

April 2006



# Montana Association of School Business Officials

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## Membership News

**Congratulations!** To date Sandra Lane of Ennis and Suzie Zentz of Canyon Creek have been nominated for Vice President.

More nominations for the Vice President position can be made at the Region 3 workshop and Summer Conference. The membership will vote on the Vice President position and the many by-law changes at the Annual Summer Conference.

### Not A MASBO Member?

You may have felt one of the many disadvantages of not being a member if you attended the workshops we've held this spring. There is quite a difference in registration costs between members and non-members. You may still join MASBO and reap the benefits! The Annual Summer Conference is just around the corner (See Calendar of Events) and being a member will save you registration costs. You will receive a new MASBO Member

**Directory at the Summer Conference.** You can obtain a copy of our 2006 Membership Form on the home page of our web site or click [here](#) for the hyperlink. In order to be included in our membership directory, you must send the payment and dues form to our office by April 28.

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"MASBO IS DEDICATED TO TRAINING AND SUPPORTING THE PEOPLE RESPONSIBLE FOR BUSINESS OPERATIONS OF MONTANA SCHOOLS. THE GOAL IS TO ENABLE MEMBERS TO MANAGE THE BUSINESS IN ORDER TO SUPPORT EDUCATION FOR MONTANA CHILDREN"

## 2006 Governmental Audit Accounting Financial Reporting Conference

The Montana Society of CPAs' Governmental Audit, Accounting and Financial Reporting Committee is proud to present a conference that focuses on accounting, auditing and reporting issues affecting Montana's local governments. This conference has been designed for auditors of local governments; representatives of city, county, town and district governing boards; and accountants from city, county, town and district business offices. *Non-CPAs welcome!*

*For more information and to register visit the web site below or click the hyperlink.*

<http://www.mscca.org/cde.cfm?event=115604>

## MASBO COMMITTEES

Submitted by: Teresa Cornell, Harlem

The MASBO Executive Board is in the process of updating the "MASBO Board Policies". The subject of committees is discussed at the end of the policy manual. In this section, there are 24 different committees listed and on the MASBO website, there are 16 committees listed.

In the past, committees have helped write and update the MASBO manual, planned workshops for summer conference and submitted test questions and answers for the certification test. While there are a few committees still active, many haven't had much, if any activity for years.

At our MASBO Board meetings in January and February, we discussed the current role of committees in our MASBO organization. We looked through all these committees and decided to keep the following committees:

- Certification/Testing
- Mentoring
- Elections
- Payroll/Personnel
- Student Activities

We want to thank everyone for their past or current service on committees. We will still call on our members in their areas of expertise as needed for workshops, questions, etc. If you have any concerns, please contact a MASBO Board member.

*The information contained herein is offered on an informational basis; always seek competent professional advice/council regarding specific questions. Mention of a product or service is not an endorsement.*

## Questions from The Membership

I hope you have seen and heard the member questions that we e-mail out from MASBO. A few years ago, the question and answers were printed in the newsletter and apparently one or two of the responses were not correct. At that time I decided that the information would not be passed on since I did not have the time to check out the legalness of each answer. This week, I received a request to put the questions and answers somewhere where all could see them. So I will start printing them again until we get some kind of a listserv up and running.

**PLEASE REMEMBER THAT MASBO IS PASSING THIS INFORMATION ON ONLY FOR THE BENEFIT OF OUR MEMBERS. BEFORE YOU IMPLEMENT ANY CHANGES OR WHEN ONE OF THE RESPONSES GIVE YOU AN ANSWER, IT IS YOUR RESPONSIBILITY TO MAKE SURE THE PRACTICE IS LEGAL.**

**Question:** What kind of procedures do other schools have for repayment and future payments from individuals who have bounced checks made out to School functions?

We have been experiencing a large increase in bounced checks. Our bank currently charges us \$5 for

each bounced check. In addition, the County Attorney's office in Missoula requires that we notify individuals who have bounced checks in writing and by certified/return receipt requested before we can turn the un-reimbursed checks over to them. The postal cost for that is an additional \$5.

We're looking at other alternatives and/or additions to our procedures.

**Answers:** We haven't experienced that problem for some time. I called our Treasurer's Office to see what they do if a check bounces. The Treasurer's Office sends a letter to that individual and tells them they need to make the check good and in addition pay the \$20 bank fee. If the individual does not come in they forward the information to the County Attorney's office.

