



November 15, 2023

Ms. Gwen Carman
Superintendent
Lewiston-Altura Public Schools ISD 857
100 County Road 25
Lewiston, MN 55952

Dear Ms. Carman,

Thank you for this opportunity to propose arrangements for SMS Business Management and Payroll Services for the service term beginning 01 December 2023.

Thank you for the opportunity to partner with you.

Respectfully,

Todd R. Netzke
President

Enclosure

BUSINESS MANAGEMENT & PAYROLL SERVICES RECOMMENDATION AND AGREEMENT

For

**LEWISTON-ALTURA PUBLIC SCHOOLS ISD 857
100 County Road 25
Lewiston MN 55952**

School Management Services, LLC (SMS), Minnesota's premier professional services provider of K-12 business management solutions, is pleased to confirm our engagement to provide business management and payroll services to BSED.

This recommendation and agreement package includes the following sections and documents:

1. Executive Summary:
 - Goals and benefits of SMS services
 - Scope of services
 - Arrangements
2. Scope of Services and Responsibilities Addendum
3. SMS Services Agreement and Signature Page

1. Executive Summary

Goals and benefits of SMS services

SMS goals and business strategy include the provision of innovative and cost-effective solutions to public school districts' boards and superintendents for school business management and related school business functions.

SMS leadership and line management team members are keenly aware of the changing dynamics of public school management in the broader context of public school funding and management strategies and we are committed to continuously improve and expand SMS service offerings to meet the changing needs of Minnesota's public schools.

Scope of Services

The Scope of Services to be provided under the attached SMS Services Agreement, are detailed in the attached Scope of Services and Responsibilities Addendum and are summarized below in the following three areas:

- a) Business Management Services
- b) Payroll Services

a) **Business Management Services**

SMS will provide the District Professional Business Manager and Payroll Services and will provide the specific services to the extent defined in the attached Scope of Services and Responsibilities Addendum

The SMS client representatives will provide services both on-site and remotely

1. Promptly following authorization of this proposal and completion of the SMS Service Agreement approvals, the SMS Business Manager will be on-site at the District a minimum of 1 day per week with additional time on-site as needed. The payroll services will be provided primarily remotely with on-site time as needed.
2. The SMS Business manager will attend School Board, Finance Committee, and administrative team meetings in-person or virtually upon request.

Arrangements

The District will receive SMS Professional Business Management and Payroll Services in accordance with the following arrangements.

SMS' fee arrangements for the services proposed herein shall be:

Business Management Services: \$65,000

Payroll Services: \$35,000

Semi-annually, in advance, by 01 December 2023: \$50,000

Semi-annually, in advance, by 01 June 2024: \$50,000

Federal Grants Management Services: \$150/hr as needed

Fees shall increase at 3% annually for years 2 & 3 of the Services agreement.

Mileage Reimbursement at IRS enacted Rate

These arrangements provide for the services detailed in the attached Scope of Services Addendum, based on those responsibilities indicated as being SMS responsibilities and those responsibilities indicated as being District responsibilities.

It shall be the responsibility of SMS to compensate outside consultants retained or hired by SMS to fulfill obligations under this Agreement.

Scope of Services and Responsibilities Addendum

The following table presents the agreed assignment of business management-related responsibilities.

SMS provides the District full flexibility to modify the assignment of responsibilities and to make appropriate revisions to SMS' fees and expenses arrangements at the convenience of the District in accordance with the contractual provisions of the attached Services Agreement.

Business Management & Payroll Scope of Services Plan for

Lewiston-Altura Public Schools (ISD 857)

	RESPONSIBILITY	
	SMS	ISD 857
Management		
Supervise, Lead, & Develop Business Office Staff	25%	75%
District Financial Leader	100%	
Develop Strong Working Relationships with Admin. Team	100%	
Develop Strong Working Relationships with Board	100%	
Develop Strong Working Relationship with Supt.	100%	
Develop & Implement Best Practices	25%	75
SMS physical presence (days per week)	As needed	n/a
Manage Operational Departments		
Human Resources		100%
Budgeting and Budget Reporting		
Develop Budget Planning Calendar	75%	25%
Implement SMS BD&R Model	100%	
Develop Annual Budget	75%	25%
Monitor Annual Budget	75%	25%
Budget Communication		
*Admin. Team & Directors	100%	
*Superintendent	100%	
*School Board	75%	25%
Financial Reporting		
Communication		
*Monthly	100%	

