Business Systems Review: Finance

Tito Langston, Chief of Business Operations

Policy 0027

3/10/2026

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Department Overview & Mission Alignment

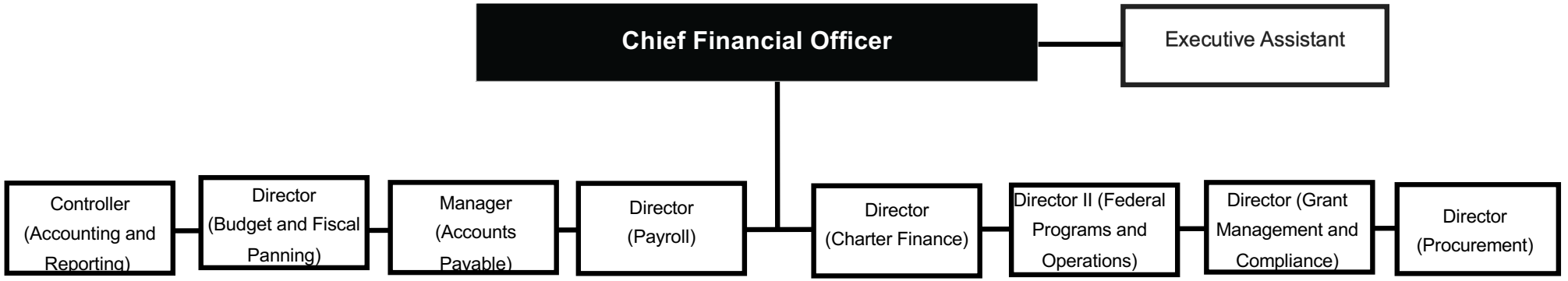
- To drive the District's strategic goals by maximizing academic return on our investments and resources by advancing student achievement, equity, and innovation across all schools.

- We manage the District's budgeting, accounting, payroll, grants, financial reporting, and position control. Our work ensures strong internal controls, accurate records, protected assets, and high-quality financial information that supports strategic decision-making.

- To serve as a strategic partner in using people, time, and financial resources to create the greatest academic value, support educational innovation, and ensure equitable opportunities that prepare every student for post-secondary success.

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Department Org. Chart



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Accounts Payable

The Accounts Payable Department seeks to ensure the timely disbursement of payments to vendors, contractors, and others in compliance with District policies and contractual terms.

These responsibilities include:

- Processing check requests and contract payment requests initiated by District personnel and ensuring that all supporting documentation and approvals for payments are in compliance with established procedures.
- Generating and processing checks
- Processing travel requests and expense reports
- Providing services as required by Internal Revenue Service's regulations

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Accounting and Reporting

The Accounting and Reporting Department is responsible for presenting monthly and annual financial conditions of the District along with other information necessary for the understanding of the District's financial affairs.

These responsibilities include:

- Administration of the accounting and financial reporting, including preparation of the annual Comprehensive Annual Financial Report and Annual State Reports
- Coordination of the Annual Audit
- Fixed Asset Reporting
- Cash Management
- Processing and compliance review of in-town travel mileage reimbursements and out-of-town travel requests
- Revenue and expenditure monitoring as well as the preparation of periodic forecasts and reports

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Budget and Fiscal Planning

The Budget and Fiscal Planning Department's primary objective is to provide financial planning management services to schools, departments within the District, the Superintendent, the Board of Education and community stakeholders to ensure financial integrity and effective use of resources. In addition, Budget and Fiscal Planning maximizes the District's resources by identifying cost-saving measures, monitoring fiscal trends, and assisting other divisions in developing their budgets, evaluating performance indicators and making improvements to the budget process.

These responsibilities include:

- Compilation and presentation of the Initial, Proposed and Final Budgets for consideration for the Shelby County Board of Education and Shelby County Board of Commissioners approval, and final reporting to the Tennessee Department of Education
- Allocation of General Fund staffing for teachers and support positions
- Training District staff on budgeting
- Budget Forecasting
- Maintenance of Position Control Budget

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Payroll

The Payroll Department is responsible for making sure all employees are paid accurately, on time, and in compliance with laws and District policies.

