



CHELSEA

SCHOOL DISTRICT

BUSINESS OFFICE

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To: Board of Education

From: Nicole Lechner

Re: February Board Report

Date: February 4, 2026

We successfully completed the submission of all W-2 and 1099 forms by the end of January. In total, more than 500 W-2's and 120 Form 1099's were issued accurately and on time. At this point, the only remaining tax-year reporting items are the Michigan Annual Return and our Affordable Care Act (ACA) insurance reporting. Both of these requirements are on track to be finalized by their respective due dates later this month.

With W-2 and 1099 reporting complete, the Finance Department uses the month of February to conduct a detailed review of balance sheet accounts. This important process allows us to identify and resolve any outstanding items prior to year-end close. Areas of focus include payroll liabilities and other balance sheet accounts that require reconciliation. During this time, we also begin reviewing open purchase orders to determine whether funds will still be needed or can be released back to the budget for reallocation.

In addition, we have been actively working through the transition of our Community Education staff to the Red Rover digital timekeeping system. This includes staff supporting preschool, aftercare, auditorium technicians, and pool lifeguards. Moving to a digital timekeeping platform allows us to ensure timely submission of timesheets, reduce clerical errors, and significantly improve payroll processing efficiency. We appreciate the collaboration and flexibility of everyone involved in this transition, and we extend a sincere thank you to all staff who helped make this important step toward automation a success.

By supporting one another, embracing new systems, and working toward common goals, we continue to build stronger, more efficient processes that benefit our entire school community. When we work as one team, we move forward with purpose *stronger together*.

Respectfully,

Nicole Lechner, Chief Financial Officer
Chelsea School District