	*Comparative	
Planning		
Base Assumptions	50%	50%
Build Group Consensus Amongst District Leaders	50%	50%
Enrollment Projections	0%	100%
Staffing	0%	100%
Cash Flow	100%	
Accounting		
Maintain General Ledger	100%	
Accounts Receivable	100%	
Cash Receipts	100%	
Payroll Liabilities Reconciliation	100%	
Accounts Payable Processing	25%	75%
Bank Reconciliation	100%	
Journal Entries	100%	
UFARS Compliance	100%	
Special Ed Reporting	50%	50%
Federal & State Grant Reporting & Compliance	50%	50%
SERVS & SEDRA Support	50%	50%
Implement Best Practices	25%	75%
Apply Internal Controls	25%	75%
Daily Cash Management	100%	
Prepare Board Treasurer Report	100%	
Audit Planning & Coordination		
Plan & Coordinate annual audit	75%	25%
Prepare asset & liability schedules	100%	
State Aids	100%	
Federal Aids	100%	
Fixed Assets	100%	
Committee Representation		
Finance Committee Leadership	75%	25%
Administrative Team	25%	75%
Member Business Manager Group Leader	75%	25%
School Board Meetings		
Monthly board meeting attendance	75%	25%
Prepare and Present Business Office Board Action Items	75%	25%
Recommend and Prepare Business Policies	100%	



Payroll Scope of Services Plan for

Lewiston-Altura Public Schools (ISD 857)

December 1,
2023

Payroll

- Process Payroll
- Submit Required State/Federal Reporting
- Process EFTS for Taxes, TRA and PERA
- Field Staff questions regarding pay and benefits
- ACA Reporting
- STAR Reporting
- Issue W2's
- Contract Interpretation

		RESPONSIBILITY	
		SMS	ISD 6383
	Process Payroll	100%	
	Submit Required State/Federal Reporting	100%	
	Process EFTS for Taxes, TRA and PERA	100%	
	Field Staff questions regarding pay and benefits	75%	25%
	ACA Reporting	100%	
	STAR Reporting	75%	25%
	Issue W2's	100%	
	Contract Interpretation	25%	75%

3.

SMS Services Agreement

THIS AGREEMENT, is made and entered into by and between Lewiston-Altura Public School District (hereinafter referred to as the "School District"), and School Management Services (hereinafter referred to as the "Contractor").

Scope of Services

The Contractor agrees to provide the School District with Professional Business Management and Payroll Services according to the preceding Scope of Services Addendum.

Articles of Agreement & Recitals

WHEREAS, the School District is authorized and empowered to secure from time to time certain professional services through contracts with qualified consultants; and

WHEREAS, the School District desires to retain and compensate a qualified consultant to provide such services on the terms and conditions hereinafter set forth; and

WHEREAS, the Contractor understands and agrees that:

1. The Contractor will act as an Independent Contractor in the performance of all duties under this Agreement. Accordingly, the Contractor shall be responsible for payment of all taxes, including federal, state and local taxes and professional/business license fees arising out of the Contractor's activities;
2. The Contractor shall have no authority to bind the School District for the performance of any services or to obligate the School District. The Contractor is not an agent, servant, or employee of the School District and shall not make any such representations or hold himself/herself out as such;
3. The Contractor shall be the exclusive accounting consultant for the School District during the term of this Agreement;
4. The Contractor shall perform all professional services in a competent and professional manner, acting in the best interests of the School District at all times;
5. The Contractor shall not accrue any continuing contract rights for the services performed under this contract.

NOW THEREFORE, in consideration of the mutual covenants and promises contained herein, it is agreed as follows:

ARTICLE I
LIABILITY INSURANCE

Section 1 Liability Insurance: The Contractor shall obtain professional liability insurance, at his/her expense, with coverage satisfactory to School District, in its sole discretion, which liability insurance Contractor must secure and maintain during the term of this Agreement. Contractor will provide School District with proof of liability insurance coverage upon request.

ARTICLE II
DURATION OF THE AGREEMENT

Section 1 Duration: This Agreement shall commence on 01 October 2023 and will remain in effect for a period three years. This Agreement will remain in full force and effect during the term of this Agreement, but may be terminated as provided in sections 2 and 3.

Section 2 School District's Termination Rights: School district may terminate this Agreement upon sixty (60) days written notice in the event the School District determines in its sole discretion that it is not in the School District's best interests to continue using Contractor's services. Upon termination, the School District shall pay to the Contractor an amount equal to 20% of the remaining contract.

