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## **Post-Merger Vote Tips:**

### **Business Office**

#### **Purpose**

These periodical tips will serve as a resource for supervisory union administrators and staff serving school districts that are merging as a result of both Act 46 of 2015 and earlier, incorporated legislation.

It is intended as a working document. We welcome suggestions for additions and corrections as supervisory unions and newly unified districts transition to full operations.

#### **Notice**

Not all of this information will apply to every scenario. For example, a supervisory union that is becoming a supervisory district will perform tasks that are different from one that will maintain or expand its supervisory union structure. There also may be variations based on how quickly the new district will become fully operational after the vote.

#### **Contact Information**

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#### **Thank you**

Much of the information included in these tips came from business managers, administrators and educators the field. We thank them for their help and guidance. If there is something you would like to see included in the tips, please contact the AOE's Public Information Officer, Haley Dover, at [haley.dover@vermont.gov](mailto:haley.dover@vermont.gov).

# Business Office

This document serves as a suggested guide for business office staff.

During the merger process on the business side, merging separate entities into one takes a lot of time. Many superintendents said they understand the time and complexity of creating new charts of accounts, new accounts payable payroll systems, reorganizing the business office and setting up a system to manage and track school-based budgets and the big district budget.

Use your transaction grant to get the support you need to do that and do it right, and give yourself enough time to do it well.

## What to Expect June 30

All vendor files of former SDs or SUs are inactivated. All LEA (Local Education Agency) identifiers are inactivated. AOE will no longer be able to issue payment or receive payment from former SDs or SUs.

## What to Expect July 1

Vendor files are created or changed for any entities that have been created or changed as part of the merger. LEA identifiers are assigned and the entity is set up to receive AOE issued payments. All assets and liabilities stemming from the previously existing SDs are assumed by the new merged entity.

## Employee Benefits

The following requires Board action

- Define municipal retirement groups and offers
- Collect teacher retirement numbers
  - Send documentation ASAP along with a letter from the Department of Education
- Manually terminate all teachers and rehire under new entity
- Open enrollment and healthcare declaration
- Work with VSBIT on the following
  - Unemployment
  - VEHI
  - Dental
  - Long-term disability
  - Pertinent contracts

## Administration and Formation

- Complete SS4 for EIN
  - Use legal name and address only, with no DBA
- Complete Vermont paperwork for state tax withholding ID and Unemployment ID
- Establish EFT information for Federal and State
- SAM, DUNS numbers

- DUNS – Data Universal Number System, file for DUNS first at [www.dnb.com](http://www.dnb.com)
- SAM – System for Award Management, once you have a DUNS, register it in SAM at [www.SAM.gov](http://www.SAM.gov)
- Mark your SAM profile as public to avoid providing it yearly to AOE
- Work with AOE to set up new vendor or make changes to existing vendor file in the State of Vermont system in order to receive state-issued payments
  - Provide W-9s and DUNS to Cassie Winters at AOE
- Transmitter numbers for both IRS 1099 and IRA ACA (must be different)
- Open Enrollment
  - Send blue form to all employees for special open enrollment
  - Send declarations for Health Care for all employees and Open Enrollment forms
- EFT set up – after federal and state tax numbers
  - This cannot be done until first payroll
- Bookkeepers: Do two blank W9s
- Follow up on old outstanding checks
- Insurance tracking and depending assignment
- Employee Groups
- Licensing and endorsements
- Deduction
  - Matching to existing
  - Recommendation: Look for errors
- ACHS
  - This cannot be done until first payroll

## **Banking**

- Establish bank account, signers and test-run checks
- Cash flow statements for line of credit borrowing
- Change ACH (EFT) information for State of Vermont payments via AOE
  - This can be done as part of the Vendor set up with AOE

## **Financial Accounting Software**

- Create two new connection groups
- Clean up vendor list for import
- Import employees from other districts/supervisory unions
- Clean up chart of accounts
  - This may be a good time to convert the Uniform Chart of Accounts that will be required in FY2020
- Load voter approved budget

## **After School Program Questions**

- Are the rates going to become uniform across the new district?

## **Payroll/ Union Notices/ Employee's Changes Due to New Employer**

- Work on contract language
- Notice on retirement changes for union support staff
- Notice of new membership regarding merger
- Notice of retirement changes to employee
- FICA-exempt employees
  - Now a new employer, they may no longer be exempt
- Paraeducators added to union
- New retirement plans due to union offerings

## **Payroll**

- Work on timing for separate payroll input on pay day
- Set up codes for each position at each school in Time Entry Shift Differential
  - Paraeducator code
  - Driver code
  - Etc.
- Payroll funding for next fiscal year
  - Set up a Google doc to track employee with changes this year to review before issuing FY contracts
- Hire dates
  - Rehire filed cannot be used for new hire reporting
    - Possibly use excel to report new hires for the start of the new district
- Set up health deductions in new districts
- Deductions for ACA, Positions
- Identify which schools need to pay AOE fees
- Verify and correct deduction import
- Union dues
  - How many unions?

## **S.125**

This is defined by the IRS as an "Employee Benefit Program." Examples include a cafeteria plan and a Flexible Spending Account.

- Send notice to all S.125 participants regarding changing claims processing to bi-monthly
  - Recommendation: Send with open enrollment
- Interim balances
  - Calculate closing values as of last day before operation
- Investigate third party S.125 administrator options/costs

## **Accounts Payable**

- Prepare calendars for treasurers/board members and payroll with due dates and board meetings

- Send letters to charging vendors cancelling charges