These responsibilities include:

- Processing of payroll and the disbursement of pay
- Collect and verify electronic timesheets
- Quarterly filing of the 941-tax return
- Processing and disbursement of annual earnings statements (W2)
- Submission of retirement file to the Tennessee Consolidated Retirement System

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Federal Programs

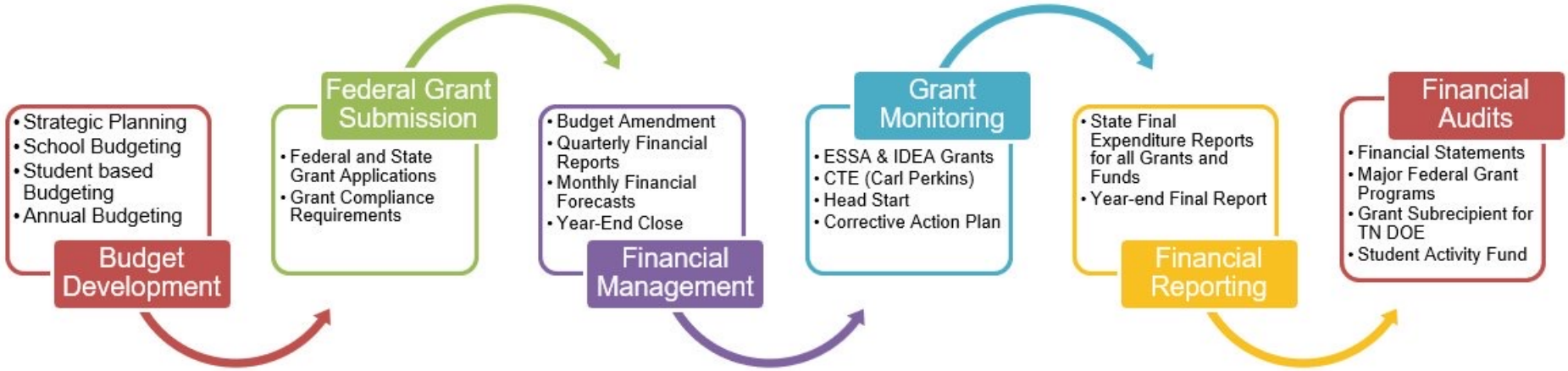
The Federal Programs Fiscal team is responsible for the management and compliance of funds allocated to provide quality educational learning opportunities to a population of students who have additional challenges and unique learning needs. Federal grants provide additional resources to minimize the impact of the many hurdles our students face on their journey towards academic achievement. In general, federal grants are not provided to supplant academic services funded by local and state funds. Instead, they are used to supplement current academic services in the following areas:

- Socio-economic Challenges
- Exceptional Children
- Early Childhood
- The Elementary & Secondary Emergency Fund
- Wrap Around Services

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System Landscape

MSCS financials must meet local, state and federal requirements. Our financial are under close and constant scrutiny, given our size as a district in TN. Our annual lifecycles lapses multiple years.



Core Systems

- APECS – Payroll, Purchase order and vendor management system, core financial system for management and creation of purchase orders, requisition management and vendor management. APECS serves as the IRS reporting mechanism for the District.
- Allovue – Budget Management System
- ClearGov – Budget Book Builder
- Title 1 Crate – Financial Data Collection
- FinQuery – Helps ensure the district remains in compliance with GASB 87 and 96 leases and software subscriptions

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Performance & Scorecards

Required Performance Measures
Financial audit will receive an unmodified opinion with no material weakness or significant deficiencies and no major findings
The fund balance is within Board Policy 2014. Unassigned fund balance remain within 8-15% of general fund expenditures

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Strategic Plan Outcomes

- **Initiative 1:** Strengthen Early (K–2) and Continuing Literacy (3–12)

Finance is responsible for building and monitoring a strategic budget that supports this initiative.

- **Initiative 2:** Recruit and retain the best district leaders and teachers in the nation, immerse them in professional development to embrace and teach foundational literacy skill concepts, and entrench them in the community and classroom

Finance is responsible for allocations for staffing for both schools and central office.

- **Initiative 3:** Create relevant and equitable academic choices and learning environments to ensure scholars are prepared for the global workforce

Finance is responsible for ensuring that every dollar supports student outcomes.

Audits, Reviews, & Compliance

FY25 External Audit Findings

- Timesheets were improperly approved for two employees resulting in additional payments being made to terminated employees.
- Employee files were not properly maintained to support active employee pay-rate adjustments

Status of Compliance with State/Federal Requirements

- No out of compliance issues

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Audits, Reviews, & Compliance

Corrective actions taken:

- Management has taken steps to strengthen internal controls related to employee terminations and payroll processing. Emphasis has been placed on timely communication between Human Resources and Payroll, as well as supervisory accountability in reviewing and approving timesheets. Management believes these actions will reduce the risk of similar occurrences and enhance the overall control environment surrounding payroll disbursements.

- Management is committed to strengthening documentation standards and internal controls to ensure all changes to employee pay rates and positions are properly approved, supported and retained. These actions are intended to enhance transparency, accountability and audit support while reducing the risk of unauthorized payroll changes.

