

**Moody Early Childhood Center Board of Directors Agenda**  
**Friday July 26, 2019 @ 1:00 p.m. in the**  
**Family Engagement Room, Room #111**  
**1110 21<sup>st</sup> Street**  
**Galveston, Texas 77550**

1. Call to order
2. Introduction and Welcome (Ms. Massey)
3. Review & Approval
  - a. June 28, 2019 Minutes Enclosed
4. Public Comment
5. Executive Director's Report (Ms. Miller)
  - a. Documents Enclosed
6. Committee Reports
  - a. Finance (Ms. Wells & Ms. Brown)
    - a. Documents Enclosed
    - b. Meetings 3<sup>rd</sup> Thursday of each month at 1:00 p.m.
  - b. Governance and Board Development (Dr. Prochaska)
    - a. Meetings 2<sup>nd</sup> Thursday of each month at 1:00 p.m.
  - c. Resource Development (Ms. Massey)
    - a. Documents Enclosed
    - b. Meetings 2<sup>nd</sup> Thursday of each month at 2:00 p.m.
  - d. Government Affairs (Ms. Kinnear & Ms. Adams)
    - a. Meetings called as needed
  - e. Board of Advisors (Ms. Doherty)
    - a. Meetings quarterly on Thursdays at 9:00 a.m.
7. 2019-2020 Operating Budget
  - a. Discussion
  - b. Action
8. Contract Review
  - a. TxEIS
  - b. Time Clock Plus
  - c. My Part-Time Comptroller
9. Updates
  - a. Pediatric clinic renovations and updates (Ms. Miller)
  - b. Strategic Planning session (Ms. Massey)
10. Adjourn to Executive Session to discuss Personnel and Real Estate issues
11. Reconvene from Executive Session and take any action warranted
12. Confirm next meeting date
13. Adjourn

**Moody Early Childhood Center**  
**BOD Minutes**  
**Friday, June 28, 2019**  
**1:00 p.m. in the Fox Room at Rosenberg Library**  
**Room @ MECC**  
**2310 Sealy Street, Galveston, Texas 77550**

In Attendance:

Betty Massey, Jeri Kinnear, Weez Doherty, Erica Adams (via Zoom),

Absent:

John Prochaska, and Renee Templar

Staff:

Karin Miller, Christina Wells

Ms. Massey called the meeting to order at 1:00 p.m. There were no members of the public present.

Ms. Massey called the meeting to order at 1:10pm welcoming Ms. Wells, the interim Business Manager to MECC and to the meeting. On a motion from Ms. Doherty and a second by Ms. Kinnear, the minutes of the May 24, 2019 meeting were approved as distributed.

Ms. Brown and Ms. Wells then guided the board through the regular financial reports which were included in the board's packet. When they came to the scholarship fund, Ms. Brown stated that the Finance Committee recommended making advance quarterly transfers; there was no objection voiced by board members so beginning in the next fiscal year, that practice will be implemented.

Discussion of the operating account included the following information and action:

- a) Ms. Brown and Ms. Wells were authorized to meet with Moody Bank officials to establish a repayment schedule for the draw MECC has taken on its line of credit with a schedule that works for both MECC and the bank (if that schedule deviates from the range of \$8,000-10,000 a month, Ms. Brown will return to the board);
- b) Discussions with GISD are ongoing regarding transportation costs/possible state reimbursement and how that reimbursement is realized by MECC and operating expenses which may be eligible to be paid from the TEA 1882 implementation grant. Ms. Miller has established a monthly meeting schedule with GISD Assistant Superintendent for Business to help facilitate this communication;
- c) Ms. Wells has identified certain less than recommended accounting practices and is working with Ms. Miller and Ms. Brown to rectify these problems.

At this point, Ms. Massey asked the board if members were agreeable to adjourning to executive session to discuss personnel and real estate matters. No one objected, so at 1:35 pm Ms. Massey adjourned the meeting into executive session. The board adjourned executive session and returned to open session at 2:00pm.

On a motion from Ms. Brown and a second by Ms. Kinnear, the board instructed Ms. Miller to seek legal advice and then pursue recouping any and all money owed MECC by Greg and Heather Howell.