Section 3 Contractor's Termination Rights: Contractor may terminate this Agreement upon thirty (30) days written notice to School District (i) in the event School District does not pay Contractor compensation within fifteen (15) days after invoice is received by School District. In the event of non-payment by the School District, Contractor shall give School District an opportunity to cure the default by giving a notice of such non-payment and an additional five (5) days to remit such payment, prior to giving a notice of termination. Contractor may terminate this Agreement upon sixty (60) days written notice in the event the Contractor determines in its sole discretion that it is not in the Contractor's best interests to continue providing services to the School District.

ARTICLE III
RENEWAL OF THE AGREEMENT

Section 1 Renewal Period: Not less than thirty (30) days prior to the expiration of this Agreement, the School District may provide written notice of intent to renew this Agreement for an additional term upon terms and conditions agreed upon by both parties to the Agreement.

ARTICLE IV
INDEMNIFICATION

Section 1 Release and Indemnify: The Contractor agrees to defend, hold harmless, and indemnify the School District and its board members, its administration, its employees, its officers, its attorneys, insurers, agents, consultants, and representatives from any and all damages and claims that may arise by reason of any acts or omissions on the part of the Contractor, or of the Contractor's employees or agents, in regard to the Contractor's performance under this Agreement, including, but not limited to, any and all liabilities, demands, losses, claims, damages, fines, judgments, attorneys' and witness fees.

ARTICLE V
GENERAL

Section 1 Authorized School District Agent: The School District's authorized agent for the purpose of administration of this Agreement is the School Board. Said agent shall have final authority for approval and acceptance of the Contractor's services performed under this Agreement and shall further have responsibility for administration of the terms and conditions of this Agreement. All notices under this Agreement shall be sent to the person and address indicated below on the signature lines.

Section 2 Amendments: No amendments or variations of the terms and conditions of this Agreement shall be valid unless in writing and signed by the parties.

Section 3 Fees and Expenses: The "Arrangements" section of the accompanying services recommendation sets forth the fees, fee increases and expense reimbursements that shall be in effect for the term of this this agreement. This "Arrangements" section also presents SMS' Annual Performance Review and refers to the basis under which fees and expenses may be modified for subsequent twelve-month periods.

Section 3 Assignability: The Contractor's rights and obligations under this Agreement are personal and not assignable or transferable.

Section 4 Data: Any data or materials, including, but not limited to, reports, studies, photographs, negatives, or any and all other documents prepared by the Contractor in the performance of the Contractor's obligations under this Agreement shall be the exclusive property of the School District, and any such data and materials shall be remitted to the School District by the Contractor upon completion, expiration, or termination of this Agreement. Further, any such data and materials shall be treated and maintained by the Contractor in accordance with applicable federal, state and local laws regarding data privacy.

Section 5 Entire Agreement: This Agreement is the entire agreement between the School District and the Contractor and it supersedes all prior written or oral agreements. There are no other covenants, promises, undertakings, or understandings outside of this Agreement other than those specifically set forth. Any term, condition, prior course of dealing, course of performance, usage of trade, understanding, or agreement purporting to modify, vary, supplement, or explain any provision of this Agreement is null and void and of no effect unless in writing and signed by representatives of both parties authorized to amend this Agreement.

Section 6 Severability: All terms and covenants contained in this Agreement are severable. In the event any provision of this Agreement shall be held invalid by any court of competent jurisdiction, this Agreement shall be interpreted as if such invalid terms or covenants were not contained herein and such holding shall not invalidate or render unenforceable any other provision hereof.

Signature Page

**AGREEMENT FOR THE PROVISION OF PROFESSIONAL SERVICES TO
LEWISTON-ALTURA PUBLIC SCHOOLS ISD 857**

WHEREFORE, this Agreement was entered into on the date set forth below and the undersigned, by execution hereof, represent that they are authorized to enter into this Agreement on behalf of the respective parties and state that this Agreement has been read by them and that the undersigned understand and fully agree to each, all and every provision hereof, and hereby, acknowledge receipt of a copy hereof.

For: Lewiston-Altura Public Schools

100 County Road 25
Lewiston, MN 55952

By: Name _____

Title: _____

Date: _____

For: School Management Services, LLC

19750 Muirfield Circle
Shorewood, MN 55331

By: Name _____

Title: _____

Date: _____

Federal I.D. #56-2545979