



*SERRRC*

ALASKA'S EDUCATIONAL  
RESOURCE CENTER

**Southeast Regional Resource Center (SERRRC)**

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**Accounting Services Proposal for the Hydaburg City School District  
May 9, 2017**

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**I. OVERVIEW**

This proposal is in response to a request by David Staley to provide accounting services for the Hydaburg City School District (HCSD).

The Southeast Regional Resource Center (SERRRC) is an educational non-profit that has offices located in Juneau and Anchorage, Alaska.

SERRRC was one of seven regional resource centers authorized by the Alaska State Legislature to provide educational shared services to school districts in 1976. By 1981 SERRRC was the only remaining center still in operation and was incorporated that same year.

SERRRC has been providing business services and accounting assistance to school districts for over 30 years. At this time there are 4 staff members that work in SERRRC's Finance Department:

Teri Dierick, Finance Director –

Teri has over 25 years of school district finance experience. She has worked at SERRC as the Finance Director since 2002. Teri oversees the day to day operations of the SERRC business office and is the lead for all financial audits. Teri prepares annual budgets, budget revisions as needed and provides monthly financial reports to all business service clients.

Ruth Gundersen, Grants Manager and Payroll –

Ruth's employment with SERRC began in 1983. She has held a number of positions in the organization and has worked for over 26 years in the finance office. Ruth processes payroll and accounts receivable, manages grants, submits reimbursements, reconciles payroll liabilities, processes TRS & PERS contributions, reconciles bank statements and posts journal entries.

Carolyn Phillips, Finance Office Assistant and Employee Benefits Coordinator –

Carolyn has worked for SERRC since February 2014. She processes accounts payable and receivable transactions, reconciles credit cards and helps post journal entries.

Kaleb Rehfield, School Finance Accounting Specialist –

Kaleb's employment with SERRC began in November 2015. Kaleb's duties include accounts payable, accounts receivable, journal entries, payroll processing, bank reconciliations, grant reimbursements, payroll liability payments – including TRS and PERS contributions.

The accounting software that has been used by SERRC since 2006 is Microsoft Navision. If SERRC is awarded the contract to provide accounting services our plan would be to transfer the data from the district's current accounting system to Microsoft Navision.

The modules included in this proposal are Encumbrances/Accounts Payable, Payroll, General Ledger/Accounts Receivable (includes fixed assets, property & health insurance assistance), Bank Reconciliation, Grant Financial Reporting, and Budgetary/Reporting. The services for each module are for all funds of the HCSD.

For each module, we have listed the duties that both HCSD and SERRC will assume under this proposal. These duties are not intended to be all-inclusive, but as a general understanding of roles and responsibilities for purposes of this proposal.

**Our proposed annual fee to provide the listed services is \$57,216 (See section IV. Pricing).**

## II. ACCOUNTING SERVICES OFFERED

Module	HCSD Duties:	SERRC Duties:	<i>Estimated SERRC HOURS</i>
<b>Encumbrance/ Accounts Payable</b>	<p>A) Approvals</p> <ol style="list-style-type: none"> <li>1. Obtains appropriate approvals and coding</li> <li>2. Forward PO's and accounts payable invoices to SERRC. This can be done via fax or email</li> </ol>	<ol style="list-style-type: none"> <li>1. Enters purchase orders</li> <li>2. Enters accounts payable invoices</li> <li>3. Prints accounts payable checks</li> <li>4. Monthly Review of Open Purchase Orders and Accounts Payable</li> <li>5. Prepares and prints Annual 1099 Forms</li> </ol>	<p>1-3: 3 hr/mo</p> <p>4: 2 hr/mo</p> <p>5: 7.5 hr/yr</p> <p>Total: 55.5hr/yr</p>
<b>Payroll</b>	<p>A) Monthly / Bi-weekly</p> <ol style="list-style-type: none"> <li>1. Field all employee questions – act as single point of contact</li> <li>2. Prepare payroll summary for processing – monthly for certified staff and bi-weekly for classified staff (<i>in Excel, SERRC will provide sample</i>)</li> <li>3. Obtain authorization signature on payroll summary</li> <li>4. Fax payroll summary <b>OR</b> fax/email approved time sheets and leave slips to SERRC at least <u>8 working days</u> prior to pay date</li> <li>5. Review draft payroll</li> <li>6. Forward copies of Direct Deposit Authorizations</li> <li>7. Reviews and communicate any needed corrections</li> </ol>	<p>A) Payroll</p> <ol style="list-style-type: none"> <li>1. Inputs timesheet data</li> <li>2. Prints preliminary reports and faxes/emails to HCSD for review prior to printing checks/direct deposits</li> <li>3. Prints and mail checks</li> <li>4. Prepares direct deposit/sends ACH files</li> <li>5. Prepares and sends Federal Tax Deposit</li> <li>6. Pays all payroll liabilities (TRS/PERS, annuities, etc)</li> </ol> <p>B) Payroll Reporting:</p> <ol style="list-style-type: none"> <li>1. Preparation of monthly/quarterly reports: <ul style="list-style-type: none"> <li>▪ 941 Quarterly</li> <li>▪ ESD Quarterly</li> <li>▪ TRS/PERS monthly</li> </ul> </li> <li>2. Reconciliations of payroll liability accounts</li> <li>3. Prepares Annual W2 forms and year end reconciliation to 941 and GL</li> </ol>	<p>1-6: 37.5 hr/mo</p> <p>1: 2 hr/mo</p> <p>2: 2 hr/qtr</p> <p>3: 24 hr/yr</p> <p>Total: 522 hr/yr</p>