Ms. Brown and Ms. Wells resumed financial reports with Ms. Brown making a motion which Ms. Kinnear seconded to hire Ham, Langston & Brezina, LLP to conduct the audit for 2018/19 fiscal year and to file the center's tax return for that same year. The motion passed unanimously.

Ms. Brown then stated that she and members of Finance Committee would like to hire Your Part-time Comptroller as the accounting firm for the upcoming fiscal year, but she felt there needed to be clarification on the scope of services. She, Ms. Wells, Ms. Miller and Finance Committee will pursue that and bring a recommendation to the July board meeting.

Ms. Massey suggested that Ms. Wells and Ms. Miller work on the 2019/20 operating budget and along with an organizational chart bring that information first to Finance Committee and then to the July board meeting. Ms. Massey suggested that Ms. Wells run a 2% and 3% raise scenario. Ms. Massey will ask Dr. Prochaska to help her complete an interim evaluation of Ms. Miller and return to the July meeting with that evaluation and a raise recommendation.

Finally, Ms. Brown stated that she and Ms. Miller and Ms. Wells need to do a little more work on the insurance package proposal which will be incorporated into the budget for 2019/20.

Ms. Massey then stated that she would like to cluster decision items:

- a) Ms. Miller presented the 2019/20 school year calendars. Ms. Brown made a motion to approve the calendars which Ms. Doherty seconded, and the board adopted unanimously.
- b) Ms. Miller presented an engagement letter for legal counsel with Thompson & Horton, L.L.P. one of the top law firms in the state dealing with public school issues. On a motion from Ms. Brown and a second by Ms. Kinnear, the engagement letter was approved.
- c) Ms. Miller then presented the agreement with GISD to operate PreK and kindergarten summer school; she explained that GISD has approved the agreement although it needs to be amended to include the correct number of teachers and aides. Pending that correction, on a motion from Ms. Kinnear and a second by Ms. Doherty, the board unanimously approved the Tors Summer Program MOU.
- d) Ms. Massey presented the MOU with Head Start which had been deferred at the June board meeting pending student recruitment. Head Start has not come forward with any students so on a motion from Ms. Brown and a second by Ms. Kinnear, the board voted to decline to sign the MOU for the 2019/20 school year. Ms. Miller will so inform Mr. Gerald Richards, Head Start Executive Director.

Ms. Adams reported that there is uncertainty on the impact HB3 will have on GISD and funding for PreK4 and PreK3. She advises the board to stand by while TEA works to clarify GISD's (and many other districts) net increase in funding. Ms. Miller and Ms. Massey will continue to work with MAYA consulting to help resolve this issue and other surrounding HB3 funding.

With the exception of a few announcements by Ms. Miller, that concluded the business of the meeting. Ms. Massey adjourned the meeting at 3:00pm.

**MECC  
Executive Director Report  
July 26, 2019**

1. Enrollment
  - a. Registration
    - i. Blitz!!
  - b. Scholarship
  - c. IT 100
  - d. Summer (Pk3-K) 80
    - i. Summer program ended Friday, 7/19/19
    - ii. Two classrooms will continue until start of school
  - e. PK3 68
  - f. PK4 15
2. Updates
  - a. Charter
    - i. Family Events
      1. Incredible Years
      2. Dental Health
      3. Brain Development
      4. Parenting Bingo
      5. CPS Info
      6. Meet The Teacher (8/21 5:00-6:00)
      7. Open House (TBD)
    - ii. Report
      1. August MECC to GISD Board
        - Audit Info
    - iii. Staff Training
      - Staff Training August 10th
    - iv. Board Training Hours Review
      1. Hours due November 1
      2. Reported by Dec 1
    - v. Pediatric Clinic
      1. Started with patients 5/20/19
      2. Construction completed by 7/31/2019
    - vi. Grants
      1. LOI for Episcopal Health Grant
      2. Early School Readiness
        - CLI
      3. Expansion Grant
        - Submitted 4/30/19

- TBA

### 3. Approvals

- a. Student Code of Conduct (approved)
- b. Student/Parent Handbook
- c. Employee Handbook
- d. Budget
- e. Raise Pool
- f. Business and HR System

### 4. Board Information

- a. Volunteer Help
  - i. Outreach
    1. Donations (Need gift cards and door prizes for ongoing events)
  - ii. Recruitment
    1. Pass out flyers/posters to local businesses/apts
  - iii. Remodeling/Decor
    1. Murals
      - Playground
      - Gym