Major Program Initiatives

Key initiatives underway

- Alternate payment processing method due to the federal discontinuance of the penny (i.e., debit cards, credit cards, electronic checks, or online payment portals)

Status updates and milestones achieved

- Still in the research and development stage

Impact

- Require customers to provide exact change when making payments
- Charge an administrative fee for using alternate payment methods

Projected benefits

- Eliminate the risk of theft from customers or employees
- Lower operational cost (i.e., eliminate counting cash, bank deposit fees, armored transport fees)
- Reduced accounting errors and shrinkage
- Meet the demand for digital transactions

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Major Program Initiatives

- RFP for Benefits
- RFP for Transportation
- Implementing additional modules in Allovue
- Finalizing RFP for Grant Writing Support

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System Integrity & Risks

Data accuracy, security, and reliability

- Data validation checks are missing at the point of entry

Risks to operations or service delivery if gaps remain

- Continue to depend on Excel for manual report building
- Manual data cleansing

Mitigation strategies

- Conduct periodic review of the general ledger to ensure transactions are recorded correctly
- Early month-end cutoff to ensure reports are accurate

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Strengths & Challenges

- Strengths:
  - Experienced staff members
  - Strong grant and fund management
  - Strong financial stewardship
  - Commitment to compliance and audit readiness
  - Deep institutional knowledge

- Challenges:
  - Staffing capacity and workload
  - Complex funding streams
  - Reporting limitations

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Recommendations & Next Steps

- Review internal systems for innovation
- Strengthen internal controls
- Invest in staff development
- Improve financial systems and automation

Business Systems Review: Procurement Services

Tito Langston, Chief of Business Operations

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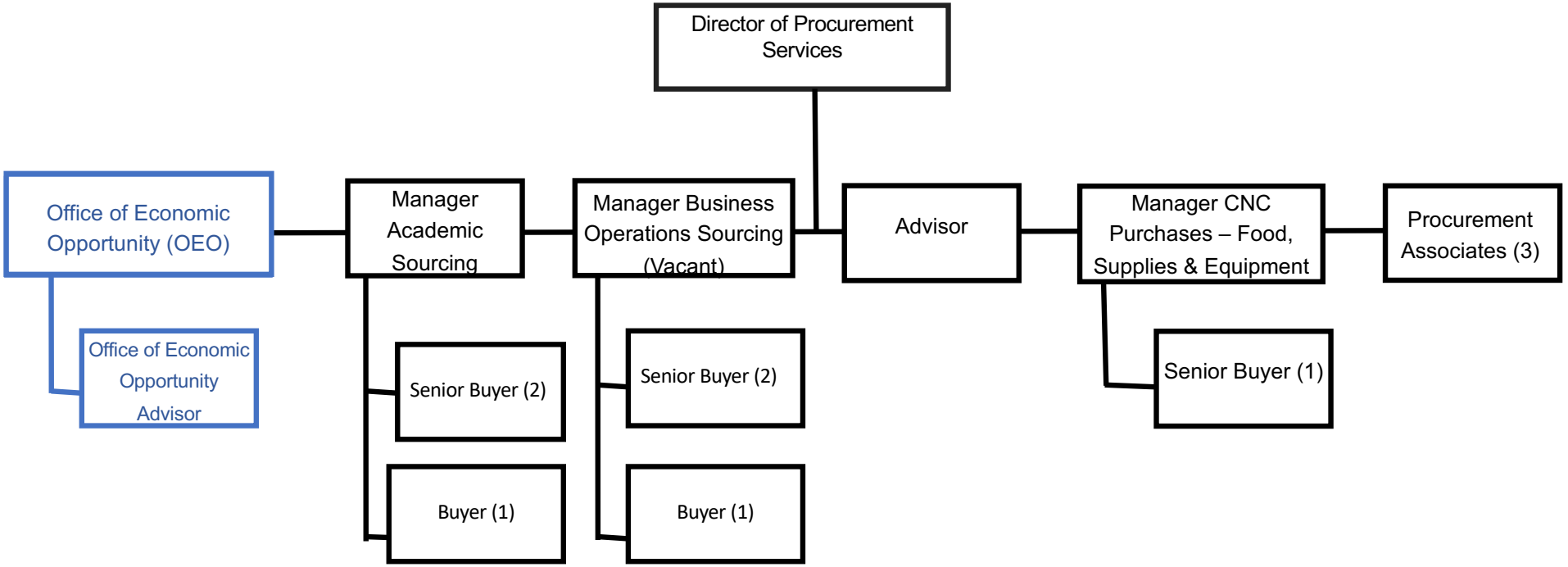
Department Overview & Mission Alignment

- Procurement Services supports the Academic and Business Operations missions by ensuring that all purchasing activities comply with Tennessee State Law and MSCS Policy 2006.

- Procurement Services implements best practices in public procurement by overseeing the bidding and purchasing of academic software and hardware for the District, any services, all construction projects, as well as supplies, food, and equipment purchases. Procurement promotes cost-saving strategies for all departments and schools, while ensuring the procurement needs are met efficiently and in compliance with established policies and procedures.

