



# LINCOLN PUBLIC SCHOOLS

BUCKNER M. CREEL  
ADMINISTRATOR FOR BUSINESS AND FINANCE

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February 20, 2014

To: Jennifer Glass, Chair, School Committee  
Becky McFall, Superintendent

From: Buckner Creel

Subject: School End-of-Year Report -- General Methodology for Expenditures by Town

The Department of Elementary and Secondary Education (DESE) requires that school districts obtain a written agreement between the School Committee and municipal officials documenting the agreed-upon methodologies to be used when allocating, distributing or assigning Municipal expenditures for directly related services to the school district. The current agreement was approved by the School Committee in 2006. Since that time, several of the methods used to determine costs have changed, or have been proven to be less precise than alternative approaches.

The School Committee is asked to review and vote on the use of the methodologies redefined by Colleen Wilkins, Town Finance Director and me, and summarized by the End-of-Year Report categories on the attached document. Ms. Wilkins will request that the Board of Selectmen also approve the same set of methodologies.

Should you have any questions about this information to follow, please don't hesitate to contact me at [bcreel@lincnet.org](mailto:bcreel@lincnet.org).

#### Regulatory citation

603 CMR 10.00 School Finance, Section 10.05 Documentation Requirements, paragraph (11) "In support of all reported and estimated education-related expenditures by a municipality from accounts other than the school committee appropriation, the municipality shall maintain municipal payroll and expenditure warrants, cancelled checks, bid documents, contracts, paid invoices, books of original entry, employee schedules, 10.06: Annual School Spending Requirements **and copies of the agreements between school committee and municipal officials which are the basis of reported expenditures and cost allocations.**"

# School End-of-Year Financial Report

## Methodology for Expenditures by Town of Lincoln

### Line 1900 General Administration Services

1. Calculate % of total town-wide budget (including Hanscom) pertaining to K-8 school.
2. Multiply percentage times town cost centers that provide services to school (Accounting & Finance, Treasurer-Collector, Central Support, IT)
3. Subtract amount paid directly through Hanscom contract.

### Line 1980 Operating & Maintenance of Plant-Other expenses

1. Use DPW snow and ice report to determine total amount spent.
2. Contact DPW Superintendent to get estimate on how much sand and salt is used to plow the school property and what percentage of snow removal line item is related to school.

### Line 2000 Employer Retirement Contributions

1. Use information from Salary & Deduction report from prior June to determine number of town and school employees contributing to retirement system.
2. Calculate percentage related to school.
3. Multiply percentage times Assessment paid.
4. Subtract amount paid directly through Hanscom contract.
5. Use current year budget, with the same percentage and same procedure to calculate Schedule 19 amount.

### Line 2010 Insurance for Active employees

1. Health insurance. Using information from June Salary & Deduction report; determine number of school employees on specific health plans multiply times rate schedule for past fiscal year. Subtract the total for Hanscom employees from the total for all school employees. For Schedule 19, use the same enrollment numbers but use the rate schedule for current fiscal year.
2. Life Insurance. Use same report as described for health insurance to determine the life insurance amount. Subtract amount paid directly through Hanscom contract. Use 3% as increase for budget number for Schedule 19.
3. Medicare. Determine percentages of total General Fund salary line items for Town and Lincoln School salaries. Subtract amount paid directly through Hanscom contract for Medicare from the total Medicare paid to determine General Fund Medicare expenditures. Use Lincoln School salary percentage and multiply times General Fund Medicare expenditures for past fiscal year. Use same procedure for current year budget amount for Schedule 19.
4. Unemployment Insurance. Use the actual amount spent by the Town for unemployment insurance for Lincoln School employees. Use same number for Schedule 19.
5. Workman's Comp. Determine percentages of total General Fund salary line items for Town and Lincoln School salaries. Subtract amount paid directly through Hanscom contract for Workman's Comp from the total Workman's Comp paid to determine General Fund Workman's Comp expenditures. Use Lincoln School salary percentage and multiply times General Fund Workman's Comp expenditures for past fiscal year. Use same procedure for current year budget amount for Schedule 19.

### Line 2020 Insurance for retired School Employees

1. Obtain from the Treasurer's the report breaking down the Retiree Insurance expenditures for the past fiscal year. Report the Lincoln School amount. For

Schedule 19, multiply past fiscal year expense by projected budget increase in health insurance.

Line 2060 Short-Term Interest (TAN)

1. Use general ledger report to determine total short term debt expensed.
2. Multiply school budget to town-wide percentage (calculated in line 1900) to budget.
3. Multiply same percentage by the budget for current year to arrive at number for Schedule 19.

Line 2130 Long-Term Debt School Construction Principal

1. Use general ledger report (7120) to determine principal amount paid.
2. Use same report for current year to arrive at number for Schedule 19. Following fiscal year's debt amount can be determined by looking at debt schedule.

Line 2140 Long-Term Debt School Construction Interest

1. Use general ledger report (7120) to determine interest amount paid.
2. Use same report for current year to arrive at number for Schedule 19.

Line 2270 Regional School Assessment

1. Use general ledger report (3310 & 3320) to determine amounts paid.
2. Use same report for current year to arrive at number for Schedule 19.

For the School Committee:

For the Selectmen:

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