# 2019 – 2020 Technology Services and Support Commitment

## TxEIS/Ascender Services

### MOODY EARLY CHILDHOOD CENTER and Region 4 Education Service Center

This Commitment between Region 4 Education Service Center (Region 4 ESC), Finance and Operations Services, and **MOODY EARLY CHILDHOOD CENTER** provides for contracted support services. (See Exhibit A)

The terms and conditions of this Commitment are as follows:

- A. In consideration for the provision of the Contracted Services provided to the School by Region 4 ESC, the School will pay Region 4 ESC **\$8,835.46**.
- B. The School may incur additional charges for services not included in those provided under this Commitment as outlined in the attached Exhibit A if the School requests Region 4 ESC to provide these services. The charges for these additional services will be based on actual usage of the services by the School and will be invoiced at the rates reflected on the attached Exhibit A.
- C. This Commitment shall be, and is subject to, all pertinent laws and regulations of the State of Texas and the United States of America. Venue for any legal proceeding relating to this Commitment shall be in Harris County, Texas.
- D. The undersigned parties bind themselves to the faithful performance of this Commitment on its final approval.
- E. This Commitment outlined in Exhibit A is governed by this agreement and Exhibit B, the Texas Computer Cooperative Software and Application Services Agreement, which together contains the entire Commitment by and between the parties for purposes of accomplishing the results and objectives herein contained. Any alteration, addition or deletion shall be by addendum, in writing, and executed by the parties.
- F. Notice required by this Commitment shall be made in writing and delivered to the undersigned parties at the addresses included herein.
- G. This Commitment requires payment based on the defined payment methods outlined below:
  1. For contracted services, the School shall make full payment of the contract price of **\$8,835.46** within 30 days of the receipt of the invoice from Region 4 ESC. **MOODY EARLY CHILDHOOD CENTER** will pay a late payment charge equal to 1.5% (or the highest amount permitted by law, whichever is lower) per month on the outstanding balance of the invoice remaining unpaid sixty (60) days. Accounts unpaid sixty (60) days after receipt of invoice may have service suspended or terminated. Such suspension or termination shall not relieve **MOODY EARLY CHILDHOOD CENTER** of its obligation to pay the fee due. **MOODY EARLY CHILDHOOD CENTER** agrees to pay Region 4 ESC its reasonable expenses, including attorney's fees and collection agency fees, incurred in enforcing its rights under this Commitment.

2. In payment for the additional or supplemental services as enumerated in the attached Exhibit A, the School shall make payment within 30 days of invoicing.

Region 4 ESC shall provide telephone or email support of the TxEIS software Monday through Friday, 7:00 A.M. to 5:00 P.M. Access to software updates and releases shall be completed via an internet connection provided by **MOODY EARLY CHILDHOOD CENTER**.

This Commitment shall **commence on September 1, 2019 and terminate August 31, 2020**. The School representative certifies that the Board of Directors of **MOODY EARLY CHILDHOOD CENTER** has authorized them in capacity as Superintendent, as its representative, to contract for the contracted services described in this Commitment. The Region 4 ESC representative certifies that the Board of Directors of Region 4 ESC has authorized him as Chief Financial Officer, as representative for Region 4 ESC to contract to provide the contracted services to the District.

**IN WITNESS THEREOF**, authorized representatives of **District** and Region 4 have executed this Agreement effective on this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

**BY: REGION 4 EDUCATION SERVICE CENTER**

**BY: MOODY EARLY CHILDHOOD CENTER**

\_\_\_\_\_  
Jerry L. Lashley, Jr.  
Director

\_\_\_\_\_  
Superintendent or Authorized Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name, Title

\_\_\_\_\_  
Business and Operations Solutions  
Department

\_\_\_\_\_  
Date

**BY: REGION 4 EDUCATION SERVICE CENTER**

\_\_\_\_\_  
Purchase Order #

\_\_\_\_\_  
Robert Zingelmann  
Chief Financial Officer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Finance and Operations Services  
Division

**Exhibit A**  
**MOODY EARLY CHILDHOOD CENTER**  
**Enrollment: 234**  
**TxEIS/Ascender Software and Support Services**