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Department Org. Chart



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System Landscape & Core Functions

- APECS - Purchase Order and Vendor System Management, core financial system for management and creation of purchase orders, requisition management and vendor management. APECS also serves as the IRS vendor reporting mechanism for the District.

- IonWave - Online Bid System

- B2GNow - Small Business Enterprise Vendor Management Software for spend tracking and vendor sourcing utilizing small and local businesses.

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Performance & Scorecards

Required Performance Measures	Recommended Performance Measures	Suggested Performance Measures
Reduce PALT- Procurement Administrative Lead Time- the time for requests to be bid, processed and items delivered to schools and offices. PALT will be reduced as follows: RFP (request for proposal) process from 6 months to 3 months IFB (Invitation for Bid) process from 3 months to 6 weeks- exclusive of BOE approval.	Reduce non bid items below Micro Purchase dollar limit to auto purchases for immediate processing. Current micro purchase threshold is $3500. Reasonable small purchases under the threshold will be filtered through the system for immediate purchase.	Follow State recommended bid dollar threshold of $50,000 from $25,000 to reduce bid times and speed delivery levels to schools and offices for non – emergency and non-proprietary purchases. Per Public Chapter 1016, This will allow for quicker and more cost-effective procurement of goods and services Increase threshold for dollar limit on micro purchases from $3,500 to $5,000.

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Strategic Plan Outcomes

- **Initiative 1:** Strengthen Early (K–2) and Continuing Literacy (3–12)

Procurement Services will strengthen this core goal by supplying the required materials as required for any programs, software , materials and equipment.

- **Initiative 2:** Recruit and retain the best district leaders and teachers in the nation, immerse them in professional development to embrace and teach foundational literacy skill concepts, and entrench them in the community and classroom

Procurement Services will support the Initiative by ensuring that all staff members have the appropriate tools required to be effective leaders. Additionally, Procurement staff will seek certification in core professional development for public procurement.

- **Initiative 3:** Create relevant and equitable academic choices and learning environments to ensure scholars are prepared for the global workforce

Procurement Services will support this initiative by implementing measures to create safe and effective learning environments for both the students and teachers.

Outcomes will be evident as cost savings strategies allow for more equitable distribution of equipment and programs for all students. Operationally, safer and updated learning environments for students will positively impact learning for students and staff.

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Audits, Reviews, & Compliance

- Procurement Services has had no internal or external audit findings under the current leadership.
- Procurement Services has remained compliant for all state/federal requirements.
- No corrective actions have been required.
- To comply with federal laws, the Minority, Women and Small Business Enterprise (MWSBE) program has been successfully transitioned into the Office of Economic Opportunity, focusing on Small Business Enterprises (SBE).

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Major Program Initiatives

Procurement Services is implementing these current projects:

- Digitalization of most procurement records
- Growth of the Office of Economic Opportunity (Small Business Enterprise) to foster local and small businesses.
- Professional development for all staff and certification for professional staff are prioritized, including direct training from State of Tennessee Procurement and Food Services teams, local customer service training, and active memberships in professional associations with Tennessee Association of Public Purchasing (TAPP) and the National Institute of Governmental Purchasing (NIGP).
- Support for positive changes in Board policy regarding increased bid thresholds will enhance the department's ability to serve schools, academic regional offices, and operational departments, creating opportunities to improve service delivery to schools.
- These changes will allow the implementation of performance measures that align with District goals.

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Strengths & Challenges

Strengths:

- Procurement Services is fully staffed for the first time in many years
- Staff members are dedicated and demonstrate core strengths in the following areas:
- Cost Savings and Negotiation
- Transparency and Strict Adherence to Regulatory Compliance
- Risk Mitigation
- Strategic Sourcing and Planning

Challenges:

- APECS restraints

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Recommendations & Next Steps

Updates to MSCS Policy 2006 – Purchasing Authority:

- Follow State recommended bid dollar threshold of $50,000 from $25,000 to reduce bid times and speed delivery levels to schools and offices for non, emergency and non-proprietary purchases. Per Public Chapter 1016
- Increase threshold for dollar limit on micro purchases from $3,500 to $5,000
- Both recommendations would allow for quicker and more cost-effective procurement of goods and services

Updates to Policy 2010 – Supplier Diversity:

- Align with the current federal laws: Small Business Enterprises vs MWSBE

New Policy:

- Vendor Debarment & Suspension Policy

Thank You!

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Las Escuelas de Memphis-Condado Shelby ofrecen oportunidades educativas y de empleo sin distinción de raza, color, religión, sexo, credo, edad, discapacidad, origen nacional, o la información genética.

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