**II. ACCOUNTING SERVICES OFFERED (CONTINUED)**

<b>Module</b>	<b>HCS D Duties:</b>	<b>SERRC Duties:</b>	<b>Estimated SERRC HOURS</b>
<b>General Ledger</b>	1. Review monthly reports. If discrepancies are discovered communicate with SERRC for proposed journal entries.	1. Prepare Correcting/Adjusting journal entries as needed	1: 1 hr/mo
		2. Print monthly financial reports for District Administration and Board of Education. <ul style="list-style-type: none"> <li>▪ Revenue and Expense report</li> <li>▪ Expenditure line item detail report as requested</li> <li>▪ Vendor check details</li> <li>▪ Other reports as requested by District Administration</li> </ul>	2: 1 hr/mo
		3. Prepares "audit ready" books for year end (by August 15 or agreed upon date)	3: 75 hrs/yr
	Provide current fixed assets list to SERRC	4. Maintain and track fixed assets for the district	4: 15 hrs/yr
	Provide renewal information to SERRC	5. Assist HCS D with health insurance and property insurance renewals annually	5: 15 hrs/yr
<b>Accounts Receivable</b>		1. Book grant receivable entries as reimbursement requests are submitted.	1-2: 1 hr/mo
		2. Reconcile accounts receivable monthly or as needed.	
			<b>Total 141 hr/yr</b>

## II. ACCOUNTING SERVICES OFFERED (CONTINUED)

Module	HCSD Duties:	SERRC Duties:	<i>Estimated SERRC HOURS</i>
<b>Bank Reconciliation</b>	1. Provide copies of deposits made to financial institutions including check copies	1. Monthly Reconciliations for all checking and investment accounts (SERRC requests to receive statements directly-forward original to HCSD with reconciliation) 2. Post deposits as they are received by district.	1. 2 hr/mo  Total 24h/yr
<b>Grant Financial Reporting</b>	1. Provides Copies for Each Grant: <ul style="list-style-type: none"> <li>▪ Grant Application</li> <li>▪ Approved Budget and Narrative</li> <li>▪ Budget Amendments</li> <li>▪ Deposits (check stubs, other)</li> <li>▪ Any correspondence with grant agency</li> <li>▪ HCSD will submit all program narrative reports</li> </ul>	1. Prepare financial reports/reimbursement requests for all grants 2. Assist with grant budget amendments as requested	1-2: 22.5hr/qtr  Total:90hr/yr
<b>Budgetary/ Reporting</b>	1. Provide copy of District Budgetary Policies and Procedures	A) Budget Revisions 1. Obtains approvals and enters all budget revisions B) Monthly Reporting 1. End of month budgetary review with HCSD Superintendent via telephone (or as requested) C) Annual Budget 1. Assist with preparation of annual operating budget as requested 2. Assist with amendments to annual operating budget as requested	1. 1 hr/mo  1. 1 hr/mo  1-2. 37.5 hr/yr  Total:61.5 hr/yr
<b>Total Accounting Services</b>			Total:894 hrs/yr

### III. SETUP AND IMPLEMENTATION REQUIREMENTS

We recommend implementing with an effective date of July 1, 2017 (fiscal year FY 18). We would plan to receive a trial balance and subsidiary detail for all balance sheet accounts by July 31, 2017 for balances to June 30, 2017.

A large portion of the implementation work will be to enter general ledger accounts and balances as of June 30, 2017, setup and enter payroll information for all employees and set up vendors.

Following are the anticipated setup requirements:

Module	HCSO Duties:	SERRC Duties:	Estimated SERRC HOURS
Hardware, Software, and Communication Setup	n/a	n/a	0
<b>Encumbrance/Accounts Payable</b>	<ol style="list-style-type: none"> <li>1. Current Vendor List (include name, address, phone fax, tax id, email if available)</li> <li>2. Current List of Outstanding Purchase Orders (at agreed upon conversion date)</li> <li>3. Listing of Authorized Signatures</li> </ol>	<ol style="list-style-type: none"> <li>1. Input Vendors</li> <li>2. Input Open Purchase Orders</li> <li>3. Input A/P Subsidiary Detail (at conversion date)</li> <li>4. Order Accounts Payable Checks compatible with Microsoft Navision – SERRC will provide info</li> </ol>	1-4: 22.5 hrs  Total 22.5 hrs
<b>Payroll</b>	<ol style="list-style-type: none"> <li>1. Employee Wage &amp; Deduction Summary (<i>SERRC will provide format</i>)</li> <li>2. Calendar Year to Date payroll detail at time of conversion</li> <li>3. Banking Information/release for SERRC to provide direct deposit</li> <li>4. EFTPS Pin# for Federal Tax Deposits</li> </ol>	<ol style="list-style-type: none"> <li>1. Input Employee Payroll and Benefit/Deduction Data for all employees</li> <li>2. Input Calendar Year to Date Detail</li> <li>3. Setup Direct Deposit</li> <li>4. Input GL Distribution Description for each employee</li> <li>5. Test payroll system</li> <li>6. Order Payroll Checks compatible with Microsoft Navision – SERRC will provide info</li> </ol>	1-3: 37.5 hrs  4-6: 22.5 hrs  Total 60 hrs