Service	Detail	2019-2020
TxEIS/Ascender Student Application Software Services	Use of the Standard TxEIS Student Modules	\$N/A
TxEIS/Ascender Business Application Software Services	Use of the TxEIS Business Modules (per county district)	\$2,106.00
Sybase SQL Licenses Support	# Server Processor Licenses ( 1 ) Plus Upgrade (Upgrade costs are billed separately)	\$1,250.00
Field Services Support	Unlimited Technical Support Services via Phone and Email - Monday through Friday, 7:00 am to 5:00 pm	\$2,850.00
TxEIS/Ascender Hosting Service	Business Modules Student Modules SSIS Hosting Setup: (New Install) <1K \$2,100, 1-10k \$4,800, 10-25K \$6,200	\$629.46 \$N/A New Install Fee Waived
Jasper Reporting Services	Provides for custom report building - \$500 license fee (available only to Region 4 Hosted districts)	\$0
TxEIS/Ascender Implementation Service	Implementation of New Software Install <1K \$3,500, 1-10K \$7,000, 10-25K \$10,000	\$1,750.00 (Discounted)
TxEIS/Ascender Backup Service	Provides offsite backup of database file (requires remote access to server)	\$250.00
	<b>Total for Contract Period September 1, 2019 to August 31, 2020</b>	<b>\$8,835.46</b>
<p>Moody Early Childhood Center elects to pay the total contracted amount according to the following payment plan: (please select one by initialing by the payment schedule)</p> <p>_____ One Lump Sum Payment (Invoiced September 1, 2019)</p> <p>_____ Two Monthly Installments (Invoiced September 1 and October 1, 2019)</p> <p>_____ Three Monthly Installments (Invoiced September 1, October 1 and November 1, 2019)</p>		

**Additional Services:**

Training Service	Onsite Training - \$105.00 per hour plus expenses (minimum of 2 hours) Online Training - \$105.00 per hour (minimum of 1 hour)
Custom Reports Service	Provides assistance in creation of custom reports at \$105.00 per hour



TimeClock Plus  
 by Data Management, Inc.  
 1 Time Clock Drive, San Angelo, TX 76904  
 325 223-9500 800 749-8463  
 sales@timeclockplus.com

Quote	Customer	Quote Date
474685	300697	07/17/2019

CUSTOMER
Moody Early Childhood Center 1110 21st St Galveston, TX 77550-4625

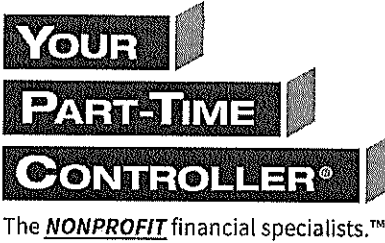
Rep	Entry	Method of Shipment	Method of Payment
TTURNER	TTURNER	TBD - Best Way	Pre-Paid

Stock No.	Ordered	Description	Unit Cost	Total
		Annual Employee Licensing: (\$2,880.00)		
1025-12311	80	TimeClock Plus Professional Annual Clockable Employee License	60.00	4,800.00
		↳ TimeClock Plus Professional Annual Clockable Employee License Discount	(24.00)	(1,920.00)
		Initial Activation: (\$199.00)		
1025-1130	1	TimeClock Plus Professional Initial Activation	199.00	199.00
1030-366	1	QuickBooks Pro Payroll (Export Module)	0.00	0.00
1030-792	1	MobileClock for Android and iOS (Unlimited Devices)	0.00	0.00
		Professional Implementation Services: (\$1,125.00)		
800-814	5	Dedicated Support Services (Per hour)	225.00	1,125.00
800-814	2	Dedicated Support Services (Per hour)	225.00	450.00
		↳ Dedicated Support Services (Per hour) Discount	(225.00)	(450.00)
		Fingerprint TimeClock: (\$2,522.00)		
244-200	1	BIO RDT Touch 400	2,522.00	2,522.00
		Annual Hardware Support/Repair Services: (\$505.00)		
1099-240	1	Hardware Maintenance (Exchange Replacement Service)	505.00	505.00

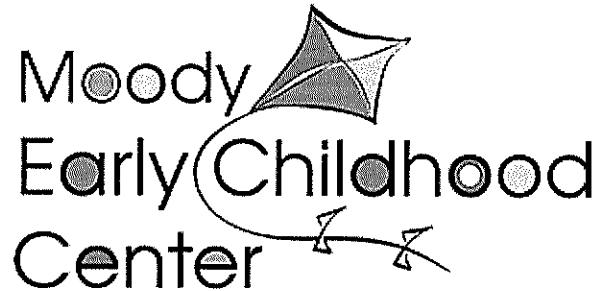
Valid for 7 days. Expires 07/24/2019.



