



# CONSOLIDATION OF SCHOOL DISTRICTS

The Effects on the Business Office – What You May or May Not Know

# A LITTLE HISTORY – CONSOLIDATIONS TO DATE & UPCOMING:

- Consolidated July 1, 2014:
  - Sunflower County Consolidated SD – Former Indianola, Drew & Sunflower County
  - North Bolivar Consolidated SD – Former North Bolivar & Mound Bayou
  - West Bolivar Consolidated SD – Former West Bolivar, Shaw & Benoit
- Consolidated July 1, 2015:
  - Starkville-Oktibbeha Consolidated SD – Former Starkville & Oktibbeha County
  - West Point Consolidated SD – Former West Point & Clay County
  - Hinds AHS
- Consolidating July 1, 2018:
  - Holmes County Consolidated SD – Will Include Durant & Holmes County
  - Winona-Montgomery Consolidated SD – Will Include Winona & Montgomery County
  - Greenwood-Leflore Consolidated SD – Will Include Greenwood & Leflore County

- Other:

- The Commission on Chickasaw County Consolidated SD Structure was scheduled to submit its findings by December 1, 2016, for the consolidation of the Houston, Okolona and Chickasaw County districts.
- The Commission on Administrative Consolidation of the Lumberton SD is scheduled to submit its findings by December 1, 2017, for the abolishment of the district and the distribution of its students and resources to the Lamar County and Pearl River County districts

- Bills Currently Proposed:

- SB2418 – The Consolidation of Senatobia and Tate County effective 7/1/18
- SB2461 – The Consolidation of Richton and Perry County effective 7/1/19
- SB2462 – The Consolidation of North Tippah and South Tippah effective 7/1/19

## General Information:

- The new school board for the consolidated school district (CSD) will start meeting six (6) months prior to the consolidation.
- All district wide (central office) staff will be non-renewed by each district.
- The Superintendent for the CSD will make recommendations for central office staff for the new district.
- The current district boards will continue to meet until June 30<sup>th</sup>.
- All staff contracts and at-will agreements are issued by the CSD.

## Actions to be taken by the Consolidated School Board before July 1<sup>st</sup>:

- Elect Officers
- Appoint a Superintendent
- Hire Legal Counsel
- Establish employment procedures
- Approve financial software
- Approve salary schedules
- Establish school board policies for new district
- Approve recommendations for district wide (central office) staff
- Approve **ALL** classified staff recommendations
- Approve school calendar for upcoming year
- Approve the E-rate and federal program budgets



Actions to be taken by the Existing School Boards by  
June 30<sup>th</sup>:

- Approve **ALL** certified staff recommendations

## General Items to be Addressed:

- Apply for a new Federal tax id number
- Apply for a new State tax id number
- Apply for a new DUNS number
- Apply for a new MDES employer account number
- New bank accounts (order new checks and deposit slips)
- Changing signatures on current bank accounts effective July 1<sup>st</sup> until accounts can be closed
- Change Paymode information to one district
- Make appropriate changes to property, liability and worker's compensation insurance
- Order new letterhead/envelopes

## General Items to be Addressed (continued):

- Change markings on buses and vehicles, if applicable
- Obtain a new district number from MDE and individual school numbers, if applicable
- Change the district name on all correspondence, checks, pay stubs, purchase orders, requisitions, etc.
- Taxing authority for the new district will need to be determined.



## Accounts Payable Issues to be Addressed:

- A letter must be mailed to the vendors of all districts notifying them of the consolidation. The letter should be on the new district's letterhead and signed by the Superintendent of all districts.
- Request a state tax exemption certificate for the new district.
- Contact the utility vendors for all districts notifying them of the change and complete any paperwork necessary to change the name and/or ownership.
- Make sure all commercial credit accounts (Wal-Mart, Office Depot, etc.) are paid and accounts are closed for each district by the effective date. Apply for new accounts at least a couple of months in advance to have cards in hand by July 1<sup>st</sup>.
- Communicate with all districts being consolidated regarding their staff purchasing procedures so differences in procedures may be addressed.

## Payroll/Insurance Issues to be Addressed:

- Obtain a new employer number from PERS. **EVERY** employee must complete a new Form 1 (Membership Application) and Form 1B (Beneficiary Designation).
- Blue Cross Blue Shield will keep the group number of the district with the most employees and those employees coming from the other district(s) will need to complete an application to be added to the group. All applications must be processed before the first payroll of the new district.
- If the new district has a cafeteria plan administrator that serviced one of the old district(s), but not all, then the “new” employees to the cafeteria plan will need to meet with the administrator.
- When filing reports with the IRS, MS Department of Revenue and MDES, make sure they are notified when the old ID numbers will no longer be used.

## Payroll/Insurance Issues to be Addressed (continued):

- The Department of Labor should be notified of the consolidation so a new reporting ID can be issued for monthly and quarterly reports.
- Notify all payroll deduction vendors of the consolidation. Any vendors not approved by the new board should be notified that premiums/payments will no longer be payroll deducted and other arrangements should be made with employees.
- You may want to have all “new” employees complete a W4 and state tax withholding form and submit a copy of their driver’s license and social security card.

## Other Issues/Items:

- Duplicate fixed asset tag numbers may exist.
- Moving employees and fixed asset information to financial software being used by CSD.
- Record storage for all districts.
- Year end financial statements and FETS must be prepared/submitted for each district being consolidated and there may be multiple financial software packages.
- At the end of the first calendar year of the new district W-2's, 1095's and 1099's will have to be prepared for all of the districts that no longer exist as well as the new district. (For WP that was 3 sets of each.) You are able to prepare forms for the closed districts before December 31<sup>st</sup>, but they cannot be printed until the tax forms are released by the IRS.
- When preparing your financial statements at the close of the first fiscal year for the CSD, you will not have beginning balances or prior year comparisons since the CSD did not exist the prior year.


## ON A POSITIVE NOTE!!

The district can completely change the scope of how it spends federal dollars when preparing the budgets for the CSD's first year. Since the district does not exist before July 1<sup>st</sup>, there is **NO SUPPLANTING** issue!!

For example, WP funded all Pre-K staff with Title I funds but CC funded their class with district funds. WPCSD funds all Pre-K with Title I funds.

# QUESTIONS





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