► We do not take checks. Cash only. We have eliminated the problem and the community is now used to it. Sometimes we have someone from out of town for a home game want to use a check but we stand firm and have signs in prominent places.

► We take the checks to the bank and convert them to a money order before sending to the county. That way we know the checks are good. If we have a check that doesn't have sufficient funds (at the local bank), then we just hold it and try again a few days later.

► I handle the Associated Student Body accounts as well as bus and lunch and for our ASB accounts we had to start paying an annual fee to ModaCredit here because we were having the same problem with so many bad checks. I think we've been doing this for about 20 years now - the collection agency has changed names since then but we stayed with them - it's worked out well - we get a \$15.00 rebate each time they collect so we get our fee back with extra, every year and it sure saves us a lot of time, and I think in the 18 years I've worked here there have been only about 5 checks that were turned over for court cases - could not be collected. During tournaments, etc. we were getting way too many and a lot of them were out of town so it was very hard to collect. With the lunch and bus, however, we're on our own. The courthouse notifies us if the check is bad - we call the person and they have 1 week to go up to the courthouse and buy the check back or make it good. We don't charge a penalty if they do it in that time frame - it has worked pretty well. If they don't pay it within that week - we let the bank know and they slap on another 30 dollars so people usually try to pay it within that week.

► That happens to us also. Plus we turn our bounced checks over to the Tribe and they cannot even collect all the time. We are left holding the cost. It is very difficult for our ticket takers to check for

i.d. on the gates, and for magazine sales, etc. Maybe the state, or the banks, or someone else in high authority, needs to figure out an answer to this never ending question.

**Question:** Do you have retirees on your health insurance? If so, what happens to the spouse's coverage should the retiree pass away?

**Answers:** We have retirees only. They pay the Medicare premium amount.

► Our retirees stay on when the spouse passes away.

**Question:** We contract our buses and have never had to deal with "standby" costs. Last week, my contractor called and is wanting to visit regarding getting some overage payment for his "standby" costs. Tournaments have cost him extra dollars and it is to the point that he needs help with this. I just need to know how other Districts may be handling this. What do you pay for standby?

**Answers:** We pay \$5.25 per hour for stand-by time. Stand-by means that the bus driver is captive and cannot go somewhere else to spend his/her time like visit an aunt or go shopping or sleep at the motel. When at a tournament, we pay the time he/she is there while the kids

are either playing a game or watching a game. Stand-by ends when they are back at the motel. If the driver takes the kids to eat, we pay driving and then stand-by while they eat. If the bus goes to a mall to take the kids shopping, we pay driving time, then stand-by while the kids cruise the mall. Hope this kinda gives you an idea of what stand-by is and isn't. Drivers get no time for sleeping at the motel or being at the motel. He/she is considered off-duty. After you run a few trips and the drivers question you, the wrinkles will be ironed out and it will be easy. Good Luck!!

► Within our contract with our transportation provider we have the driving costs both to and from using miles and hours. Any standby costs are also included by the hour.

**Question:** Do you have a custodian or maintenance person who works nights and gets an hourly night shift differential? If so, do you pay them the night shift pay for holidays, vacation, and sick leave?

**Answers:** We have 2 custodians who work nights and they do not get an additional hourly stipend. They get a flat rate based on our classified matrix.

► If the custodian is contracted to an amount and differential pay is

included in the contract, you may be better off to pay the benefits according to the total of the two amounts. If differential pay is not mentioned in his work agreement or contract and it is a side agreement where only on special occasions the differential pay is paid, then only the contracted amount would be sufficient. Otherwise, it is much wiser to pay it now and not get a surprise years later when this liability could rear up and cost your district a bunch.

## Calendar of Events

**April 13 – Region 3 Workshop (Sidney – Elk Lodge)**

**June 14-16 – Annual Summer Conference (Great Falls – Heritage Inn)**

**May 25 - 2006 Governmental Audit Accounting Financial Reporting Conference (Helena – Red Lion Colonial)**

**October 13-16 – ASBO's 92nd Annual Meeting and Exhibits in Pittsburgh, Pennsylvania**

**October 18-20 - MCEL Conference in Billings**

## HEALTH INSURANCE FOR RETIREES AND THE NEW GASB ISSUES

Submitted by: Diane Brook,  
Lockwood

The section of Montana Code Annotated below requires school districts to extend membership in their group health insurance plan to retirees. Most district clerks/business managers have been facilitating this benefit for retirees for quite sometime, although we may not have known exactly what provision in law required it or that it also extended, under certain criteria, to the surviving spouse and/or children of the retiree. Our health plans should include wording that meets the provisions this law also.