Product Total: 9,601.00  
 Discount: (2,370.00)  
 Subtotal: 7,231.00  
 S & H: 28.00  
 Tax: 598.45  
 Total: 7,857.45

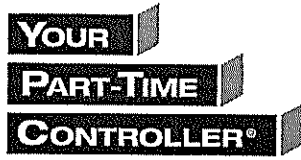


**Proposal to Provide Part-Time  
Financial Services for:**



**May 31, 2019**

Your Part-Time Controller, LLC.  
[www.YPTC.com](http://www.YPTC.com)  
Philadelphia | Washington | New York | Houston | Phoenix



May 31, 2019

Greg Howell, Business Manager  
Moody Early Childhood Center  
1110 21st Street  
Galveston, TX 77550

**Re: Proposal for Part-Time Financial Services**

Dear Greg:

It was a pleasure speaking with you to discuss your organization's needs in the finance department. Thank you for inviting Your Part-Time Controller to submit this proposal to Moody Early Childhood Center.

**Background**

Moody Early Childhood Center, due to rapid growth since its inception in 2015, has not had adequate accounting and financial reporting process & procedures in place. Additionally, effective August 2018, the center started operating as a Charter School in the Galveston ISD. Because of this, there has been a significant increase in the transactional and reporting responsibilities in your finance department and you are concerned regarding the overall health of your accounting and financial reporting function. Based on this assessment, you are seeking to engage a nonprofit accounting expert who will work onsite and:

- Assume the month-end close process and prepare meaningful financial statements, cash flow projections by grant types, budget to actual variance analyses, dashboards, Key Performance Indicators, and other operational reports as needed to assist you and the Board in making critical short-term and long-term strategic operational decisions;
- Provide support for your increased governmental grant compliance requirements by ensuring all activities are properly recorded in accordance with regulatory guidelines;
- Review/Develop your accounting process and procedures with a focus on strengthening internal controls, make recommendations for improvement, implement these recommendations upon your approval;
- Provide leadership, guidance, and training as necessary to your finance department;
- Have your accounting records and financial reports "audit-ready" and serve as the lead contact for auditors and tax preparers during audit fieldwork and 990 preparation.

Helping our clients reach these goals is exactly what we do! We would love the opportunity to partner with you.

### **Why YPTC?**

Here are some reasons why hiring Your Part-Time Controller makes sense for Moody Early Childhood Center:

- Our clients are happy! The quality of our work is consistently outstanding. Please check out our website at [www.yptc.com/our-clients](http://www.yptc.com/our-clients) where you will find numerous testimonials provided by our clients.
- Having YPTC involved in the accounting process provides Moody Early Childhood Center with segregation of duties, providing for a strong internal control structure.
- Even when working remotely, we become part of your team. We are always a phone call or email away.
- Although we will plan deadlines in advance with you, we understand that things like budgets for grant proposals sometimes come up suddenly. Our schedules are very flexible and we will do everything we can to meet requests.
- Our staff is continually trained on accounting and financial management issues.
- YPTC has a team of professionals to call upon if a technical question or software issue arises.
- Our relationship is open-ended. We do not lock our clients into long term contracts.
- You can expect higher quality information and analysis with us. Moody Early Childhood Center will be a stronger organization for it.

*By taking care of your financial department (our mission), we free you to pursue your organization's mission.*

### **YPTC Qualifications and Approach**

Founded in 1993 by Eric Frait, Your Part-Time Controller's reputation for providing high-quality outsourced financial services is unsurpassed. With over 170 staff members and offices in Philadelphia, Washington, New York, Houston, and Phoenix we focus exclusively on helping organizations with their bookkeeping, financial reporting, and financial management. Although we may sound like a "big company" we provide very personalized service and **we customize our services for every client.**

Whether we perform our work onsite at your place of business or remotely, you will always have convenient access to our staff by email, telephone or video conference. You will have the opportunity to pose questions and have the type of interactions that you want and need from your CFO or controller.

