



NORTH SLOPE BOROUGH SCHOOL DISTRICT

MEMORANDUM

TO: Robyn Burke, President
Members of the School Board

THROUGH: David Vadiveloo, Chief School Administrator *DvV*
Dsv

FROM: Tammy Stromberg, Finance Director

DATE: June 16, 2023

SUBJECT: **Purchases Over 10K -**
Tyler Technologies, Cloud Subscription

Memo No. SB23-203
(Informational Item)

NSBSD Strategic Plan:

4.0 Financial & Operational Stewardship: Effectively employ our operational and financial resources to support our strategic goals and long-term stability of the district.

NSBSD Policy Manual:

BP 3300 Expenditures/Expending Authority: The Superintendent or designee may purchase supplies, materials, and equipment in accordance with the law. The Superintendent or designee shall not authorize any proposed expenditure that exceeds the major budget classification allowance against which the expenditure is the proper charge unless an amount sufficient to cover the purchase is available in the budget for transfer.

BP 3310, Purchasing Procedures: The School Board desires to ensure that maximum value is received for money spent by the district and that records are kept in accordance with the law. The Superintendent or designee may issue and sign purchase orders.

BP 3311, Bids: All purchases in the amount of \$20,000 or more shall be based, when possible, on three competitive bids. The Superintendent or designee shall establish procedures to ensure that formal advertised bids are solicited for purchases over \$50,000. When competitive sources do not exist to allow for a bid process, Business office procedures provide for sole source purchases.

Issue Summary:

Cyber ransom attacks involving governmental entities are on the rise. Small local governments are prime targets as they carry cash, have access to credit but typically can't attract/afford IT departments with capacity to manage such issues. Increased security for personnel data and accounting operations is needed at NSBSD. The District still hosts its own software on its own server but for security reasons cloud hosted accounting software is becoming the norm for many similar sized organizations. Tyler Technologies annual cloud subscription cost is \$29,000. Ransom attacks typically cost in excess of \$1M and cause interruptions to business operations including payroll. Moving the software to the cloud increases software/data security and will make it easier for the District to continue to procure cyber insurance coverage.

Background:

The American Institute of Certified Accountants and insurance providers are warning entities that poorly protected entities are increasingly falling prey to ransomware attacks. And cyber insurance has become increasingly expensive, and some insurers are not providing it anymore. Software companies have the security presence needed to protect sensitive personnel data and accounting operations that their customers can't attract or afford on their own. Because they provide security for several clients at once, they can provide the security service at a cheaper price. Moving the accounting software to the cloud also takes the burden of server maintenance off IT so they can focus on other operational matters which are never in short supply.

Funding Source and Materials Amount:

District Administrative Support Business Office Professional & Technical Services, 100.200.550.000.440 in the amount of \$31,143.

Compliance with BP 3311

Tyler Technologies is the District's ledger, payroll, human resources, purchasing and accounts changes, software improvement, support, and training. The cloud hosted accounting software subscription is a sole source procurement in order to improve security and maintain business operations.

Proposed Motion:

No motion is required. This is an informational Item as the purchases of supplies, materials, and equipment are within the discretion of the Chief School Administrator or designee.

Signature: DS Vadiveloo
DS Vadiveloo (Jun 16, 2023 19:28 AKDT)

Email: david.vadiveloo@nsbsd.org

Signature:

Email: