

**BFCCPS Finance Committee
Meeting Minutes
1/4/2012**

Attendees: Jerry Cimmino, Anna dos Santos (8:50), Matt Dunlap, Pat Fairbanks, Suzanne Graham, Venkat Krishnamurthy, Dr. Kevin O'Malley, Joe Perna, Gail Trotin, Heather Zolnowski

8:10 meeting began

Meeting Minutes

- The minutes of the 11/30/11 meeting were approved with one edit.

Administrative Matters/Old Business – Jerry gave the following updates:

- Spoke with John Buckley at Alexander Aronson Finning regarding the appropriate handling of an old Dean Bank bank account that was discovered. John recommended obtaining as much activity detail as is available to verify no unusual transactions, close account and recognize cash in school accounting records.
- Also spoke with John about BFCCPS accounting staff assuming responsibility for Foundation accounting. He indicated that it would only be necessary to bring over beginning account balances for Foundation, not all historical transaction detail.
- Dr. O'Malley has requested that the discussion of the 2012-2013 Technology Plan be postponed until our February 1 meeting to allow for more time to compile information. Luke Callahan will attend the February 1 meeting to participate in the discussion of the Technology Plan.

November 2011 Financial Statement Review

- **Balance Sheet Report (Report A)** – no questions or issues noted.
- **Profit & Loss Budget vs. Actual Reports**
 - Jerry noted several formatting & mathematical errors and asked Suzanne to make corrections prior to distribution to the Board.
 - State tuition reimbursement rates were finalized in December and the annual per student reimbursement rate is about \$130 less than budget. This will result in about a \$20,000 negative tuition variance for the year (negative impact is partially mitigated because enrollment is 3 students greater than budget)
 - Noted that a web page design consultant will be starting work soon to assist with the redesign of the school web site.
 - Liability insurance expense is \$5,000 over budget, but this is a timing issue only and variance is expected to reverse by year end.
 - Building lease expense reflects adjusted rent that will be paid upon execution of new lease.

Financial Policy Changes

- Policy 25 – 1202 Cash Disbursements – Jerry provided an overview of discussion with John Buckley regarding handling of uncashed checks when no response is received from vendor. Added draft language to policy addressing this situation including need to report abandoned property to State of MA. New language was acceptable to committee members in attendance and policy amendments will be submitted to Governance Committee for finalization.

Investment Policy Statement Amendments

- Jerry briefed committee on discussion with Paul McDonough at RBC Wealth Management regarding proposed changes to Investment Policy Statement. Paul was comfortable with proposed changes with only a couple of very minor edits. Policy amendments will be finalized.

Compensation Discussion

- Jerry provided a summary of a discussion with Lori Clements in which Lori indicated that there is a group of 10 faculty members that remain below target compensation of 85% of Franklin Public Schools. Cost to adjust this group to the target level (retroactive to beginning of school year) is about \$20,000. It was noted that due to a number of factors, faculty salaries are running significantly favorable to budget for FY12, so there is ample room to accommodate this change. Committee members were supportive of moving forward with the compensation changes. Jerry will pass this information to Lori.

Other Business

- Jerry indicated that he had a discussion with John Buckley regarding the treatment of amendments to the school's operating budget for significant changes to revenues or expenses. Current policy is that if such amendments are approved they should be reflected in the operating budget of the school. There was some Committee discussion at our December meeting over the merits of the existing policy or whether the original budget should remain unchanged even if subsequent change to revenues/expenses are approved. John indicated that there isn't a best practice to provide guidance on this issue.

After some additional discussion over alternative ways of presenting budget amendments, the consensus of the Committee was that we should continue to comply with our existing policy and reflect approved revenue and expense changes in the operating budget. Jerry noted that in addition to reflecting approved Professional Development expenses, we should also reflect the negative change in the tuition reimbursement rate since that information is now available from the State of MA.

Anna indicated she would check to see if the State of MA template provided any further guidance on this issue.

9:40 meeting adjourned