We work with all types of organizations including universities and schools, service and retail organizations, technology and legal firms, foundations, social service agencies, membership-based organizations, and religious institutions.

**Our mission** is to help organizations develop and maintain proper fiscal management. We help our clients follow "best practices" by ensuring that they have strong internal controls as well as efficient

and effective financial systems, policies, and procedures. We are, in effect, partners in your success!

### **Description of Our Team Members for Moody Early Childhood Center**

One of our core competencies is hiring excellent, experienced staff, training them well and ensuring a good fit with their client assignments. We also require each candidate to take accounting and computer tests and we conduct reference and background checks.

As a firm, we value continuous training and development. All of our staff members go through our extensive orientation program. Throughout the year, we train our staff members on emerging accounting issues and trends as well as the best ways to serve our clients. Our staff members are experts using the commonly encountered accounting software packages.

We will assign an Associate to work with you on an ongoing basis. All of our Associates are highly qualified and ready to serve you. Many of our Associates are CPAs and/or MBAs, many have a public accounting background and most have years of controllership/CFO experience.

Jennifer Alleva will be your Partner in-charge. Her role is to ensure all of your financial management needs are being met. We will also assign a Manager to work with you. The Manager's role is to have an additional YPTC person familiar with your needs, issues, and circumstances, which allows for greater continuity and coverage for you. *Further, in addition to your assigned Associate and Manager, you will have the experience and resources of over 170 staff members.* While we can't identify and reserve the staff who will work with you until we are closer to commencing the engagement, we have built our business and our reputation on making successful staff/client matches.

The YPTC Team assigned to serve you will not change except in very unusual circumstances. We have a very low staff turnover rate. In fact, *The Business Journal* has continuously voted us the "Best Place to Work!" The advantage of hiring a reputable firm to perform this work is that we will ensure that it is continuous and that you are always covered in the unlikely event that our staff changes. I encourage you to review our staff testimonials which can be found here: [www.yptc.com/staff-testimonials](http://www.yptc.com/staff-testimonials).

### **Scope of Services**

In Attachment A we detail the specific activities we will perform along with a description of the deliverables you can expect.

We offer no tax, legal or investment advice of any kind. We will not prepare or consult on the preparation of any tax returns. Any conversations we may have concerning taxes, legal matters, or investment options should be considered general in nature and not a recommendation of any particular course of action.

Though many members of our staff are Certified Public Accountants, we do not perform audits or reviews. An auditor must be independent of their client. We are never independent of our clients. The essence of our involvement is to work as closely as possible with you and your staff to solve

your problems and improve your organization's financial processes. Accordingly, any financial statements that we produce are intended strictly for your internal use.

### Fees

Our estimated fees are shown in **Attachment A**. We bill all of our services by the hour and on a weekly basis. Our Associate rate is \$140 per hour and our Manager rate is \$160 per hour. Your Partner in-charge rate is \$180 per hour. Our fee estimates are based on a typical work day of 7 hours.

Actual fees will vary based on many circumstances that may develop that we cannot predict or control. However, we will always keep you informed of our progress and clear with you in advance any need for additional time.

### Conclusion

Our firm is small enough to give you the attention you need, yet large enough to demonstrate that we do excellent work and are the perfect partners to help you. Our services are also very flexible. As your needs increase or decrease, we can adjust our services accordingly.

Further, our engagements are totally open-ended. This means you may cancel our services at any time for any reason. Of course, it is our expectation that you will be so happy with our services that this will never happen!

Again, thank you Greg for the opportunity to submit this proposal. Feel free to contact me with any questions. If this proposal is acceptable please let me know and I will forward an engagement letter to you for your signature. Once we receive back the signed engagement letter, we will begin our staffing process and schedule a start date.

We hope to work with you soon!

Sincerely,

*Tanya Pal*

Tanya Pal, Manager  
Your Part-Time Controller, LLC

## **ATTACHMENT A -- Scope of Services and Fee Estimate for Moody Early Childhood Center**

Our priorities as we begin our work with Moody Early Childhood Center are listed below. We will create a formal work plan with a timeline and use this project management tool to communicate our work and progress. We understand that our work and the organization's priorities may change over time; we are completely flexible with any changes. Further, as we perform our work we will communicate our findings/observations and our recommendations for long-term solutions.

