders.



Approximate Smart Payroll Implementation Timeline for Fiscal Year 27-28

**Training of Payroll staff is not specifically listed in this document as training will be ongoing throughout the entire implementation process and beyond.*

February 2027

- Region 1 will contact the district staff member responsible for the payroll implementation (listed above) for a preliminary conversation about the process and timeline.

March 2027

- Region 1 will gather initial district information to begin building SmartHR database.

April-June 2027

- District will compile data from their current software that will be imported and/or entered and proofed in SmartHR with Region 1 assistance.
 - Our first focus will be for employees being paid in July for FY27.

July 2027

- District will complete first payroll in SmartHR.
- Region 1 and district will make any necessary adjustments to data found during first payroll process.

July-August 2027

- Region 1 and district will import, enter and proof any additional data and employee information for any employees being paid in September that have not been built.

October-November 2027

- District will work on Affordable Care Act setup and import of hours for 2027 reporting.

TimeTracker Implementation

IMPORANT REMINDERS:

- The attached timeline is an approximation and is dependent upon the ongoing communication and completion of tasks by the district and Region 1.
- Employee payroll totals for January-June 2027 will NOT be imported into SmarHR. Employees will receive one W-2 form from your current software for January-June wages and another W-2 form from SmarHR for July-December wages.
- ACA Forms for calendar year 2027 will be handled on a situational basis dependent upon the district.
- The TimeTracker implementation timeline will be determined based on completion of SmarHR setup as it cannot be setup without first completing and understanding the setup in SmarHR.

DIST #	Name	Modules	Notes
22	DETROIT LAKES	SMART HR/Payroll, SMART Finance, TimeTracker	
23	FRAZEE	SMART HR/Payroll, SMART Finance, TimeTracker	
25	PINE POINT	SMART HR/Payroll & SMART Finance	
32	BLACKDUCK	SMART HR/Payroll & SMART Finance	
36	KELLIHER	SMART HR/Payroll, SMART Finance, TimeTracker	
38	RED LAKE	SMART HR/Payroll, SMART Finance, TimeTracker	
113	Walker-Hackensack-Akeley	SMART HR/Payroll, SMART Finance, TimeTracker	
146	BARNESVILLE	SMART HR/Payroll, SMART Finance, TimeTracker	
150	HAWLEY	SMART HR/Payroll, SMART Finance, TimeTracker	
152	MOORHEAD SCHOOLS	SMART HR/Payroll & SMART Finance	
162	BAGLEY	SMART HR/Payroll, SMART Finance, TimeTracker	
206	ALEXANDRIA	* SMART Finance & SMART HR - View Only	Terminated SMART Services in FY22
213	OSAKIS	SMART HR/Payroll, SMART Finance, TimeTracker	
261	ASHBY	SMART HR/Payroll, SMART Finance, TimeTracker	
264	HERMAN-NORCROSS	SMART HR/Payroll & SMART Finance	
306	LAPORTE	SMART HR/Payroll, SMART Finance, TimeTracker	
308	NEVIS	SMART HR/Payroll, SMART Finance, TimeTracker	
309	PARK RAPIDS	SMART HR/Payroll, SMART Finance, TimeTracker	
332	MORA	SMART Finance	
356	LANCASTER	SMART HR/Payroll, SMART Finance, TimeTracker	
363	S KOCHICHING	SMART HR/Payroll, SMART Finance, TimeTracker	
390	LAKE OF THE WOODS	SMART HR/Payroll, SMART Finance, TimeTracker	
432	MAHNOMEN	SMART HR/Payroll, SMART Finance, TimeTracker	
435	WAUBUN	SMART HR/Payroll, SMART Finance, TimeTracker	
441	MARSHALL COUNTY CENTRAL	SMART HR/Payroll, SMART Finance, TimeTracker	
447	GRYGLA	SMART HR/Payroll, SMART Finance, TimeTracker	
482	LITTLE FALLS	SMART HR/Payroll & SMART Finance	
485	Royalton	SMART HR/Payroll & SMART Finance	
542	BATTLE LAKE	SMART HR/Payroll, SMART Finance, TimeTracker	
544	FERGUS FALLS	SMART HR/Payroll, SMART Finance, TimeTracker	
545	HENNING	SMART HR/Payroll, SMART Finance, TimeTracker	
547	PARKERS PRAIRIE	SMART HR/Payroll, SMART Finance, TimeTracker	
548	PELICAN RAPIDS	SMART HR/Payroll, SMART Finance, TimeTracker	
549	PERHAM	SMART HR/Payroll & SMART Finance	
550	UNDERWOOD	SMART HR/Payroll, SMART Finance, TimeTracker	
553	NEW YORK MILLS	SMART HR/Payroll, SMART Finance, TimeTracker	
561	GOODRIDGE	SMART HR/Payroll, SMART Finance, TimeTracker	
564	THIEF RIVER FALLS	SMART HR/Payroll, SMART Finance, TimeTracker	
592	CLIMAX	SMART HR/Payroll, SMART Finance, TimeTracker	
593	CROOKSTON	SMART HR/Payroll & SMART Finance	
595	EAST GRAND FORKS	SMART HR/Payroll, SMART Finance, TimeTracker	
599	FERTILE	SMART HR/Payroll, SMART Finance, TimeTracker	
600	FISHER	SMART HR/Payroll, SMART Finance, TimeTracker	
601	FOSSTON	SMART HR/Payroll, SMART Finance, TimeTracker	
630	RED LAKE FALLS	SMART HR/Payroll & SMART Finance	
676	BADGER	SMART HR/Payroll & SMART Finance	
682	Roseau	SMART HR/Payroll & SMART Finance	
690	WARROAD	SMART HR/Payroll, SMART Finance, TimeTracker	
768	HANCOCK	SMART HR/Payroll, SMART Finance, TimeTracker	
771	CHOKIO-ALBERTA	SMART HR/Payroll, SMART Finance, TimeTracker	
801	BROWNS VALLEY	SMART HR/Payroll & SMART Finance	
803	WHEATON	SMART HR/Payroll, SMART Finance, TimeTracker	
821	MENAHGA	SMART HR/Payroll, SMART Finance, TimeTracker	
846	BRECKENRIDGE	SMART HR/Payroll & SMART Finance	
850	ROTHSAY	SMART HR/Payroll & SMART Finance	
852	CAMPBELL-TINTAH	SMART HR/Payroll & SMART Finance	
914	ULEN-HITTERDAL	SMART HR/Payroll, SMART Finance, TimeTracker	

2149	MINNEWASKA -GLENWOOD	SMART HR/Payroll, SMART Finance, TimeTracker	
2164	DILWORTH-GLYNDON-FELTON	SMART HR/Payroll, SMART Finance, TimeTracker	
2170	Staples-Motley	SMART HR/Payroll, SMART Finance, TimeTracker	
2171	KITTSON CENTRAL	SMART HR/Payroll, SMART Finance, TimeTracker	
2176	WARREN-ALVARADO-OSLO	SMART HR/Payroll, SMART Finance, TimeTracker	
2215	NORMAN COUNTY EAST	SMART HR/Payroll, SMART Finance, TimeTracker	
2311	CLEARBROOK/GONVICK	SMART HR/Payroll & SMART Finance	
2342	W CENTRAL AREA SCHOOLS	SMART HR/Payroll, SMART Finance, TimeTracker	
2358	TRI-COUNTY - KARLSTAD	SMART HR/Payroll, SMART Finance, TimeTracker	
2609	WIN-E-MAC	SMART HR/Payroll & SMART Finance	
2683	Greenbush-Middle River	SMART HR/Payroll & SMART Finance	
2753	LONG PRAIRIE-GREY EAGLE	SMART HR/Payroll, SMART Finance, TimeTracker	
2789	MORRIS	SMART HR/Payroll, SMART Finance, TimeTracker	
2856	ARGYLE/STEPHEN	SMART HR/Payroll & SMART Finance	
2888	C-G-B	SMART HR/Payroll, SMART Finance, TimeTracker	
2889	LAKE PARK-AUDUBON	SMART HR/Payroll, SMART Finance, TimeTracker	
2906	RED LAKE COUNTY CENTRAL	SMART HR/Payroll, SMART Finance, TimeTracker	
2908	BRANDON-EVANSVILLE	SMART HR/Payroll, SMART Finance, TimeTracker	
2910	ADA/BORUP-WEST	SMART HR/Payroll, SMART Finance, TimeTracker	
4058	SCHOOLCRAFT	SMART HR/Payroll, SMART Finance, TimeTracker	
4084	N Shore Community School	SMART HR/Payroll & SMART Finance	
4085	Harbor City International School	SMART HR/Payroll & SMART Finance	
4106	Trek N HS/Bemidji	SMART HR/Payroll, SMART Finance, TimeTracker	
4107	Voyageurs HS/Bemidji	SMART HR/Payroll & SMART Finance	
4116	LAKES INTERNATIONAL	SMART HR/Payroll & SMART Finance	
4145	Birch Grove	SMART HR/Payroll & SMART Finance	
4146	Northern Lights Community School	SMART Finance	
4155	Naytauwaush Community School	SMART Finance	
4168	Glacial Hills	SMART HR/Payroll, SMART Finance, TimeTracker	
4195	Oshki Ogimaag	SMART HR/Payroll & SMART Finance	
4207	Vermilion Country School	SMART Finance	
4229	Terra Nova	SMART Finance	
4276	Notre Ecole	SMART HR/Payroll & SMART Finance	
4302	Heartland Lakes Community School	SMART HR/Payroll & SMART Finance	