**MCA § 2-18-704. Mandatory provisions. (1) An insurance contract or plan issued under this part must contain provisions that permit:**

**(a) the member of a group who retires from active service under the appropriate retirement provisions of a defined benefit plan provided by law or, in the case of the defined contribution plan provided in Title 19, chapter 3, part 21, a member with at least 5 years of service and who is at least age 50 while in covered employment to remain a member of the group until the member becomes eligible for Medicare under the federal Health Insurance for the Aged Act, 42**

**U.S.C. 1395, as amended, unless the member is a participant in another group plan with substantially the same or greater benefits at an equivalent cost or unless the member is employed and, by virtue of that employment, is eligible to participate in another group plan with substantially the same or greater benefits at an equivalent cost;**

**(b) the surviving spouse of a member to remain a member of the group as long as the spouse is eligible for retirement benefits accrued by the deceased member as provided by law unless the spouse is eligible for Medicare under the federal Health Insurance for the Aged Act or unless the spouse has or is eligible for equivalent insurance coverage as provided in subsection (1)(a);**

**(c) the surviving children of a member to remain members of the group as long as they are eligible for retirement benefits accrued by the deceased member as provided by law unless they have equivalent coverage as provided in subsection (1)(a) or are eligible for insurance coverage by virtue of the employment of a surviving parent or legal guardian.**

This statute may come into play with relation to financial reporting guidelines under GASB Statements 43, 45, and 47 regarding OPEB (Other Post-Employment Benefits) which may pertain to and be required of school districts in the near future. One of the issues we may be addressing when

implementing these GASB reporting requirements is the treatment of implicit rate subsidies that arise when retirees are insured in a group with current employees.

Below is a brief description of GASB Statements 43, 45, and 47, which will be phased in from December 15, 2005 through December 15, 2008, dependent on total annual revenues of the school district. (Phased implementation is much like that of GASB 34.)

**GASB Statement No. 43: Financial Reporting for Post Employment Benefit Plans Other than Pension Plans.**

**GASB Statement No. 45: Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions (OPEB).**

**GASB Statement No. 47: Accounting for Termination Benefits (such as early-retirement incentives and severance benefits).**

Future newsletters will include more information about GASB Statements 43, 45, and 47 and implementation dates. OPI will also be providing more information at the Summer Conference.

## Silent Auction Items Requested

The silent auction is for financial assistance to one or more of our members who have had their lives impacted severely because of their or their family's illness. All money is given out, nothing remains with the MASBO organization. Get your creative hat on and bring something for the auction. The auction will be held Wednesday night so bring the item(s) and give them to the MASBO registration table when you check in for the conference. This turned out to be really fun last year. This year's recipients will be: Robyn Dietz, Eastern Yellowstone Cooperative and Julia Lillethun, Yellowstone County Superintendents Office.

**MASBO helping MASBO**



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## Highlight One Sender's Mail Automatically in Outlook Express

To highlight all messages from a particular sender automatically with a color in Outlook Express:

- Select *Tools / Message Rules / Mail...* from the menu.
- Click the *New...* button.
- Make sure *Where the From line contains people* is selected under conditions.
- Select *Highlight it with color* under *Actions*.
- Click on *contains people* in the *Rule Description*.

- Enter the sender's email address or select it from the address book using the *Address Book...* button.
- Click *OK*.
- Click on *color* in the *Rule Description*.
- Use the *Color:* drop-down menu to select the color Outlook Express should use to highlight matching emails.
- Give the new filter a descriptive name under *Name of the rule:*
  - (Something like "email.guide -> navy" maybe).
- Click *OK*.
- Click *OK* again.

## 2006 MASBO Board

President	<b>Kathy Preeshl</b>	355-4481	kpreeshl@ttc-cmc.net
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**The word TEACH reflects as LEARN.**

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