### **Start-up**

- 1. Review your accounting financial structure and set-up reporting format in your accounting software, QuickBooks.**
  - a. Review the monthly financial package that you are receiving now; make suggestions for changes to include information that is important to management and the Board.
  - b. Review your current chart-of-accounts and use of class/job codes.
  - c. Modify your chart-of-accounts and use of class/job codes in QuickBooks based on desired budget categories and your desired financial statement format.
  - d. Review all vendors, customers, and independent contractors in QuickBooks with you to determine if any clean-up is needed for inactive vendors and customers.
    - i. Gain an understanding of how the 1099 tracking is set up in preparation for year-end 1099s. Make changes as needed.
- 2. Ensure all current year transactions are entered into QuickBooks and all ending balances of material accounts are reconciled.**
  - a. Review and confirm beginning balances in comparison to the most recent audit report/990 tax return.
  - b. Ensure current year transactions are accurate and up-to-date.
  - c. Review your bank accounts and other relevant balance sheet account reconciliations to ensure they are complete, properly recorded and up to date for the current fiscal year, including that they reconcile to sub-modules within QuickBooks and databases outside of QuickBooks (AR/AP/Donor).
- 3. Review the month-end closing process.**
  - a. Review/design a month-end financial statement close process checklist and calendar.
  - b. Review/create monthly close schedules/work papers (this will ease the audit preparation burden at year-end significantly).
  - c. Automate processes as much as possible including setting up memorized transactions for payroll and other recurring transactions in your accounting software.
- 4. Assess policies, procedures and internal controls; recommend/implement changes.**
  - a. Gain a thorough understanding of how transactions (payables, billing, contributions, receivables, deposits, grants, payroll, credit cards and cash management) are being processed now, make recommendations for changes, and implement the changes upon your approval.

- b. Review your financial management policies and procedures manual; provide our recommendations for strengthening internal controls and improving efficiencies; implement changes upon approval.

**5. Review your grants process, reporting requirements, deadlines and systems.**

- a. Review/develop cost allocation methodologies.
- b. Ensure proper revenue recognition of restricted & unrestricted donations.

**Ongoing Phase**

An ongoing engagement with YPTC will accomplish your goals of always being ahead of the curve with respect to FASB rule changes, coverage/succession plan to handle unexpected changes in accounting staff, ensuring compliance with GAAP and government accounting. During and after we've completed the startup activities, we will provide ongoing accounting and financial assistance, performing the following duties on an ongoing basis:

- 1. Executive Management Support.** Above all, our goal is to support you and the organization to ensure that everyone can sleep at night!
- 2. Follow Best Practices:** We will continue to apprise you of accounting changes and ensure your organization is prepared and has implemented these changes in a timely fashion.
- 3. Provide leadership and training:** We will oversee the accounting and financial reporting function of your organization. We are happy to assist with hiring and/or working with your staff and training them on how to perform basic transaction level duties. As you grow, we will assess the need to hire and/or train additional in-house staff. This allows our clients to maximize their investment and leverage our skills for financial reporting and analysis and serve as their strategic financial advisor.
- 4. Provide advice on "right-sizing" the finance department:** Once we've got the books and records up to date and processes streamlined, we will consult with you on the proper staffing mix for an organization of your size and complexity.
- 5. Bookkeeping and Accounting:** We will work with your team to ensure all transactions are entered into QuickBooks, including vendor invoices and customer or government billing and receipts. We will process payroll, allocate labor costs and enter the activity into QuickBooks.
- 6. Grant Accounting:** Manage incoming grants and contributions to include proper recording and classification, allocation methodologies. Provide reports and documentation in compliance with government reporting requirements. We will create a master grant file including documentation of all grant award letters, procedures for releasing expenses against grants, and a calendar of due dates.
- 7. Perform Month-end Close activities:** We will perform your "month-end close:" reconciling the balance sheet accounts and posting month-end journal entries, with an eye to streamlining this process to facilitate a timely close.