### III. SETUP AND IMPLEMENTATION REQUIREMENTS (CONTINUED)

Module	HCSD Duties:	SERRC Duties:	<i>Estimated SERRC HOURS</i>
<b>General Ledger</b>	<ol style="list-style-type: none"> <li>1. Current Fiscal Year Totals for all Accounts (trial balance at June 30, 2017) – provided to SERRC on or before July 31, 2017</li> <li>2. Subsidiary schedules for all balance sheet account at June 30, 2017 – provided to SERRC on or before July 31, 2017</li> </ol>	<ol style="list-style-type: none"> <li>1. Setup Chart of Accounts</li> <li>2. Enter fiscal year to date general ledger summary to June 30, 2017.</li> </ol>	<ol style="list-style-type: none"> <li>1. 7.5 hrs</li> <li>2. 7.5 hrs</li> </ol> <p>Total: 15 hrs</p>
<b>Bank Reconciliation</b>	<ol style="list-style-type: none"> <li>1. Copies of Reconciliations (Including Statements) for the period June 30, 2017.</li> <li>2. Allow SERRC banking authority on accounts as appropriate.</li> </ol>	<ol style="list-style-type: none"> <li>1. Prepare letter to transfer address for bank correspondence directly to SERRC (SERRC will forward bank information to HCSD), also to allow SERRC inquiry authority</li> </ol>	<ol style="list-style-type: none"> <li>1. 1 hr</li> </ol>
<b>Grant Reporting</b>	<ol style="list-style-type: none"> <li>1. For Each Grant, Provide copies of all: <ul style="list-style-type: none"> <li>▪ Grant Application</li> <li>▪ Grant Award/Agreement</li> <li>▪ Approved Budget</li> <li>▪ Budget Amendments</li> <li>▪ Deposits (check stubs, other)</li> <li>▪ Any correspondence with grant agency</li> </ul> </li> </ol>	<ol style="list-style-type: none"> <li>1. Setup each grant file</li> <li>2. Enter budgets</li> </ol>	<ol style="list-style-type: none"> <li>1-2: 15 hrs</li> </ol>
<b>Budgetary Reporting</b>	<ol style="list-style-type: none"> <li>1. Provide detailed FY2017 budgets for each program, including personnel calculations and breakdowns</li> <li>2. Provide current Budgetary policies/practices for reviewing expenditures</li> </ol>	<ol style="list-style-type: none"> <li>1. Enter FY2017 Budgets (for non-grant programs)</li> </ol>	<ol style="list-style-type: none"> <li>1: 7.5 hrs</li> </ol>
<b>Total Setup &amp; Implementation</b>			Total: 121 hr

#### IV. PRICING

MODULE	PROPOSED FEE
Accounting Services:	
Encumbrance & Accounts Payable	\$ 3,552
Payroll	33,408
General Ledger	9,024
Bank Reconciliation	1,536
Grant Financial Reporting	5,760
Budgetary Reporting	3,936
Total Annual Fee for Accounting Services	\$57,216
One Time Setup & Implementation Fee	\$7,000

The FY 18 proposed accounting services fee is \$57,216 (includes SERRC 15% admin fee). The annual fee would be negotiable for FY 19. Payments for Accounting Services will be invoiced in quarterly installments, due in advance.

This proposal is written with the understanding that all services will be performed in the SERRC offices in Juneau with someone available in the HCSD office to assist with personnel/hiring paperwork, timesheet collection and transmittal of accounts payable and grant information.

Setup & Implementation Fee of \$7,000 is one time only. This includes Microsoft Navision license fee for HCSD, testing of new company set up by SERRC's accounting office, technology department and software company (Finley & Cook).

Additional costs HCSD will need to consider are long distance phone charges, forms, and travel expense.

- *Long Distance Phone Charges:* HCSD will have long distance charges from phone/fax calls to our office.
- *Forms:* HCSD will need to order compatible check stock.
- *Travel:* HCSD would be expected to reimburse travel expenses for SERRC staff to meet with Superintendent/Board in Hydaburg or destination of districts choice.

#### V. IMPLEMENTATION

We would like to schedule a teleconference to discuss the proposal in detail, to clarify roles and responsibilities, and to answer your questions. If mutually agreeable, we will then prepare a contract.

Please contact Teri Dierick, Finance Director to arrange a convenient time. Teri can be reached by phone at (907) 523-7235, fax (907) 586-5634, or by email, [terid@serrc.org](mailto:terid@serrc.org).