- 8. Produce a Monthly Financial Reporting Package:** We will prepare monthly financial reports for you and your Board to include a balance sheet, income statement compared to budget and prior year, and a cash flow statement. We recommend including a rolling forecast. The rolling forecast can be a replacement to the cash flow statement or an additional report as it encompasses the income statement and cash flow statement. This package is also accompanied by a memo which details significant variances from budget, highlights forecast projections and other significant events affecting the financial results. As discussed, we can develop dashboard reports of key indicators relevant to your operational strategies.
- 9. Perform the analysis:** Our services will also include analysis of financial reports, cash flow planning, regular updates of forecasts, and other ad hoc analysis as needed.
- 10. Present your Financial Reports:** We will review and discuss the financial results with you each month. We will be happy to attend management meetings virtually or in person to present financials and discuss accounting issues with the team.
- 11. Review and Update your Financial Policies and Procedures:** Along the way, we will provide you with our recommendations, including suggestions on internal controls and overall “best practices.” We will review and update your Financial Policies and Procedures during the course of our regular work as we identify specific areas of need.
- 12. Prepare for and facilitate your annual audit and tax return preparation:** At each year-end we will prepare the year-end financials and facilitate the audit preparation and tax filing process. We will prepare all required work papers, compile supporting documentation, and submit to your auditors/tax accountants electronically.
- 13. Ongoing Process Improvements:** Review and provide recommendations for streamlining/process improvements to create efficiencies and implement upon approval.
- 14. Provide assistance with your annual budget process:** Working with you, we will provide support as you prepare your annual budget, evaluating assumptions and providing scenarios, suggesting formats, etc. Upon approval, we will ensure that the budget numbers are entered into your accounting software.

Please also refer to the **Delineation of Activities for Segregation of Duties** for further details of the monthly ongoing services.

#### **Fee Estimate**

We estimate that our services will require approximately 2-3 days for our Associate to complete the **start-up** activities for an approximate one-time cost of \$1,960 – \$2,940. In addition, Tanya Pal will provide review and supervision throughout this project, totally approximately 1 day or \$1,120. The total estimated cost for this scope of services is \$3,080 – \$4,060.

We estimate that our **ongoing** services will require approximately 3-5 days per month, for an approximate monthly cost of \$2,940 – \$4,900.

The time needed for both the startup and ongoing phases is always difficult to predict since it largely depends on the condition of your accounting records and the availability and experience level of in- staff resources. Certainly, we will always keep you informed of our progress and clear with you in advance, any need for additional time. Conversely, we bill only for time worked, so if our time runs less than what we have estimated, you will pay only for the time we work, especially as we complete any process improvement activities and move into a monthly routine. Please note that as your organization grows and the complexity of any associated transactional accounting activity increases, we may need to add additional time. As a reminder, our engagements are totally open-ended. This means you may cancel our services at any time for any reason. Of course, it is our expectation that you will be so happy with our services that this will never happen!

**Delineation of Activities for Segregation of Duties**

The above fee estimate assumes that YPTC will perform the Controller/CFO Activities listed below.

	Transactional Activities (MOODY EARLY CHILDHOOD CENTER)	Controller/CFO Activities (YPTC)
<b>Accounts payable cycle:</b>		
- Enter invoices into accounting system	✓	
- Reconcile invoices, prepare contracts		✓
- Prepare checks consistent with invoice approval and check signing policies	✓	
- Mail and maintain vendor files	✓	
<b>Accounts receivable and deposits cycle:</b>		
- Prepare invoices to funders, customers, grantors	✓	
- Prepare bank deposits	✓	
- Record cash receipts	✓	✓
<b>Payroll cycle:</b>		
- Transmit information to payroll company	✓	
- Input payroll into accounting system	✓	✓
- Prepare and submit retirement plan contributions, if applicable	✓	✓
<b>Month-end cycle:</b>		
- Perform bank reconciliations		✓
- Prepare balance sheet reconciliations		✓
- Prepare month end journal entries		✓
- Manage grant activities, restricted & reserve funds		✓
- Prepare monthly financial reports		✓
- Perform monthly budget to actual analysis		✓
- Create/monitor expense and cash flow forecast		✓
- Prepare Month-end analysis memo		✓
- Consult with Executive Director		✓
<b>Yearly:</b>		
- Facilitate annual audit and Form 990 preparation		✓
- Facilitate annual budget process		✓
- Prepare annual 1099s to contractors	✓	✓
<b>Periodically as needed during the year:</b>		
- Attend Board and Finance Committee meetings		✓
- Update/develop policies and procedures		✓
- Assist with grant applications and funder reports		✓
- Establish and maintain appropriate internal controls		✓

